



East Asia & Pacific
Gender



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Childcare and Women's Labor Market Outcomes in Lower- and Middle-Income Countries: A Policy Brief

HIGHLIGHTS

- Collective findings of 22 studies from low- and middle-income countries provide strong evidence that increasing access to childcare can improve maternal labor market outcomes.
- Childcare hours that accommodate women's work schedules and the location of the childcare center are important features for maximizing mothers' labor force participation.
- Mothers who simultaneously work and childmind (as in rural settings and informal self-employment) benefit from childcare in the form of improved productivity.
- Provision of childcare may need to be complemented with other policy tools (e.g., longer parental leave) to ensure attachment to labor market when children are very young.
- Lack of job opportunities or lack of skills that match available work opportunities may prevent women from utilizing available childcare services.

DOES INCREASING ACCESS TO CHILDCARE IMPROVE WOMEN'S LABOR MARKET OUTCOMES IN THE DEVELOPING WORLD?

Twenty-two studies from lower- and middle-income countries rigorously tested if an increase in access to childcare improved mothers' labor force participation or earnings¹. All but one study found at least some positive impact on mothers' labor force participation and related

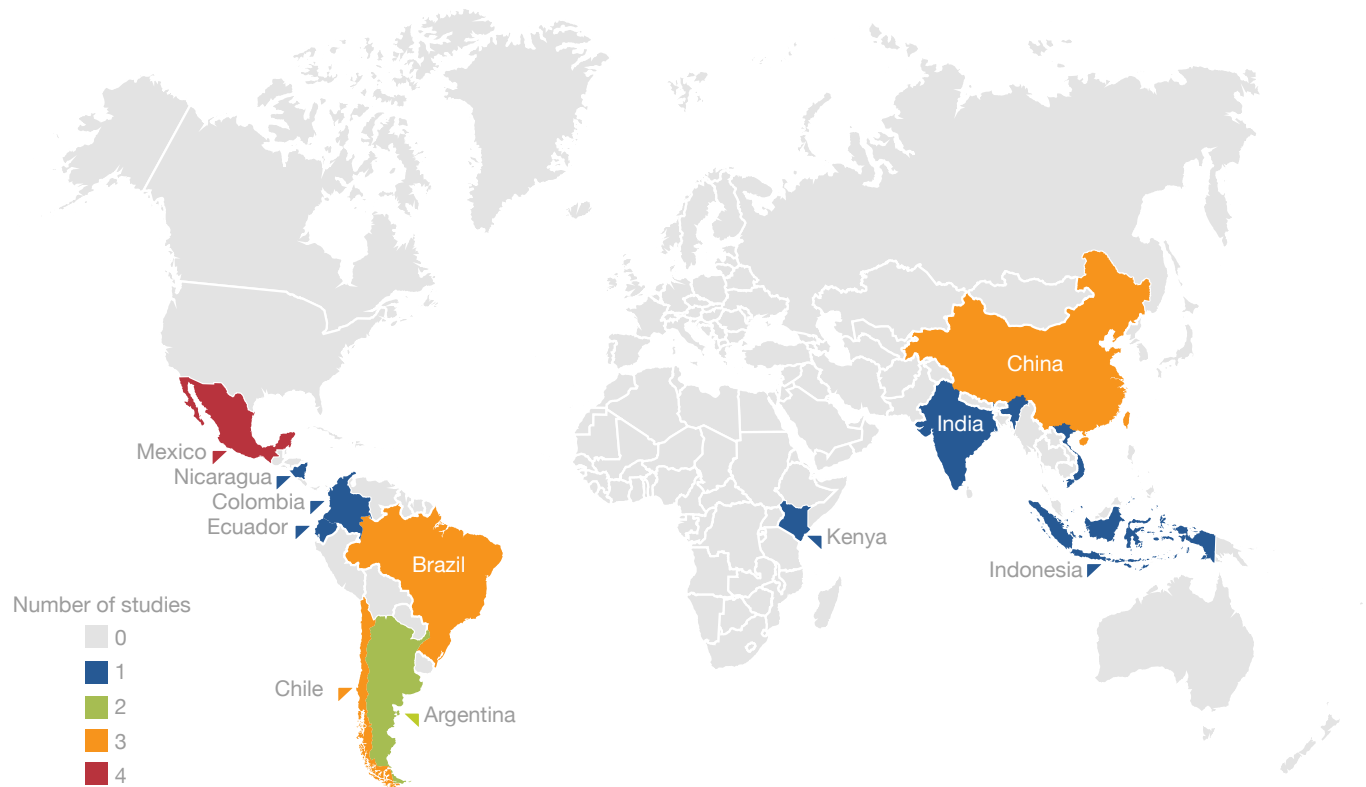
EAST ASIA AND PACIFIC GENDER INNOVATION LAB

The East Asia and Pacific Gender Innovation Lab (EAPGIL) carries out impact evaluations and inferential research to generate evidence on what works in closing gender gaps in assets, economic opportunities, and agency, and how closing these gaps can help achieve other development outcomes. Ultimately, EAPGIL seeks to increase the welfare of women and men in East Asia and the Pacific by promoting the uptake of effective policies and programs identified based on evidence.

¹ For the full review, please refer to: Halim, Perova, and Reynolds (2021), available on: <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/450971635788989068/childcare-and-mothers-labor-market-outcomes-in-lower-and-middle-income-countries>

CAUSAL STUDIES ON CHILDCARE & MOTHER'S LABOR FORCE OUTCOMES

From Lower and Middle-Income Countries



outcomes resulting from access to care, an increase in care hours, or a reduction in the cost of care. The results of this review are encouraging; childcare can help improve female labor market outcomes in low- and middle-income countries.

IN SETTINGS WHERE FEMALE LABOR FORCE PARTICIPATION IS ALREADY HIGH, CAN CHILDCARE IMPROVE PRODUCTIVITY AND WELFARE OUTCOMES?

Many impoverished women work to support the family while simultaneously caring for children. Some agriculture work can be done with babies on the back or toddlers playing nearby. Similarly, some informal sector labor such as food preparation and street vending can be done while childminding. The possibility of multitasking in this type of work raises the question of the effectiveness of childcare in impacting mothers' employment outcomes. Evidence from Colombia [1] suggests that increasing rural mothers' access to childcare improves their labor market outcomes beyond participation, increasing the number of hours women work.. Mothers in rural environments value childcare even though agricultural labor is feasible simultaneously with taking care of their children.

