



Financing Care Systems - Evidence, Gaps, and Policy Options

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The right to care



Care is a fundamental, independent human right

What is the Care Economy?

- The care economy consists of two components

Paid care work, that is, care performed within a household or institution for pay or profit

Unpaid care work, which includes all unpaid services provided by individuals within a household or community for the benefit of its members

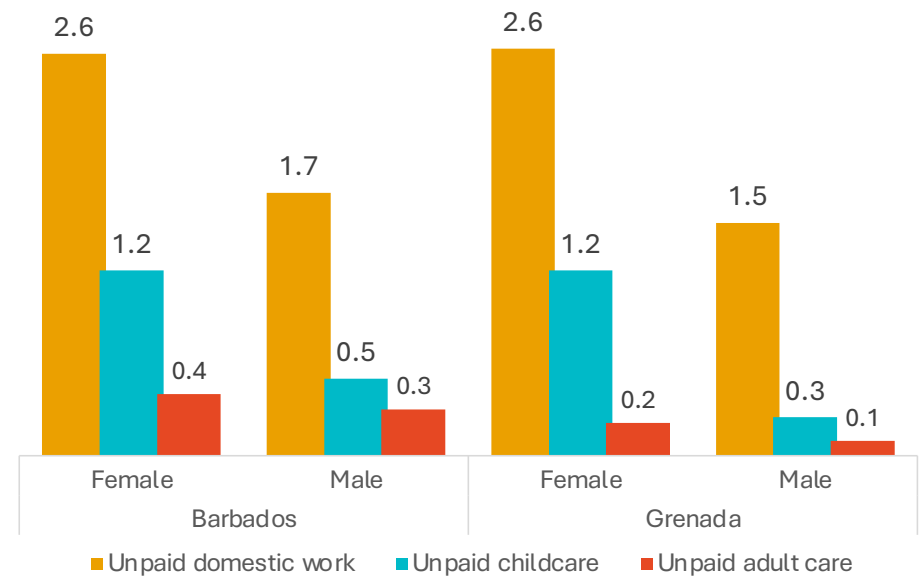
Market failures in the care economy

1. Supply does not respond well to demand (under-provision)
2. The suppliers who do “sell” care often price it beyond the reach of many households
3. Externalities – benefits extend to society (productivity and development)

Consequences of market failures

- Limited access results in significant distributional and equity disparities
 - Low-income households provide more unpaid care
 - Women provide more unpaid care

Average hours spent per day in unpaid carework by sex (Barbados and Grenada)



Why Governments must intervene

- To deal with these market failures, government intervention is necessary
- Governments intervene to ensure universal access
- Care must be treated as a public good with shared responsibility

This session

- Focuses on public investment in care services
- I will share some work done for Dominica, Grenada, St Lucia and St Vincent and the Grenadines that focuses on care for (1) children under 5; (2) elderly persons, and (3) persons with disabilities (PWDs)
 - Accessibility and capacity of public care services
 - Affordability of care services
 - Possible impacts of care coverage gaps
 - Fiscal costs of proposals to increase public investment
- **Note: we will focus on services that provide direct care or support caregiving**

What does public care provision look like in your country?

- For instance, are there:
 - Public childcare for ages 0 to 2 (e.g. government-run day nurseries)?
 - Subsidies/vouchers for children enrolled in early childcare programmes?
 - Public preschools/childcare for ages 3 to 4
 - Government-run adult day care centres?
 - Government-run nursing homes
 - Home-based care services for the elderly or persons with disabilities
 - Special needs schools?

Early childcare services



Government assistance include

(but not limited to)

Dominica

- Subventions to all pre-school centres (USD 555 to 925 per term)

St Lucia

- Annual subventions to some private ECDC centres (USD 12,025 in 2024/2025)
- Roughly USD 37 per term tuition subsidy (introduced in 2025)
- Grants to registered private pre-schools (USD 1,110 per school in 2025)

St Vincent and the Grenadines

- Cash subsidies and in-kind support to private preschools with 15 or more children

Center based early childcare services

(Children under 5)

Dominica (2023/2024)

- Day care centres (0 to 2): 14 non-state providers
- Preschools (3 to 4): 14 public + 43 non-state providers

Grenada

- Day care centres (0 to 2) in 2024: 12 Public + 34 non-state providers
- Preschools (3 to 4) in 2019: 64 public + 40 non-state providers

St Lucia (2025)

- Early childhood development centres (under 5): 26 public + 104 non-state providers

St Vincent and the Grenadines (2024)

