



TOWARD AVAILABLE, AFFORDABLE, AND QUALITY CHILDCARE IN LATIN AMERICA AND THE CARIBBEAN

Recognizing that childcare services can have a positive impact on women’s economic inclusion, *Women, Business and the Law* presents a novel and comprehensive pilot dataset on regulatory frameworks around the availability, affordability, and quality of childcare services in 95 economies around the world. In Latin America and the Caribbean, data was collected in 17 countries (Table 1). The new data is a stepping-stone toward facilitating and informing policy dialogue around key demand- and supply-side avenues that limit or facilitate formal provision of childcare services, their affordability, quality, and uptake by parents. Pilot data presents a framework showing a range of options that governments can support to meet the needs of working mothers and families even though international best practice frameworks have yet to be established.

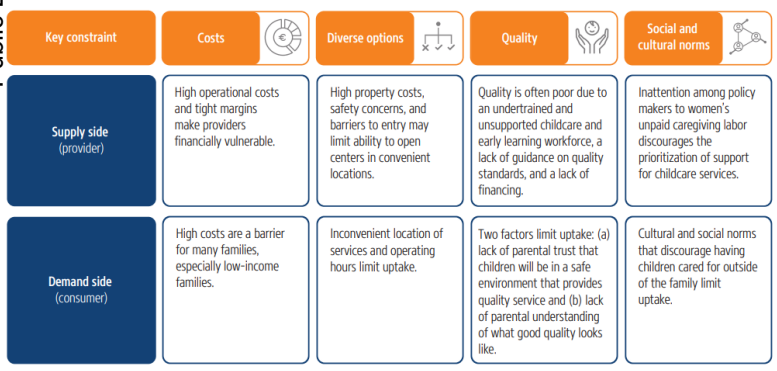
Even when available, the provision of formal childcare does not always guarantee its uptake because supply- and demand-side constraints, including convenience of services, costs, quality, and social and cultural norms, limit potential benefits (Figure 1).

TABLE 1: COUNTRY COVERAGE AND KEY INDICATORS

Economy coverage	Income group	Main business city	Labor force participation rate, female (% of female population ages 15+)	Paid leave for mothers (calendar days)	Paid leave for fathers (calendar days)
Argentina	UMI	Buenos Aires	43.2	90	2
Bahamas, The	HI	Nassau	49.5	84	0
Barbados	HI	Bridgetown	48.7	84	0
Belize	LMI	Belize City	38.2	98	0
Bolivia	LMI	La Paz	42.6	90	3
Brazil	UMI	São Paulo	42.7	120	7
Chile*	HI	Santiago	41.1	210	7
Colombia	UMI	Bogota	41.2	126	14
Ecuador	UMI	Quito	40.5	84	14
Mexico	UMI	Mexico City	38.1	84	7
Nicaragua	LMI	Managua	37.9	84	7
Panama	UMI	Panama City	40.5	98	3
Paraguay	UMI	Asunción	40	126	14
Peru	UMI	Lima	44	98	14
Puerto Rico (US)	HI	San Juan	42.4	56	0
Suriname	UMI	Paramaribo	40.1	112	8
Trinidad and Tobago	HI	Port of Spain	46.7	98	0

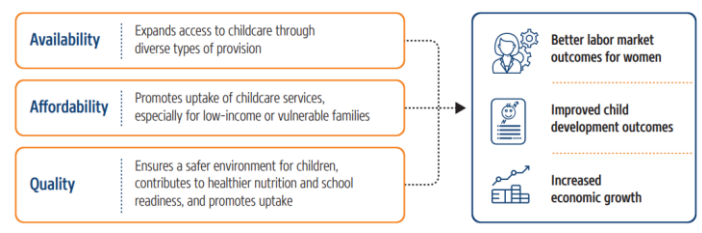
Sources: *Women, Business and the Law 2022* and World Development Indicators 2021. *Chile is formally classified as OECD high income but included in the Latin America and the Caribbean for purposes of this brief.

FIGURE 1: KEY CONSTRAINTS IN THE CHILDCARE MARKET



Sources: Devercelli and Beaton-Day 2020; Muller and Jaen 2020.

FIGURE 2: THE THREE PILLARS OF CHILDCARE



Source: *Women, Business and the Law 2022*.



International law has long recognized that working parents need access to outside childcare and has called for making childcare facilities more readily available.

1976

The **Convention on the Elimination of All Forms of Discrimination against Women** calls for establishing and developing a network of childcare facilities to enable parents to combine family obligations with work responsibilities.

1981

The **International Labour Organization's Convention on Workers with Family Responsibilities No. 156** calls for measures to develop or promote childcare services to enable equality of opportunity for working men and women.

1989

The **Convention on the Rights of the Child** mandates that "States Parties" ensure that children of working parents have the right to benefit from childcare services and facilities for which they are eligible.

