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**MEDIA RELEASE**

## **Investing in care economy crucial for Malaysia's economic and social progress**

**KUALA LUMPUR:** According to the Institute of Strategic & International Studies (ISIS) Malaysia, valuing the unpaid care work produced in Malaysian homes everyday would contribute RM379 billion to the nation's GDP – representing the largest economic sector after manufacturing.

In response to an imminent surge in care needs as Malaysia's population ages, the premier think-tank's latest policy paper on 'Building a cradle-to-grave care economy for Malaysia', launched here today, highlights the urgent need for increasing public investment to build a robust care economy.

Speaking at the launch, Datuk Prof Dr Faiz Abdullah, chairman of ISIS Malaysia, said: "The development of a cradle-to-grave care economy aligns closely with the inclusive growth ideals of the Madani Economy framework.

"Policies that help to meet growing care needs will work to drive economic growth as Malaysia becomes a high-income nation in the coming years. Without significant policy changes and public investment in laying the foundations of a robust care economy, Malaysia stands to lose out on potential economic growth and forego gains in social inclusion and gender equality."

Providing one of the first estimates on the GDP value of unpaid care and domestic work in a Malaysian context, the policy paper indicates that removing care constraints could enable the 3.2 million workers in Malaysia – 98% of whom are women – greater freedom to work, potentially boosting GDP growth by 4.9% in 2022 alone.

The paper outlines the barriers to the formation of an equitable care economy and recommends four key areas for immediate action: integrating social care into the social-protection framework; investing in community-based care infrastructure and services; establishing policy and governance frameworks; as well as instituting a gender-sensitive approach to care.

The paper is authored by researchers from ISIS Malaysia and Women's Aid Organisation (WAO), with contributions from Universiti Malaya's Social Wellbeing Research Centre (SWRC) and the Malaysian Association of Social Workers (MASW). Research findings are a result of insights and discussions from ISIS Malaysia's PRAXIS 2023 conference held last October, supported by Konrad-Adenauer-Stiftung and endorsed by the United Nations Population Fund (UNFPA).

"Malaysia's ongoing development of a national framework for a care economy must take into account the centrality and criticality of care to the basic functioning of our society as a whole" said UN Population Fund (UNFPA) Malaysia assistant representative Tengku Aira Tengku Razif during the panel discussion. "Care work must be recognised and valued in our national policies and accounting. However, developing a robust care economy is not a task the government should take on alone. A whole-of-society approach is needed, with the provision of care shared across government, markets and families – and between genders."

The policy paper is a call to action for policymakers, stakeholders and the public to recognise and address the urgent need to invest in a robust care economy that supports Malaysian women, families and workers. The full policy brief is available on ISIS Malaysia's website via <https://www.isis.org.my/2024/06/12/building-a-cradle-to-grave-care-economy-for-malaysia/>.

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