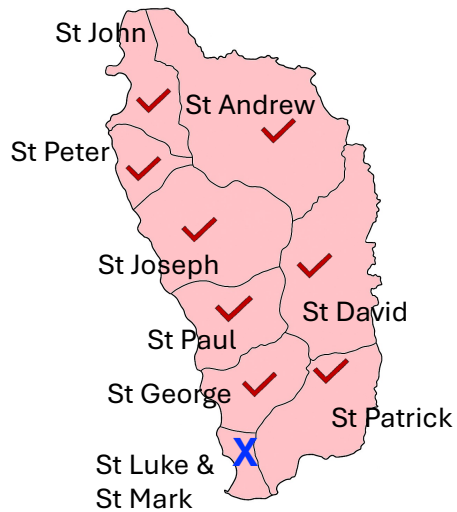
- 17 Public Preschools (3 to 4)
- 81 Non-state day cares and pre-schools

Center based early childcare services: Eligibility and selection processes

- *Entry on a first-come, first-served basis, but vulnerable children given priority*

Locations of public centres

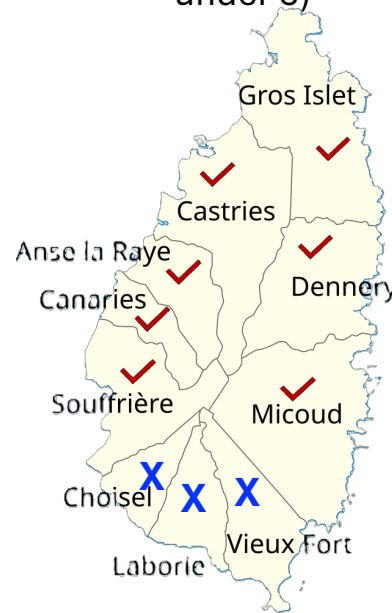
Dominica (Pre-schools – 3 to 4)



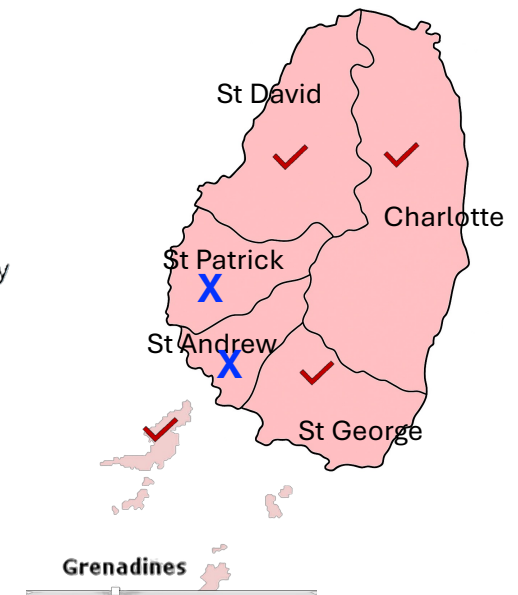
Grenada (Day care centres – 0 to 2)



St Lucia (Early childhood development centres – under 5)

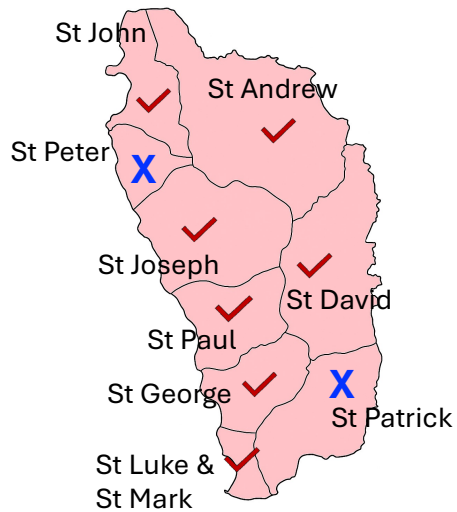


St Vincent and the Grenadines (Pre-Schools – 3 to 4)



Locations of non-state centres

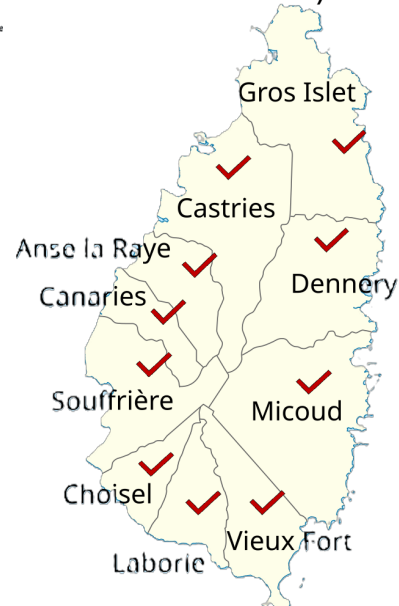
Dominica (Pre-schools – 3 to 4)



