

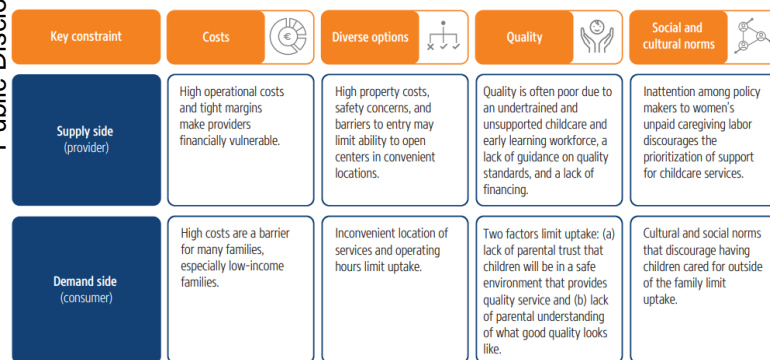


TOWARD AVAILABLE, AFFORDABLE, AND QUALITY CHILDCARE IN SOUTH ASIA

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 South Asia, data was collected in six economies: Bangladesh; Bhutan; India; Nepal; Pakistan; and Sri Lanka (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 the formal provision of childcare services, their affordability, quality, and uptake by parents. The pilot data presents a framework showing a range of options that governments may support to meet the needs of working mothers and families, although 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 the potential benefits (Figure 1).

FIGURE 1: KEY CONSTRAINTS IN THE CHILDCARE MARKET



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

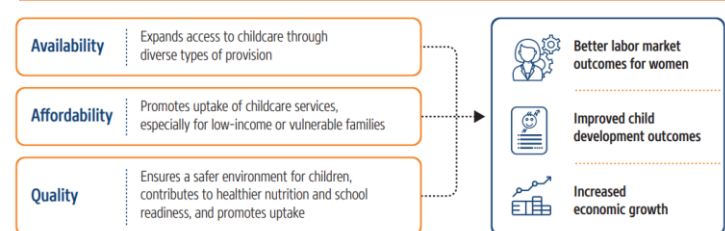
TABLE 1: COUNTRY COVERAGE AND KEY INDICATORS

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)
Bangladesh	LMI	Dhaka	35.0	112	0
Bhutan	LMI	Thimphu	51.6	56	7
India	LMI	Mumbai	19.2	182	0
Nepal	LMI	Kathmandu	78.7	98	21
Pakistan	LMI	Karachi	20.7	112	0
Sri Lanka	LMI	Colombo	30.9	84	0

Source: *Women, Business and the Law 2022* and World Development Indicators 2021.

The enactment of policies to make childcare available, affordable, and of decent quality is a priority due to its potential to achieve better market outcomes for women, children, and the economy overall (Figure 2).

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 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.

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



AVAILABILITY

In South Asia, Bangladesh is the only one out of the six pilot economies where regulations are in place for both public and private childcare services for children younger than the formal preprimary school starting age (typically 3 years). In Nepal, the education rules regulate care in private child development centers for children below 4 years of age, while the state takes this responsibility with the start of the preprimary school by the child at 4 years of age (Table 2). In Bhutan, India, Pakistan, and Sri Lanka, there are no laws regulating provision of public or private childcare in center-based settings.

The childcare reform in the region has been gaining momentum. The Child Daycare Centre Act 2021 of Bangladesh, for example, institutionalized the provision of childcare services for children from 4 months to 6 years of age. The new Act regulates diverse types of childcare provision (public and private) in center-based settings. Now government, semi-government, autonomous, and nongovernment organizations can, under their own management, establish and operate day care centers with a simple registration process.

In South Asia, laws solely regulating provision of employer provided childcare are more widespread (Figure 3). In four out of six economies examined in the region, employers are mandated to provide on-site childcare. A minimum threshold of female employees (Bangladesh, Pakistan, Sri Lanka) or employees regardless of gender (India) generally triggers this enforcement (Table 3). Nonetheless, market studies conducted within the framework of the International Finance Corporation's (IFC) *Tackling Childcare* project estimate that only 27 percent of employers in Pakistan and 23 percent in Bangladesh offered some type of support to meet the childcare needs of their employees. Those employers who provided childcare support reported higher employee retention and significant business benefits, including the increase in the company profitability and productivity.