2019

The **European Union** passes a new directive encouraging the use of funds to ensure a sufficient supply of high-quality, affordable childcare services and to help achieve better work-life balance and more equally distributed care responsibilities.



AVAILABILITY

In the Latin America and the Caribbean region, laws regulate the provision of childcare services for children below the formal preprimary school starting age in 14 out of 17 examined economies. In nearly all the economies in the region, the law provides that these services be available at the birth of the child. In Argentina, services become available slightly later, when the child is 45 days old. Gaps exist in Belize, Bolivia, and Nicaragua, where no regulatory frameworks exist for childcare services for children below preprimary school starting age. In the case of Bolivia and Nicaragua, this is compounded by the fact that the length of paid maternity leave does not meet the ILO standard of 98 days (Figure 3). Early provision of childcare is a particular necessity for mothers not receiving paid maternity leave or when paid maternity leave ends to avoid a care gap that can hinder women’s ability to join the labor market.

In 11 out of 17 economies in the region, the law regulates both public and private childcare services, thus promoting diverse provision and increasing options for parents. In two economies in the region – Ecuador and Trinidad and Tobago – the law regulates childcare services provided in private centers only. In six economies, the law mandates employers to provide or support childcare for their employees’ children: Argentina, Brazil, Chile, Ecuador, Panama, and Paraguay. In Ecuador and Paraguay, this mandate is triggered by the number of employees regardless of their sex. In Argentina, Brazil, Chile, and Panama, however, the mandate for employers is triggered by the number of female employees, which can be a disincentive for employers to hire women.

To ensure convenience of services, childcare laws may regulate the hours of operation that should at minimum accommodate the needs of parents working full-time. However, hours of operation remain vastly unregulated across Latin America and the Caribbean. Brazil is the only economy mandating minimum operating hours while Argentina, Brazil, Paraguay, Peru, and Suriname allow for some flexible options, including the possibility to extend hours or adjust them to the needs of parents (Figure 4).

FIGURE 3: LEGISLATION GOVERNING PROVISION OF CHILDCARE SERVICES IN LATIN AMERICA AND THE CARIBBEAN

Economy	Earliest age at which childcare services are available	Preprimary school starting age	Public provision*	Private provision*	Employer provided or supported
Argentina	45 days	3	✓	✓	✓
Bahamas, The	at birth	3		✓	
Barbados	3 months	3	✓	✓	
Belize		3			
Bolivia		4			
Brazil	at birth	4	✓	✓	✓
Chile	at birth	4	✓	✓	✓
Colombia	at birth	3	✓	✓	
Ecuador	at birth	3		✓	✓
Mexico	at birth	3	✓	✓	
Nicaragua		3			
Panama	at birth	4	✓	✓	✓
Paraguay	at birth	4	✓	✓	✓
Peru	at birth	3	✓	✓	
Puerto Rico (US)	at birth	3	✓	✓	
Suriname	at birth	4	✓	✓	
Trinidad and Tobago	at birth	3		✓	

Source: *Women, Business and the Law 2022*. Note: *public and private provision includes care services provided in center-based settings.

FIGURE 4: REGULATION OF OPERATING HOURS

Economy	Minimum required hours	Flexible options available
Argentina	Unregulated	Public centers may extend hours of operations beyond class hours.
Brazil	At least 4 hours a day for part-time and 7 hours for the full day for both private and public centers	The law establishes minimum hours of operations, which can be extended in both public and private centers.
Paraguay	Unregulated	Hours can be adjusted to the specific needs of children in both public and private centers.
Peru	Unregulated	Hours can be tailored to the needs of children and their families in both public and private centers.
Suriname	Unregulated	Public and private centers may offer “half-day” or “24-hour” childcare.

Source: *Women, Business and the Law 2022*.



AFFORDABILITY

Even when formal childcare is available, affordability of care is a central concern that influences the demand and uptake of childcare services. Brazil, Mexico, and Peru are the only economies in the region providing free public childcare services. When childcare services are offered at a cost, fee regulations, including fee caps, may be a way to promote affordability for parents by preventing providers from setting costs above the accepted levels. Colombia is the only economy in the region where fees set by public providers cannot exceed six percent of the value of the monthly legal minimum wage. In Ecuador, private centers must notify the amount of enrollment and monthly fees to respective District Offices. Additionally, the law prohibits increasing monthly tuition during the school year and mandates that enrollment fees must not exceed 75 percent of the amount of the net monthly tuition. In Peru, enrollment fees set by private providers cannot exceed the amount of the monthly tuition; extraordinary fees may be imposed only by resolution of the Ministry of Education.