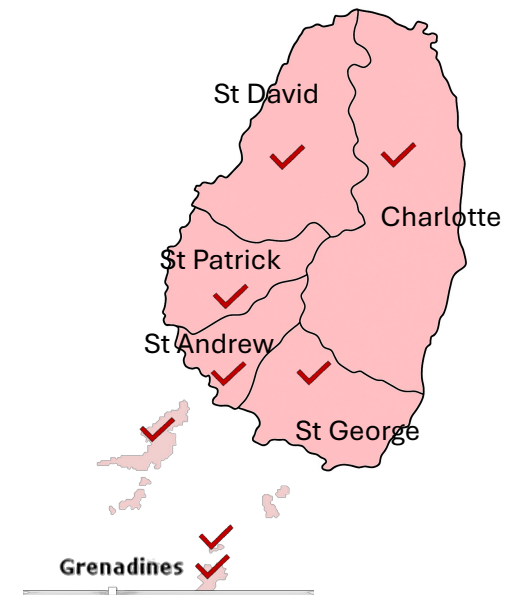
Grenada (Day care centres – 0 to 2)



St Lucia (Early childhood development centres – under 5)



St Vincent and the Grenadines (Pre-Schools – 3 to 4)



Capacity, utilisation and waitlists

(Public centers)

Grenada (2024)

- Day care centres
 - Capacity: 407
 - Coverage: 10.3% of children under 3 or 23.5% of children under 3 living in poverty
 - Utilisation rate: ~ 90% (*)
 - Total Waitlist: 104 children

St Lucia (2025)

- Public ECDCs
 - Capacity: 1094
 - Coverage: 11.1% of children under 5 or 29.6% of children under 5 living in poverty
 - Utilisation rate: ~ 90%
 - Waitlist: 100 children

St Vincent and the Grenadines (2023)

- Preschools
 - Capacity: 738
 - Coverage: 25.2% of children aged 3 to 4 or 72.8% of children aged 3 to 4 living in poverty
 - Utilisation rate: 65.4%

Focus group discussions (SVG)

- Lack of public day nurseries, leading to early reliance on private providers
- Misinformation or lack of clarity around eligibility criteria and operating hours
- Perceptions of lower quality compared to private providers
- Cultural norms and traditional preferences

Capacity and utilisation

(Non-state centres)

Grenada (2024)

- Day care centres:
 - Capacity: 797 (excludes centre associated with the adolescent mother's programme)
 - Private + public = 30.8% of children aged 0 to 2
 - Utilisation rate: 74.8%

St Lucia (2025)

- ECDCs
 - Capacity: 4,545
 - Private + public = 57% of children under 5
 - Utilisation rate: 72%

St Vincent and the Grenadines (2023)

- Preschools + Day nurseries:
 - Capacity: 3870
 - Utilisation rate: roughly 65%

Enrollment (Dominica)

Public preschools

- 16 percent of children aged 3 to 4 were enrolled in public preschools

Non-state preschools

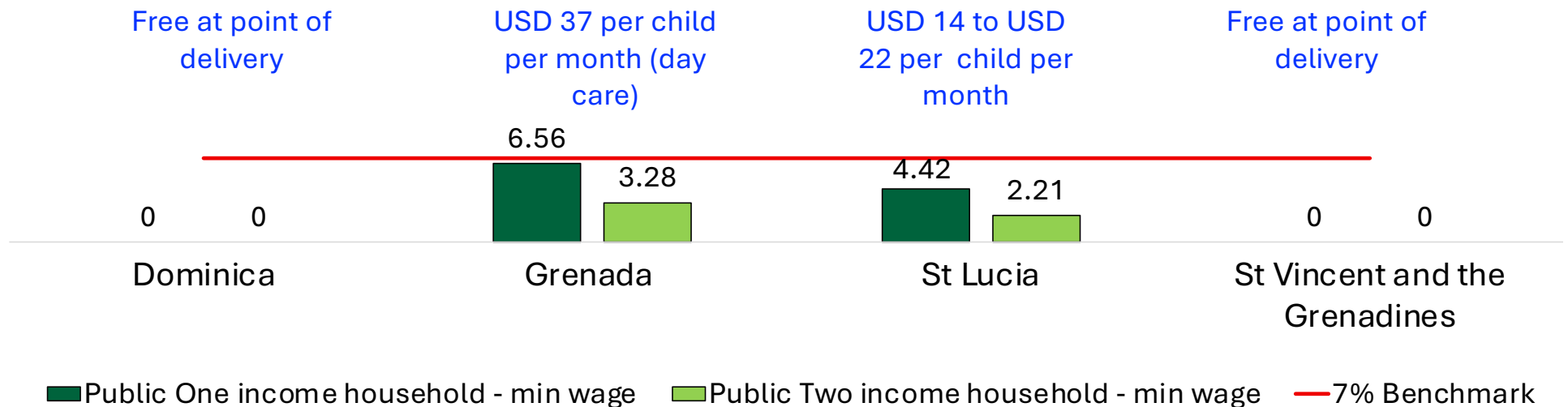
- 14.6 % of 3 to 4 year olds were enrolled in pre-schools operated by religious groups
- 19.5% of 3 to 4 year olds operated by private entities