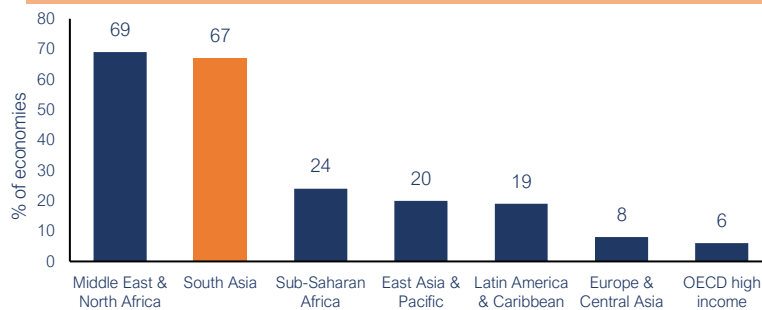
Because public provision of childcare in the region is nearly absent or insufficient until the child reaches the formal preprimary school starting age and private services are unaffordable for families, more could be done to expand employer supported childcare in the region. This could decrease business losses and increase one of the world's lowest rates of female labor force participation.

TABLE 2: LEGISLATION GOVERNING PROVISION OF CHILDCARE

Economy	Earliest age at which childcare services are available	Preprimary school starting age	Public provision *	Private provision *	Employer provided or supported
Bangladesh	4 months	3	✓	✓	✓
Bhutan		5			
India	6 months	3			✓
Nepal	At birth	4		✓	
Pakistan	At birth	3			✓
Sri Lanka	At birth	3			✓

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

FIGURE 3: ECONOMIES WITH LAWS REGULATING PROVISION OF PRIVATE OR EMPLOYER CHILDCARE ONLY



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

TABLE 3: CONDITIONS UNDER WHICH EMPLOYERS ARE MANDATED TO PROVIDE CHILDCARE SERVICES

Economy	Number of employees regardless of gender	Number of female employees	Legal basis
Bangladesh		40 or more	Bangladesh Labour Act No. 42 of 2006
India	50 or more		Maternity Benefit (Amendment) Act No. 6 of 2017
Pakistan		10% or more	The Sindh Maternity Benefits Act 2018
Sri Lanka		Prescribed by the Minister	Maternity Benefits Ordinance No. 32 of 1939

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



AFFORDABILITY

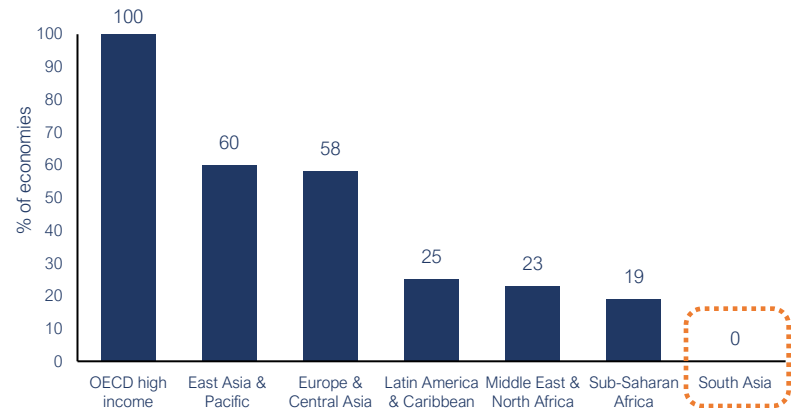
Even when formal childcare is available, affordability is a central concern that influences the demand for childcare services and the extent to which parents use it. Therefore, the affordability pillar measures regulatory interventions that support the affordability of childcare services through government-provided free services and financial and nonfinancial support for families, private childcare centers, and employers.

