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Tackling Childcare

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Tackling Childcare: The Business Case for Employer-Supported Childcare



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The Childcare Business & Development Case: Good for Children, Employees, Economies &...

Good for Children:

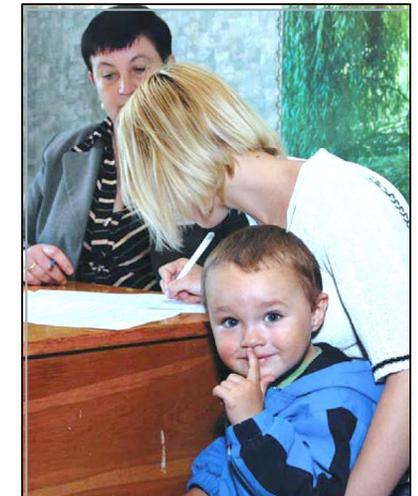
- Benefits of ECE: Healthy development, greater capacity to learn in school, and increased productivity in adulthood
- Yet, only around half of 3-5 year olds in developing countries participate in some form of ECE, typically for a few hours daily

Good for Women's Employment:

- Where governments support early childcare, women are more likely to receive a formal wage Evidence from the Caribbean, Latin America, and OECD countries suggests that access to subsidized childcare can have a significant positive impact on women's employment rates and work hours

Good for Economies:

- Value of unpaid care estimated at \$10 trillion or 13% of global GDP
- Investing 2% of GDP in the care economy of 7 developed countries would create more than 21 million jobs and help address challenges of aging populations and economic stagnation



...Good for Employers

49% of U.S. parents stress about childcare emergencies or commitments to their children (Bright Horizons, 2015)

Employee satisfaction and loyalty: Employees with work-life balance and childcare are 45% more willing to “go the extra mile” to help their company succeed (Child Action Inc.)

Retention, absenteeism, and turnover: Turnover costs start at 20% of an employee’s annual salary (Center for American Progress, 2012).



Study of German firms reveals that family-friendly measures, including childcare, can result in an ROI of 25% (ILO, 2014)

U.S. companies lose \$3 billion annually as a consequence of childcare-related absences (Early Care & Learning Council)

IFC's Tackling Childcare Project

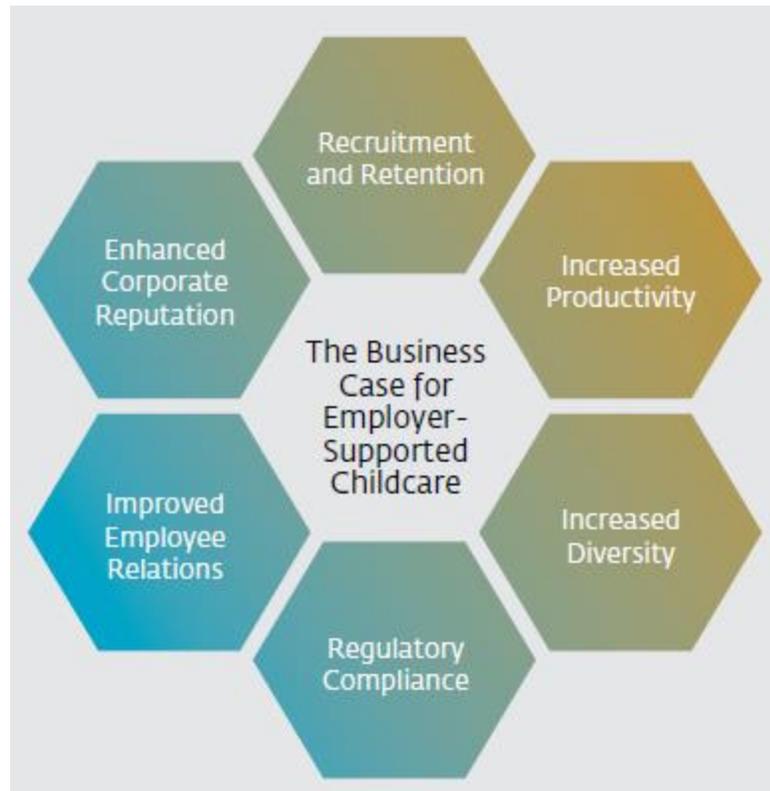
- Housed in IFC's Gender Secretariat, funded by WBG's Jobs MDTF and the Gov. of Japan. 
- Implemented in partnership with Women, Business and the Law (WBL) and IWPR (consultancy firm).
- Aligned with WBG's Gender Strategy, IFC's 3.0 vision of creating markets and cascade, and the SDGs.
- Substantiates the business case and highlights best practices for employer-supported childcare.
- Explores how government regulations can further incentivize employers to support childcare.