Non-state day nurseries

- 15.3% of children aged 0 to 2

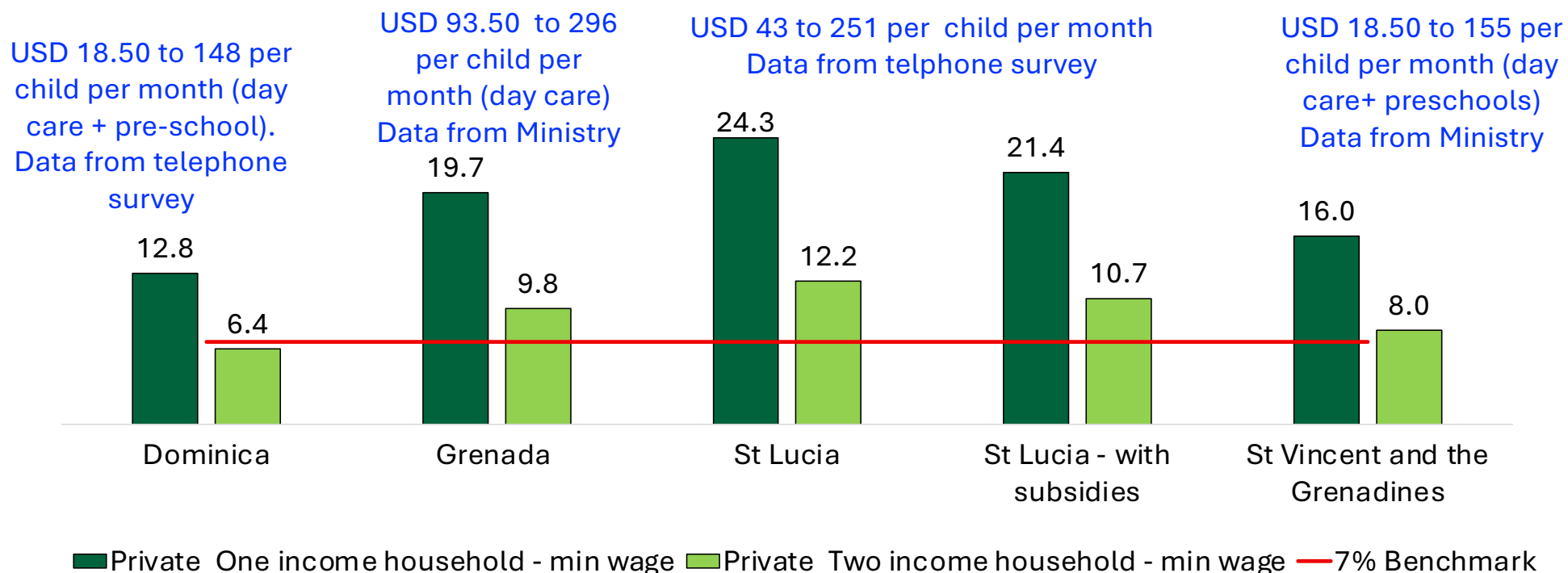
Affordability of public childcare centres

(per child cost)



Affordability of non-state childcare centres

(per child cost)



Rovers care giver programmes

- Present in Dominica and Grenada
- Provides home-visiting support to families with young children to ensure quality care
- Parent/guardian must be present
 - Does not create sustained time relief, and does not substantially reduce or redistribute unpaid caregiving responsibilities
- Fills gaps in the broader early childhood ecosystems

Roving care givers programme

Dominica



Run by Early Childhood Unit (Ministry of Education)

31 beneficiaries and 4 rovers in 2024

Two parishes – St Andrew and St David

Grenada



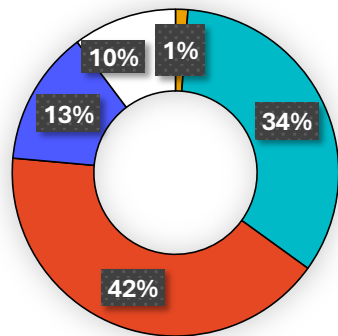
Run by GrenCase; Government main source of funding