Out of six economies examined in the region, regulation of the public provision of childcare services for children below 3 years of age is in place only in Bangladesh. Nonetheless, the provision of these services is not free. The Child Daycare Centre Act 2021 does not specifically define the manner according to which the cost of childcare is determined, but childcare centers are required to display their service charge in a visible place. In Nepal, the specific conditions under which fees are determined for private childcare development centers are also not explicitly laid out within the existing regulatory framework.

South Asia is the only region with no financial support granted to parents specifically for the use of childcare services or providers of such services – on ‘the books’ at least. The absence of financial support impacts the demand and supply of childcare services, affecting women’s participation in the labor market. With fiscal limitations and specific country circumstances in mind, governments in South Asia could consider expanding policies to grant financial support to parents or providers that can come in a variety of forms, including ongoing subsidies, allowances, reimbursements, one-time grants, and in a similar fashion as in other regions (Figure 4). Financial support is typically conditioned by a set of criteria, including income, employment status of parents, and the number of children.

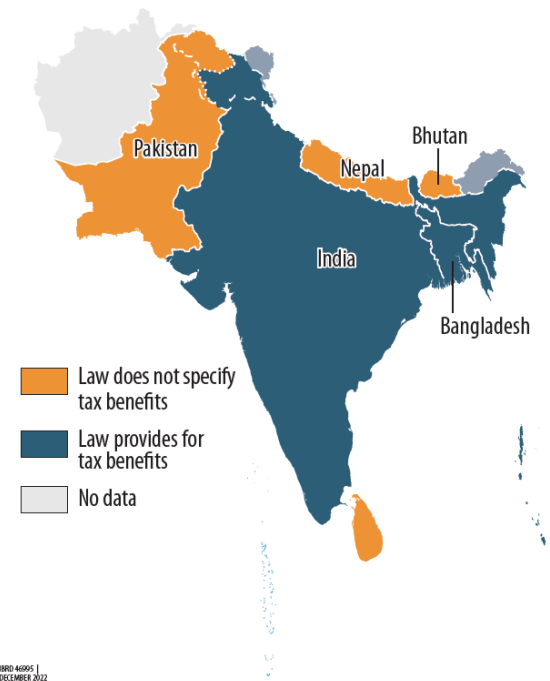
Tax benefits in the form of credits, deductions, or exemptions on the personal income (for parents) or corporate income (for private providers) is another policy tool available to facilitate both the supply and demand of childcare services. There is no economy in the region that provides tax benefits to parents or private childcare centers. Nonetheless, Bangladesh and India are the two economies that grant tax deductions to employers on any expenditures incurred for providing or supporting childcare services for the benefit of their employees (Map 1).

FIGURE 4: FINANCIAL SUPPORT FOR PARENTS OR PROVIDERS OF CHILDCARE SERVICES, BY REGION



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

MAP 1: TAX BENEFITS TO EMPLOYERS FOR PROVIDING OR SUPPORTING CHILDCARE FOR THEIR EMPLOYEES



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



QUALITY

Quality childcare improves children’s development outcomes, including school readiness, healthy nutrition, and educational achievements, leading to more promising long-term employment prospects and higher earnings. High-quality childcare services also influence parental decisions to use formal childcare services. Definitions of what constitutes high quality vary across contexts due to differences in economic development, resource availability, and cultural and social norms. However, there is some consensus on the elements that determine high quality childcare, regardless of circumstances.

Structural quality, for example, is a critical element of early childcare services. Children can receive individual attention, and teachers can more effectively cater to diverse learning needs, with specified 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. Improving quality of care also means investing in the professional development of the workforce, including the provision of regular trainings for educators at childcare centers, and ensuring the quality control with applicable laws and rules to minimize the risk of noncompliance by childcare providers. The gaps on the examined quality parameters persist across all pilot economies in the South Asia region, partly because the provision of childcare services is not embedded in laws in the first place, except for Bangladesh and Nepal. However, even in Bangladesh and Nepal, the room for improvement remains (Table 4).