In Argentina and Mexico, the government grants financial support to parents to reduce costs and promote uptake (Figure 5). In Brazil, Mais Crèche and First Infancy Scholarship Programs include monthly financial aid for children below three years of age from economically vulnerable families, which may be used to access services and first-need goods. Similarly, in Puerto Rico (US), the Early Head Start Program promotes school readiness for children from low-income families by fostering their cognitive, social, and emotional development from birth to four years and eleven months. Governments in Panama and Paraguay also provide financial support to childcare centers in the form of subsidies to ease operating costs and encourage the supply of services.

Preferential taxation is another policy tool widely used to facilitate the provision of childcare services and their uptake by parents (Figure 6). Such policies take the form of income tax credits, deductions, or exemptions to parents, childcare centers, or employers.

Governments do not provide any form of support, financial or non-financial, to parents or childcare providers in Bolivia, Colombia, Nicaragua, Peru, Suriname, and Trinidad and Tobago. These legislative gaps contribute to limited childcare provision and are motivated by the expectation that families, and mothers in particular, should bear the brunt of care.

FIGURE 5: EXAMPLES OF FINANCIAL COST SUPPORT TO PARENTS

Type of measure	Economy	Policy example
Grants	Argentina	One annual grant for initial education (starting at 45 days up to 5 years) of \$170 (one hundred seventy pesos)
Allowances	Mexico	A parent or guardian of a child between 1 year and up to one day before reaching 4 years of age receives a \$1,600.00 (one thousand six hundred pesos 00/100 MN) bimonthly allowance, for each child. The parent or guardian must be working, seeking employment, or studying to qualify for the benefit.
	Brazil	Monthly financial aid to families in situations of vulnerability.
Prioritized Access	Chile	Children from families in situations of vulnerabilities have prioritized access to nurseries.
Free services	Puerto Rico (US)	The Early Head Start Program offers school readiness services to low-income families.

Source: *Women, Business and the Law 2022*.



FIGURE 6: PREFERENTIAL TAX POLICIES FOR PARENTS AND PROVIDERS

Economy	Minimum required hours
Brazil	A tax deduction is granted for early childhood education expenses, including to day care centers and pre-schools.
Chile	Tax credits are granted for tuition and fee payments to educational establishments, including for children from 0 to 6 years of age.
Ecuador	Education expenses, including enrollment and fees at all levels of educational, can be deducted from taxable income up to 50%. Childcare centers with non-profit status are tax exempted. Employers may deduct from taxable income payments to the social security system made for their employees for the purpose of education.
Mexico	Scholarships for the use of childcare services are exempted from income taxes.
Panama	Expenses for early childhood care, including enrollment fees, monthly fees, school supplies, teaching materials, uniforms, and transportation are deductible from taxable income.
Peru	Public and private education institutions are exempted from all taxes relative to the provision of goods and educational services.
Trinidad and Tobago	Employers may deduct from taxable income expenditures any expenses related to the construction or setting up of childcare facilities for dependents of employees.

Source: *Women, Business and the Law 2022*.



QUALITY

Quality may serve as a determining factor in a parent's decision to use formal childcare services. Quality childcare improves children's development outcomes, including school readiness, healthy nutrition, and educational achievements, and leads to more promising employment prospects and higher earnings in the long term. The quality pillar measures interventions designed to improve quality of services, including structural, process, and system quality.

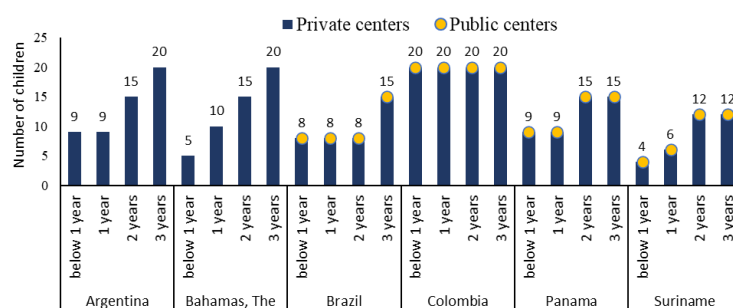
Teacher-to-child ratios, for example, are an important structural quality aspect. With lower teacher-to-child ratios (typically 1:10 or 1:15, as recommended by international institutions) and smaller group sizes (typically no more than 20 children), children can receive individual attention and teachers can more effectively cater to diverse learning needs. In Latin America and the Caribbean, laws generally require low teacher-to-child ratios that change with the age of the child, with the lowest ratios not exceeding 15 children per educator in Argentina, The Bahamas, Brazil, Panama, and Suriname for children of 3 years and below (Figure 7). The highest ratio of 20 is established in Colombia with no distinction based on the age of the children. Maximum group sizes are less frequently regulated in the region and range from 9-10 for infants and 15-16 for children aged 2-3 in Panama, Paraguay, and Puerto Rico (US).