5,659 beneficiaries and 76 rovers in 2024

All parishes on mainland

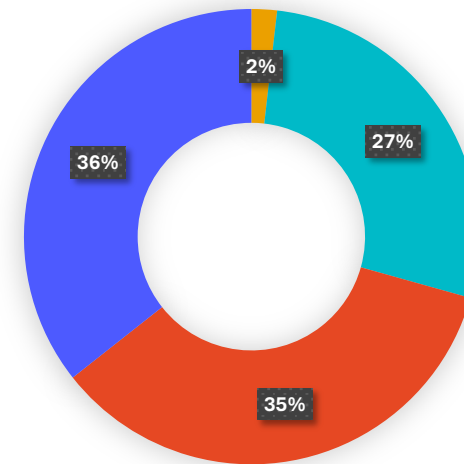
Budget allocation to early childhood care and education (2025/2026)

Dominican Ministry of Education



■ Pre-primary ■ Primary ■ Secondary ■ Post Secondary Education ■ Other

St Lucian Department of Education



■ Early Childhood Services ■ Primary Education
■ Secondary Education ■ Other

Elderly care



Home care programmes

Vulnerable elderly persons, but also extended to younger persons (for instance PWDs) in need

Dominica

- Government run
- Beneficiaries: 81 men and 78 women in 2023/2024
- Operating hours: 8:00 am and 4:00 pm, Mon to Fri
- Reached 6 of the 10 parishes

Grenada

- Implemented through GrenCase; funded by Gov
- Beneficiaries: 3689 persons
- Operating hours: Mon to Friday, 9 am to 2 pm
- All parishes on main island

St Lucia

- Implemented through SSDF. Funded by Gov
- Beneficiaries: 1200
- Waitlist: ~ 200
- Operating hours: Mon to Fri, 8am to 4pm. Expanded to include weeks
- Island wide

St Vincent and the Grenadines

- Government run
- Beneficiaries: 163 men and 215 women in 2024;
- Operating hours: 9am to 3 pm Mon to Fri

Public intervention: nursing homes

Target: older persons in poverty who cannot care for themselves and no care support

Dominica

- Dominican infirmary
 - Owned by FBO; Gov assistance covers core costs
 - No fixed fee (pay what you can)
 - Capacity: 93 to 94 residents (5.9% of elderly living in poverty)
 - Long wait lists

Grenada

- Richmond Home for the Aged
 - Government run
 - Free at the point of service delivery
 - Capacity: 80 (2.2% of persons living in poverty)
 - Long wait lists

St Lucia

- Comfort Bay
 - Government run
 - Free at the point of service delivery
 - Capacity: 68 to 70 persons (1.7 % of elderly living in poverty)
 - Long wait lists

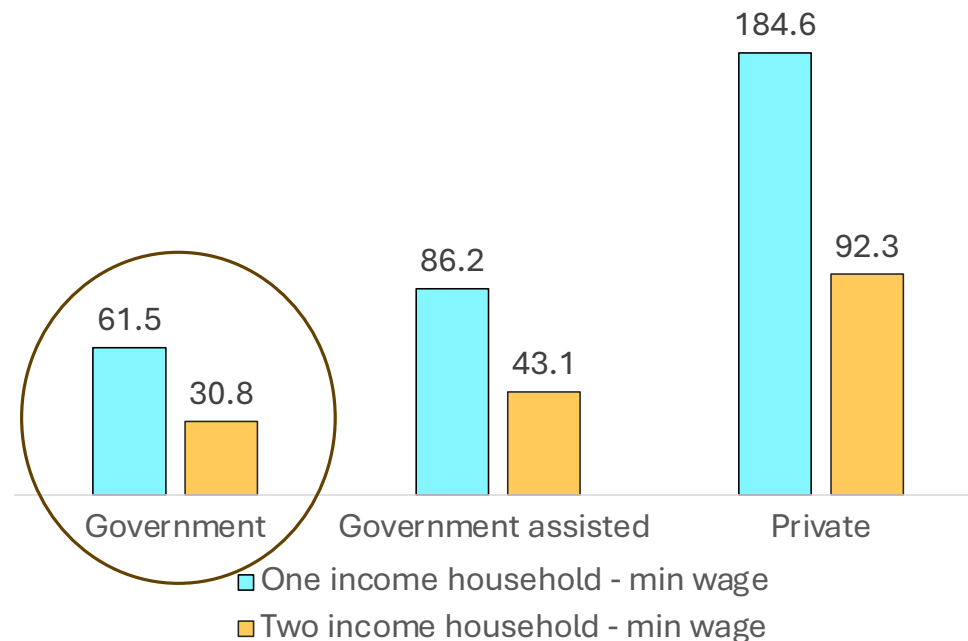
St Vincent and the Grenadines

- Lewis Punnet Home
 - Government run
 - Free at the point of service delivery
 - Capacity: 70 persons (3.7% of persons living in poverty)
 - Long wait lists (placement in private home where possible)

Grenada....