In both Bangladesh and Nepal, one way to ensure the quality of the system in which childcare is delivered is through the requirement on operators to obtain the certificate of registration (Bangladesh) or a formal approval from a municipality (Nepal). By establishing quality assurance mechanisms through mandatory inspections of physical facilities or reporting of data by providers, governments can also hold childcare providers accountable for any failure to comply with the established standards. The Education Rules 2002 of Nepal mandate district education officers to inspect if child development centers are being run in accordance with the rules and relevant provisions. However, the regularity of these inspections is not specified, increasing the risk of noncontinuous compliance among providers. Penalties for noncompliance with the relevant laws are prescribed in Bangladesh only (Figure 5).

Creation of the enabling regulatory environment for the provision of childcare services, while ensuring that these services correspond high-quality standards remains a challenge for economies in the South Asia region.

TABLE 4: LEGISLATION GOVERNING QUALITY OF CHILDCARE

Economy	Bangladesh*	Nepal*
Operating authorization	✓	✓
Teacher-to-child ratios and group sizes	✗	✗
Periodic mandatory training for educators	✗	✗
Mandatory inspections	✗	✓
Mandatory reporting of information	✗	✗
Penalties for noncompliance	✓	✗

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

*Regulated quality aspects in Bangladesh are applicable for both public and private centers; in Nepal – only to private centers.

FIGURE 5: EXAMPLES OF PENALTIES THAT CHILDCARE PROVIDERS FACE IN BANGLADESH



Administrative fines are imposed for operating a childcare center without registration; obstructing the work of inspectors; and endangering the health of a child at a childcare center due to negligence of duty



Imprisonment of up to 2 years can occur for operating a childcare center without registration and endangering the health of a child at a childcare center due to negligence of duty.



Suspension or cancellation of registration is imposed if the certificate of registration is obtained by providing false information or fraud; any breach of governing laws and rules; non-renewal of registration in a timely manner; conviction of any offence.

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



REGIONAL TRENDS BY DATA POINT

AVAILABILITY PILLAR	ANSWER (YES/NO)
Does the law regulate public provision of childcare services?	17% 83%
Does the law regulate private provision of childcare services?	33% 67%
Does the law mandate employers to provide or support childcare services?	67% 33%
Does the law establish adequate operating hours in public childcare centers?	100%
Does the law establish adequate operating hours in private childcare centers?	100%
AFFORDABILITY PILLAR	ANSWER (YES/NO)
Does the law establish free provision of public childcare?	100%
Does the law establish conditions based on which cost to parents is determined?	100%
Are fees charged by public childcare centers regulated?	100%
Are fees charged by private childcare centers regulated?	100%
Does the government provide some form of financial or tax support to parents for childcare?	100%
Does the government provide some form of financial or tax support to private providers?	33% 67%
Does the government provide some form of support to low-income families for childcare?	100%
QUALITY PILLAR	ANSWER (YES/NO)
Are public childcare centers required to obtain licenses or authorization of some form?	17% 83%
Are private childcare centers required to obtain licenses or authorization of some form?	33% 67%
Does the law mandate a teacher-to-child ratio for public childcare centers?	100%
Does the law mandate a teacher-to-child ratio for private childcare centers?	100%
Does the law mandate a maximum group size in public childcare centers?	100%
Does the law mandate a maximum group size in private childcare centers?	100%
Does the law require educators at public childcare centers to undergo periodic training?	100%
Does the law require educators at private childcare centers to undergo periodic training?	100%
Does the law require quality assurance at public childcare centers?	100%
Does the law require quality assurance at private childcare centers?	17% 83%
Are penalties imposed for noncompliance with applicable laws by public childcare centers?	17% 83%
Are penalties imposed for noncompliance with applicable laws by private childcare centers?	17% 83%

DATA COLLECTION IN SOUTH ASIA

Data was collected in six economies: Bangladesh; Bhutan; India; Nepal; Pakistan; and Sri Lanka.

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 South Asia. It also seeks to build awareness of laws and identify areas for reform and other regulatory interventions. Support for the Women, Business and the Law childcare regional profile series is provided by the World Bank's Knowledge for Change Program and the Multi-Donor Trust Fund for Jobs.



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