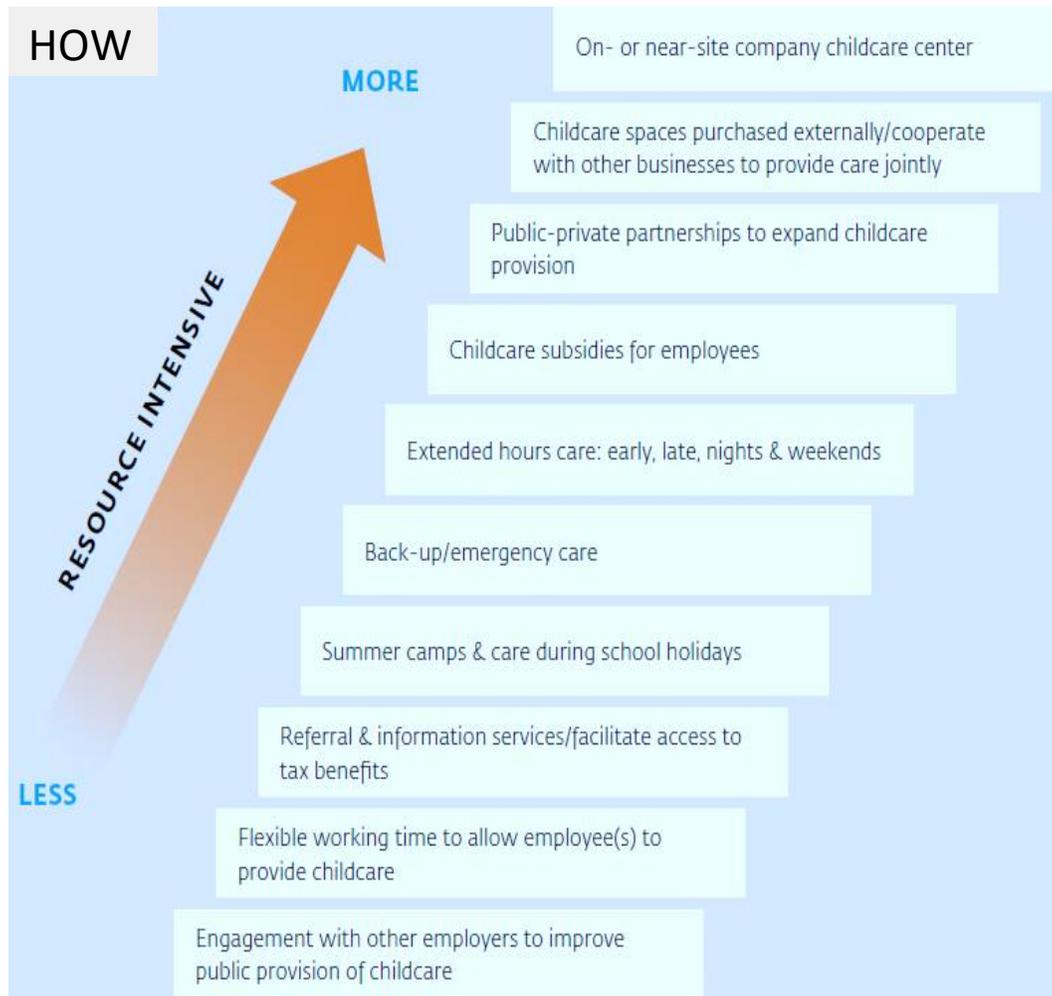
The WBG Advisory Council on Gender & Development