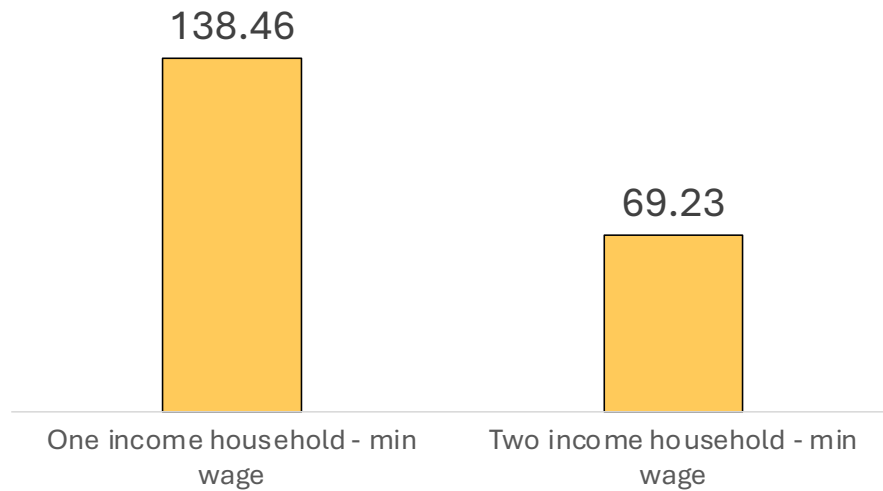
- In addition to the Richmond home
 - Three government-supported homes (managed by government-appointed boards and associated management teams)
 - Fees ranging from USD 296 to 555 per month (based on functional status and ability to contribute financially)
 - Waitlists..

Median price as a percentage of minimum wage

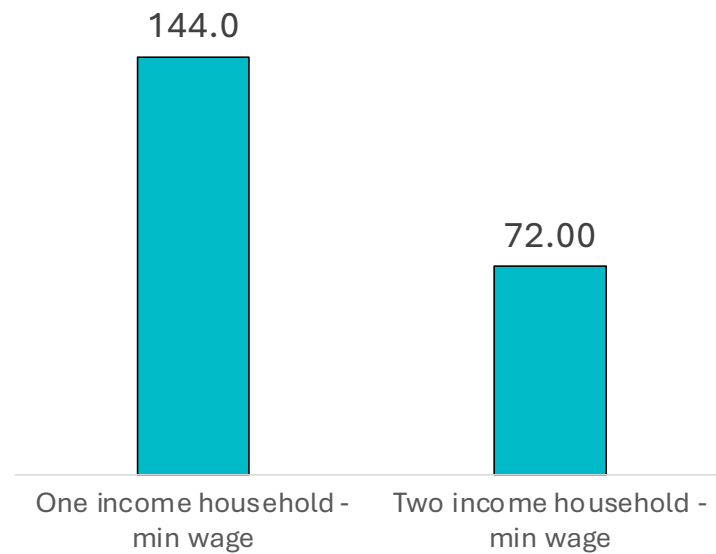


Costs of private care also high in Dominica and SVG

Median price as a percentage of minimum wage (Dominica)



Median price as a percentage of minimum wage (SVG)



Affordability of private nursing homes in SLU

- Private care homes: Discussions with government officials suggest that prices generally range from USD 444 to 925 per month, generally above the minimum wage, even at the lower end!

-
- Think about the minimum wage in your country and the cost of private institutional care for elderly persons (nursing homes). Is it affordable for persons earning a minimum wage?

Other public interventions

Dominica

- Subventions to NGOs

Grenada

- Provides subsidies to some homes (most of which are run by non-profit organisations)
- Subventions to NGOs