Studies from urban contexts where many mothers participate in the informal sector also show that childcare improves women's

work or welfare outcomes. In Vietnam, where over 90% of mothers worked [2], there was no increase in employment, but public provision of childcare increased mothers' formal or wage-earning employment and reduced poverty. In Kenya, single mothers benefitted from childcare by working fewer hours without any loss to their earnings [3].

WHAT ELEMENTS OF CHILDCARE DESIGN MAXIMIZE MATERNAL PARTICIPATION IN THE LABOR FORCE?

Care availability and consistency. Many government programs have waitlists for childcare, indicating a large unmet demand. Local organization can be a solution to such scarcity: Colombian parent groups select a local mother and pay her a small monthly fee, which may be subsidized by the government. In rural areas in Colombia, there was not always enough local children to form a pod of sufficient size for the government subsidy [1]. This uncertainty about supply of childcare is challenging for mothers' employment.

Childcare hours. Hours that correspond to women's workdays allow for mothers to be fully employed. Though

the goal of childcare—especially school-based childcare (e.g. preschools)—is often thought of as primarily educational or for early childhood development, they can also free mothers from care duties. However, childcare hours are not always as long as a full workday. Childcare policy that seeks to support mothers' employment must address this discrepancy in length of the school day and a typical workday. Moreover, non-educational after-school care may also be considered as a complementary extension to primary schools or preschools.

Childcare location. Proximity of childcare to the home or work helps reduce time and travel costs of childcare. Although childcare at work has some clear advantages for working mothers (the possibility of seeing their children during breaks, no extra time needed on the commute to stop at a childcare center, the length of childcare aligned exactly with work), these need to be balanced with health and cultural considerations around having children at the work environment and on the commute. In cases when the governments mandate the provision of childcare, it is important to ensure that the requirement is linked to total number of employees, not the number of female employees so as not to discourage the hiring of women.

Cost and quality of childcare. Demand for childcare is likely determined by both cost and quality of childcare. All 22 papers in our review studied low-cost childcare options². One study, looking at the phasing-out of publicly provided childcare and the transition to commercial-based programs, shows reductions in childcare enrollment and mothers' employment [4]. While none of the studies reviewed looks into the quality of childcare, qualitative interviews suggest that low quality discourages women from enrolling their children in childcare services [5].