The law may promote quality of care by also requiring continuing education and periodic training of teaching staff. Only three economies in the region, Argentina, Paraguay, and Puerto Rico (US), require staff to undergo periodic training, both in public and private childcare centers. Ecuadorian law mandates continuous training for staff of private childcare centers only.

By establishing quality assurance mechanisms through requiring mandatory inspections of physical facilities or reporting of data and information by providers, governments can monitor compliance with quality standards. In 8 out of 17 examined economies in the region, physical inspections are mandatory in both public and private childcare centers. However, the law specifies the frequency of inspections in only 3 of these economies. Puerto Rico (US) and Suriname require quarterly inspections and Panama requires biannual inspections of both public and private centers. Mexico requires annual inspections of private centers only. Reporting of information by both public and private centers is also scarce in the region and present in just 5 out of 17 examined economies, with regular reporting being a requirement in Colombia and Panama. Irregularity of reporting increases the risk of noncompliance among providers.

Penalties for noncompliance with applicable laws and regulations are more frequently imposed, however, especially for private centers, with 14 out of 17 economies mandating some form of sanctions, ranging from warnings and the suspension or cancellation of the license to the suspension of government support (Figure 8).

FIGURE 7: NUMBER OF CHILDREN PER EDUCATOR, BY AGE



Source: *Women, Business and the Law 2022*.

FIGURE 8: EXAMPLES OF SANCTIONS FOR NONCOMPLIANCE WITH QUALITY STANDARDS

Type of sanction	Economy
Warning	Argentina, Brazil, Chile, Paraguay, Puerto Rico (US)
Suspension of license or registration/temporary closure	Argentina, Brazil, Colombia, Panama, Paraguay, Puerto Rico (US)
Revocation of license or registration/permanent closure	Brazil, Chile, Colombia, Mexico, Paraguay, Puerto Rico (US)
Fine	Argentina, Chile, Mexico, Suriname
Suspension of government support	Argentina

Source: *Women, Business and the Law 2022*.



REGIONAL TRENDS BY DATA POINT

AVAILABILITY	ANSWER (YES/NO)	
Does the law regulate public provision of childcare services?	65%	35%
Does the law regulate private provision of childcare services?	82%	18%
Does the law mandate employers to provide or support childcare services?	35%	65%
Does the law establish adequate operating hours in public childcare centers?	35%	65%
Does the law establish adequate operating hours in private childcare centers?	29%	71%
AFFORDABILITY	ANSWER (YES/NO)	
Does the law establish free provision of public childcare?	18%	82%
Does the law establish conditions based on which cost to parents is determined?	5%	94%
Are fees charged by public childcare centers regulated?	5%	94%
Are fees charged by private childcare centers regulated?	12%	88%
Does the government provide some form of financial or tax support to parents for childcare?	35%	65%
Is financial support to parents for the use of childcare unconditional?	5%	94%
Does the government provide some form of financial or tax support to private providers?	47%	53%
Does the government provide some type of support to low-income families for childcare?	29%	71%
QUALITY	ANSWER (YES/NO)	
Are public childcare centers required to obtain licenses or authorization of some form?	41%	59%
Are private childcare centers required to obtain licenses or authorization of some form?	82%	18%
Does the law mandate a teacher-to-child ratio for public childcare centers?	53%	47%
Does the law mandate a teacher-to-child ratio for private childcare centers?	59%	41%
Does the law mandate a maximum group size in public childcare centers?	18%	82%
Does the law mandate a maximum group size in private childcare centers?	18%	82%
Does the law require educators at public childcare centers to undergo periodic training?	18%	82%
Does the law require educators at private childcare centers to undergo periodic training?	24%	76%
Does the law require quality assurance at public childcare centers?	47%	53%
Does the law require quality assurance at private childcare centers?	65%	35%
Are penalties imposed for noncompliance with applicable laws by public childcare centers?	53%	47%
Are penalties imposed for noncompliance with applicable laws by private childcare centers?	82%	18%

DATA COLLECTION IN LATIN AMERICA AND THE CARIBBEAN

Data was collected in 17 countries: Argentina; Bahamas, The; Barbados; Belize; Bolivia; Brazil; Chile; Colombia; Ecuador; Mexico; Nicaragua; Panama; Paraguay; Peru; Puerto Rico (US); Suriname; Trinidad and Tobago.



For more information, please visit wbl.worldbank.org/en/childcare or contact wbl@worldbank.org.

HOW TO USE THIS DOCUMENT

This document aims to improve understanding of legal and regulatory systems around the availability, affordability, and quality of childcare services for children below preprimary school starting age in Latin America and the Caribbean. It also seeks to build awareness of laws and identify areas for reforms and other regulatory interventions. Support for the Women, Business and the Law childcare regional profiles series is provided by the World Bank's Knowledge for Change Program and the Multi-Donor Trust Fund for Jobs.