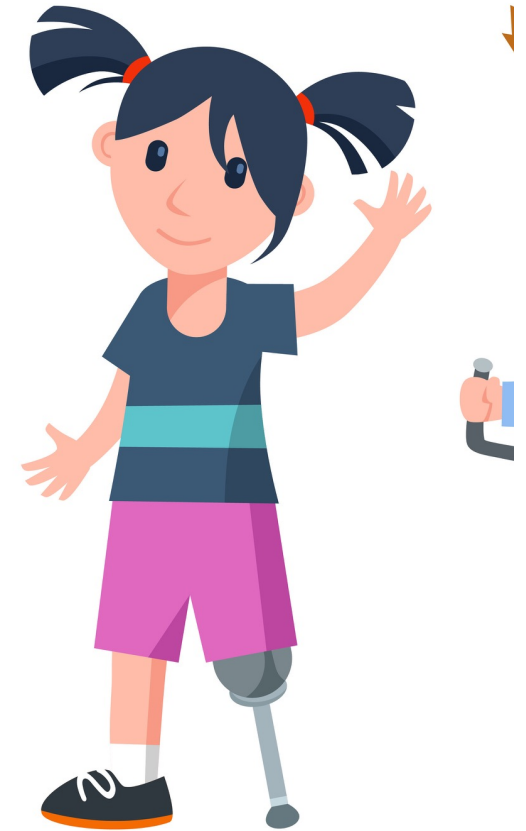
St Lucia

- Two government-supported adult daycares (price for public: ~ USD 148 per month)
 - *Forthcoming:* Government-run adult day care
- Quarterly subventions to non-state homes
- Subventions to NGOs

St Vincent and the Grenadines

- Subvention to the Golden Years Activity Centres (open Tue to Thurs, 9 to 3; fee for the public: USD 1.85 per week)
- Mobile Vincentian Empowerment Service (MOVE)
- Subventions to NGOs

Care for persons with disabilities



Special needs education

All operate at the primary/secondary school level

Dominica

- Children with intellectual disabilities are catered for by two institutions (Government support)

Grenada

- Three government run schools
- Enrollment: 167 in 2021/22 (64% boys)

St Lucia

- 5 public-run/assisted institutions operating
- Enrollment: 339 in 2019/20 – 62% boys

St Vincent and the Grenadines

- 2 Government owned + 1 Government assisted
- Enrollment: 98 in 2023/23 (67% boys)

Other care interventions

Dominica

- Some help through the Yes we care
- Subventions to NGOs that support PWD

Grenada

- Some help through geriatric caregiver and roving caregivers programmes
- Subventions to NGOS that support PWDs

St Lucia

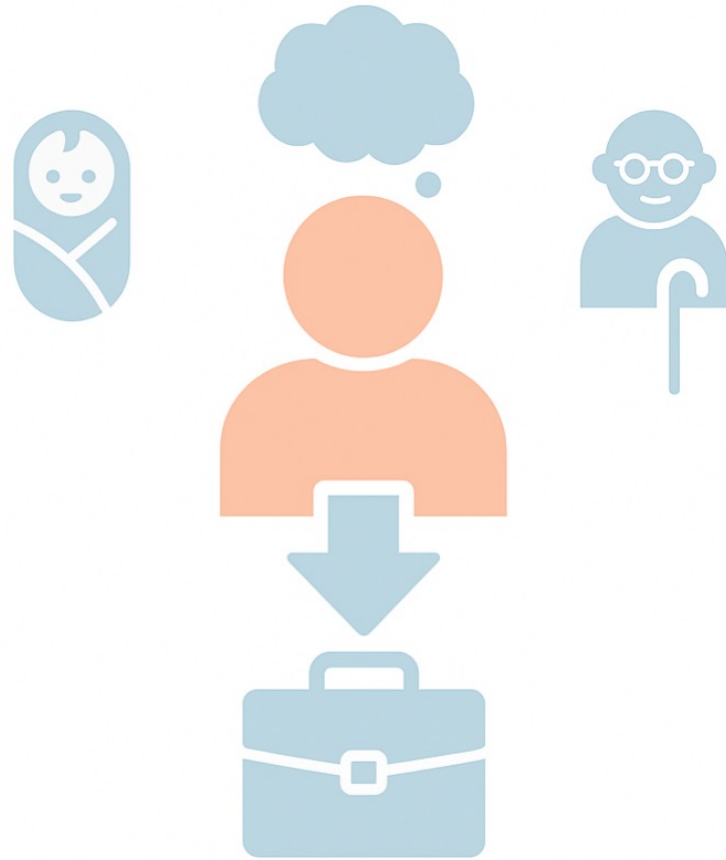
- Some Home help
- Subventions to NGOS that support PWDs

St Vincent and the Grenadines

- Some home help
- MOVE
- Subventions to NGO that support PWDs
- National Disability registry services and assessments
- Therapeutic interventions for PWDS

Taken together: findings suggest a care gap. Significant care pressures will likely be met by unpaid care work. This has serious implications for the labour market!

Care pressures and labour market outcomes



In homes with a young child...



	DOM	GRE	SLU
Labour force participation	n.s.	n.s.	↑
Paid employment	n.s.	↑	↑
Income	n.s.	n.s.	n.s.



	DOM	GRE	SLU
Labour force participation	n.s.	n.s.	↓
Paid employment	↓	↓	n.s.
Income	n.s.	↑	↓

In homes with a PWD...