WHAT FACTORS BESIDES CHILDCARE AVAILABILITY INFLUENCE MATERNAL LABOR FORCE ENTRY AND WHAT DO THEY IMPLY FOR POLICY?

In the 22 studies reviewed, the increase in mothers' labor supply was always smaller than the increase in childcare provision. For example, in slums in Brazil [6] and Kenya [3], being allocated childcare resulted in an increase in the probability of maternal employment by 10% and 17%, respectively. That maternal employment does not perfectly align with childcare provision indicates additional factors are at play related, for example, to mothers' preferences and social norms, family circumstances, or local labor market conditions.

Preference for maternal care of very young children. There may be a strong social norm for maternal care when children

are very young. In addition, relatives may refuse impromptu care for an infant who cannot go to childcare when they become ill (and younger children have more fragile immune systems than older children), while they would be willing to do it for an older child. This stigma (where mothers are socially ostracized for utilizing childcare services) or lack of back-up care may drive women out of labor market completely. Additionally, infant care is generally more intensive than preschool care, so it is provided at a higher cost. For example, in São Paulo, Brazil, the child-to-instructor ratios must be 7 or less for children younger than 2 years while children age 4 years and older can be in classrooms of up to 25 students [8].

Policy recommendation: If the primary policy goal of childcare provision is to increase maternal labor force participation, focusing on older children will likely be most fruitful. Other policies to support mothers' connection to the labor force during their children's infancy may be necessary, such as longer periods of parental leave and/or flexible work options. For example, Mexico, Thailand, and Tanzania have voluntary contribution schemes for self-employed and casual or temporary workers to enable access to maternity leave benefits [6].

Mothers already solved the childcare problem with relative care. Some mothers do not need to rely on institutional care because other family members already provide care for their children. In the worst-case scenario, these are siblings who may miss out on school or other opportunities. More commonly, grandparents provide informal care to young children, allowing the mother to work. In these cases, providing institutional childcare may enable grandmothers to participate in the labor force.

Policy recommendation: Governments should consider the benefits of childcare on other household members: prolonging human capital accumulation of older sisters and labor market participation among grandmothers, which may be important in aging societies.

Wages are too low to entice mothers to work. Finally, several studies indicated that women took advantage of childcare but did not begin working. In lower-income settings, women's earnings may still be quite low—so they cannot afford help or outsource domestic work with the earnings if they were

² 12 papers investigated childcare as part of the (heavily-subsidized) public school system; 3 papers looked at freely-provided childcare, 1 at voucher-subsidized childcare, 1 at employer-provided childcare, and 5 at childcare services specifically targeting low-income households or areas.

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otherwise engaged in market work—particularly when considering the amount of domestic work that may remain if women live in contexts without domestic appliances and amenities. Mothers' entry into the labor market, if not accompanied by changes in attitude or distribution of household and childcare responsibilities, might mean that women end up shouldering a double responsibility of labor market and household work, which may be difficult to balance.

Policy recommendation: More and better job creation for women, such as through entrepreneurship or training programs, should be provided in tandem with childcare. Additionally, programs are needed to encourage gender equality within the home and to ease tensions around women taking on the provider role;⁴ to expand access to labor-saving technologies (e.g. modern cooking technology) and better infrastructure (e.g. piped water) reducing time on domestic work.

CONCLUSIONS

Research from developing countries finds overwhelmingly that childcare provision improves maternal labor force outcomes. This finding highlights that childcare policy benefits mothers' labor market engagement in addition to supporting early childhood development outcomes (especially among disadvantaged and vulnerable children), benefits already well-documented in the literature. The studies reviewed here were carried out in a variety of countries and included a number of different types of childcare models. Even in locations where many women combine work outside the home with minding their children, childcare is found to improve mothers' productivity or welfare. However, for childcare to be most conducive to maternal labor force participation and to improve maternal productivity, policy makers must take into account mothers' preferences, social norms, and the nature of the labor market in order to optimally design childcare services.

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3 For example, Equimundo offers programs which promote men's caregiving and active fatherhood to encourage equitable gender roles: www.equimundo.org