	GRE
Labour force participation	↓
Paid employment	n.s.
Income	n.s.



	GRE
Labour force participation	↓
Paid employment	n.s.
Income	↓

Further public intervention in the market is necessary to attain universal access to care and to also reduce the impact of care pressures on the labour market

Suggestions for scaling up public investments and their fiscal costs

Subsidies or
vouchers to
parents/guardians
(access private
care)

Universal access
scenarios:
**All less than 1% of
GDP**

Targeting children at
or below poverty
line:
**All less than 0.5%
of GDP**

Care allowances
(universal access with
full minimum wage
replacement)

Early childcare
scenarios:
**0.6 percent of GDP
to 1.3 percent of
GDP**

Elderly care
scenarios:
**1.4 percent of GDP
to 2.4 percent of
GDP**

Care for PWDs
scenarios:
**0.4 percent of GDP
to 2.4 percent of
GDP**

Care allowances
(universal access with
50% of minimum
wage)

Early childcare
scenarios:
**All less than 0.8
percent of GDP**

Elderly care
scenarios:
**All less than 1.2
percent of GDP**

Care for PWDs
scenarios:
**All less than 1.2
percent of GDP**

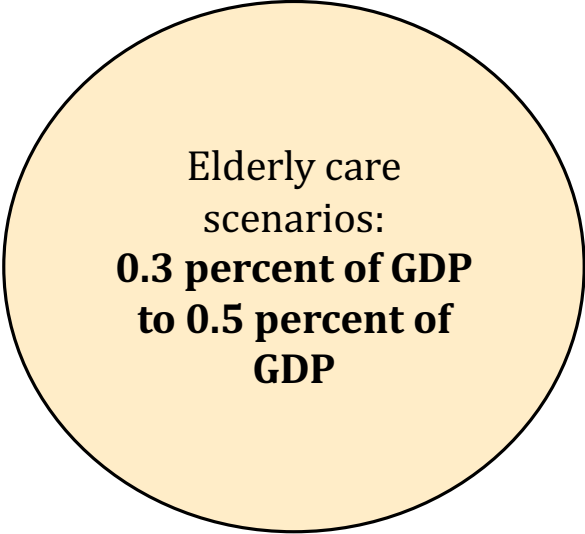
Care allowances
(targeting persons
living at or below
poverty line with 50%
of minimum wage)

Early childcare
scenarios:
**All less than 0.4
percent of GDP**

Elderly care
scenarios:
**All less than 0.3
percent of GDP**

Care for PWDs
scenarios:
**All less than 0.3
percent of GDP**

Respite care services
(Universal scenarios)



Elderly care
scenarios:
**0.3 percent of GDP
to 0.5 percent of
GDP**



Care for PWDs
scenarios:
**0.1 percent of GDP
to 0.5 percent of
GDP**

Respite care services
(Targeting persons
living at or below the
poverty line)

Elderly care
scenarios:
**All less than 0.2
percent of GDP**

Care for PWDs
scenarios:
**All less than 0.2
percent of GDP**

Other possible interventions – Not costed

- Policy and Economic Measures
 - Introduce pension credits for unpaid caregivers to protect long-term retirement income.
 - Provide tax incentives for employer-based childcare (Sandals in St Lucia)
 - Establish cost-sharing mechanisms, such as long-term care insurance (similar to models in Japan and Germany).
 - Set affordability targets
 - Nursing homes: target fee \leq 30% of minimum-wage income
 - Early childcare centres: target fee \leq 7% of minimum-wage income
 - Adult day care centres: target fee \leq 7% minimum-wage income
 - Promote flexible and inclusive work arrangements. That is, encourage employer policies that accommodate unpredictable and high-intensity care needs.

Other possible interventions – Not costed

- Programmes and Service Delivery
 - Expand affordable care services through non-profit partnerships.
 - Establish caregiver counselling services and support groups to reduce caregiver stress and burnout.
 - Develop independent living facilities with access to integrated care services

Benefits of investing in care often outweighs the costs in the long run

- Economic and social returns to increased public investments
 - Job creation in the care economy and indirect employment effects in other related sectors, through their multiplicative linkages to the care sector
 - Increased opportunities for caregivers of employable age to pursue employment
 - Increased household incomes
 - Reductions in poverty
 - Increase household consumption
 - Increases in economic growth
 - Increases in tax revenues through higher incomes and consumption
 - Reductions in gender inequalities...

In the short run

- In the absence of sufficient funds in the short-run, partial, targeted or phased expansions should be considered
- Budget reviews would be necessary
- Decisions about care expansion are inherently fiscal decisions, requiring prioritization within national budgets
- National care policy needed!

The question isn't whether governments can afford to provide care – it's whether they can afford not to.