“Why” and “How” Employers Support Childcare

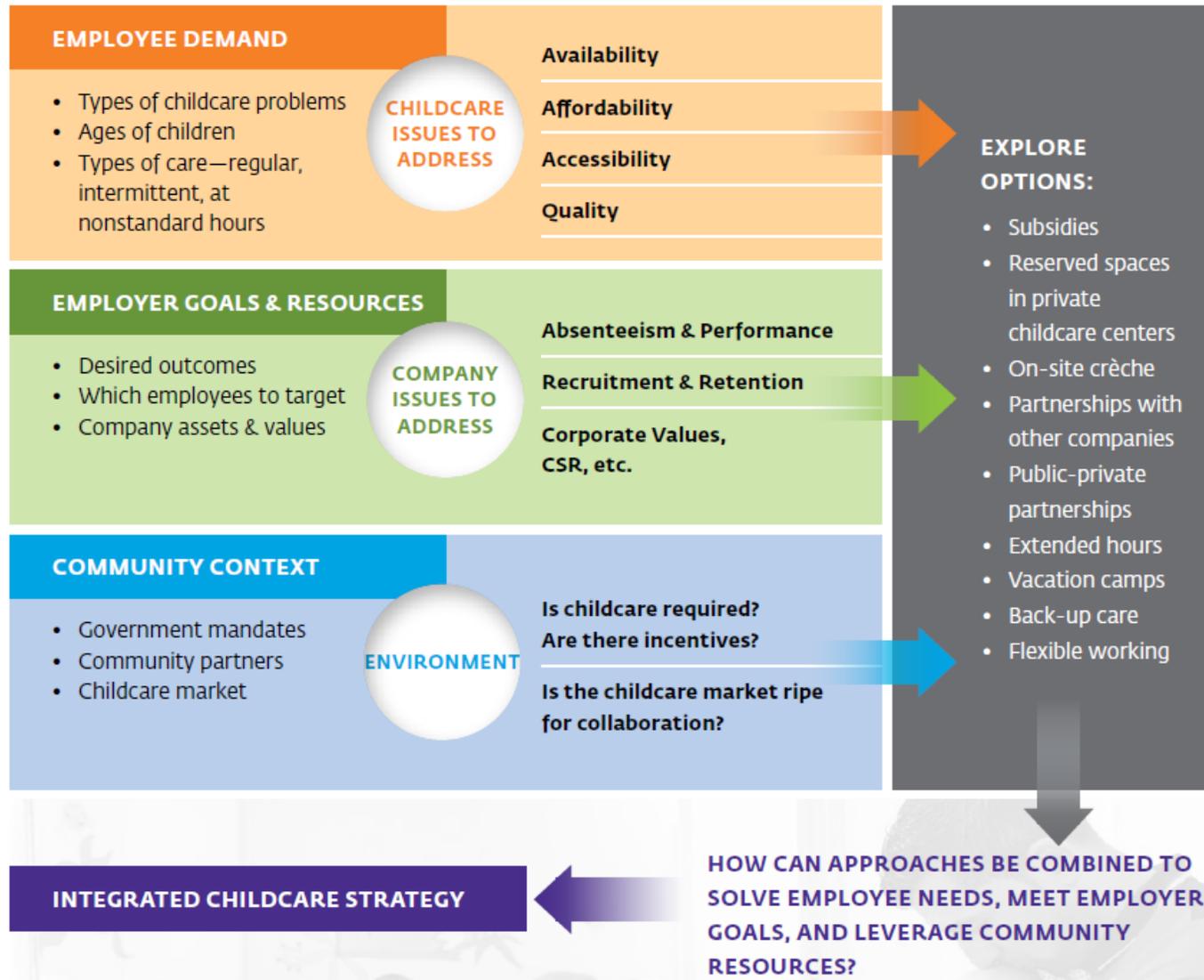
WHY



HOW



Making an Informed Decision



New WBL Research on Employer-Supported Childcare Laws in 50 Economies: Government Support and Oversight



HOW DO WE CLASSIFY CHILDCARE?

- Childcare covers children ages 0 to completing 2 years old
- Preschool or preprimary education starts at 3 years old

WHAT IS THE LEGAL FRAMEWORK?

- Legal obligation for employers in the private sector to support or provide childcare
- Specific laws and regulations applicable to employer-supported childcare



WHAT TYPE OF CHILDCARE ARE WE EXAMINING?

- Employer provided or supported on-site childcare
- Employer provided or supported off-site child care
- Private childcare centers

WHAT ARE GOVERNMENT SUBSIDIES (e.g. child allowances) AND INCENTIVES (tax/non-tax)?

- Incentives for employers in the private sector to support or provide childcare
- Incentives and subsidies for private standalone childcare centers
- Support to parents with children under the age of primary education

A SPOTLIGHT ON THE QUALITY OF CHILDCARE

- Including safety standards, teacher qualifications, teacher/student ratio, licensing and registration

WBL – Key Findings Across 50 Economies

Are employers legally obligated to provide or support childcare?



- 11 out of 50 economies mandate employers to provide or support early childcare: Brazil, Chile, Ecuador, India, Iraq, Japan, Jordan, The Netherlands, Turkey, Ukraine, and Vietnam.
- To access the WBL Tackling Childcare Policy Note, click [here](#).

**Leave policies**

Paid maternity leave	Yes	70 days
Paid paternity leave	No	0
Paid parental leave	No	0

**Legal obligation for employers to support childcare**

	0-2 years	3-5 years
Obligation for employers to support childcare?	Yes	Yes, up to 4 years old
Based on the number of female employees?	Yes, 20 women or more	Yes, 20 women or more with children up to 4 years old
Based on the number of employees regardless of gender?	No	No
Special legislation on employer-provided childcare?	Yes	Yes

**Government incentives to employers to support childcare**

Tax benefits to employers to support childcare?	No	No
Non-tax benefits to employers to support childcare? (monetary and/or nonmonetary benefits)	Yes, (monetary support for establishment, furnishing and operation of nurseries in the workplace)	Yes, (for children up to 4 years old (monetary support for establishment, furnishing and operation of nurseries in the workplace))

**Quality of private childcare services**

License or registration required?	Yes	Yes
Zoning requirements?	Yes	Yes
Pupil-teacher ratio required?	Yes	Yes
Penalties for non-compliance with laws?	Yes	Yes

*The *Women, Business and the Law* data are based on domestic laws and regulations that apply to the main business city of the economy. For more information on the methodology including the maternity/paternity/parental leave calculation methodology, visit wbl.worldbank.org

Economy name:

Jordan

Main business city:

Amman*

Region:

Middle East and North Africa

Income level:

Upper middle income

Population:

6,607,000

Female population:

3,237,104

Labor force participation (15+):

14% female

64% male

Compulsory primary education enrollment age:

6 years

An example of a country policy highlight prepared by WBL for each case study



MAS Kreeda Al Safi – Madaba Garment manufacturing, Jordan*



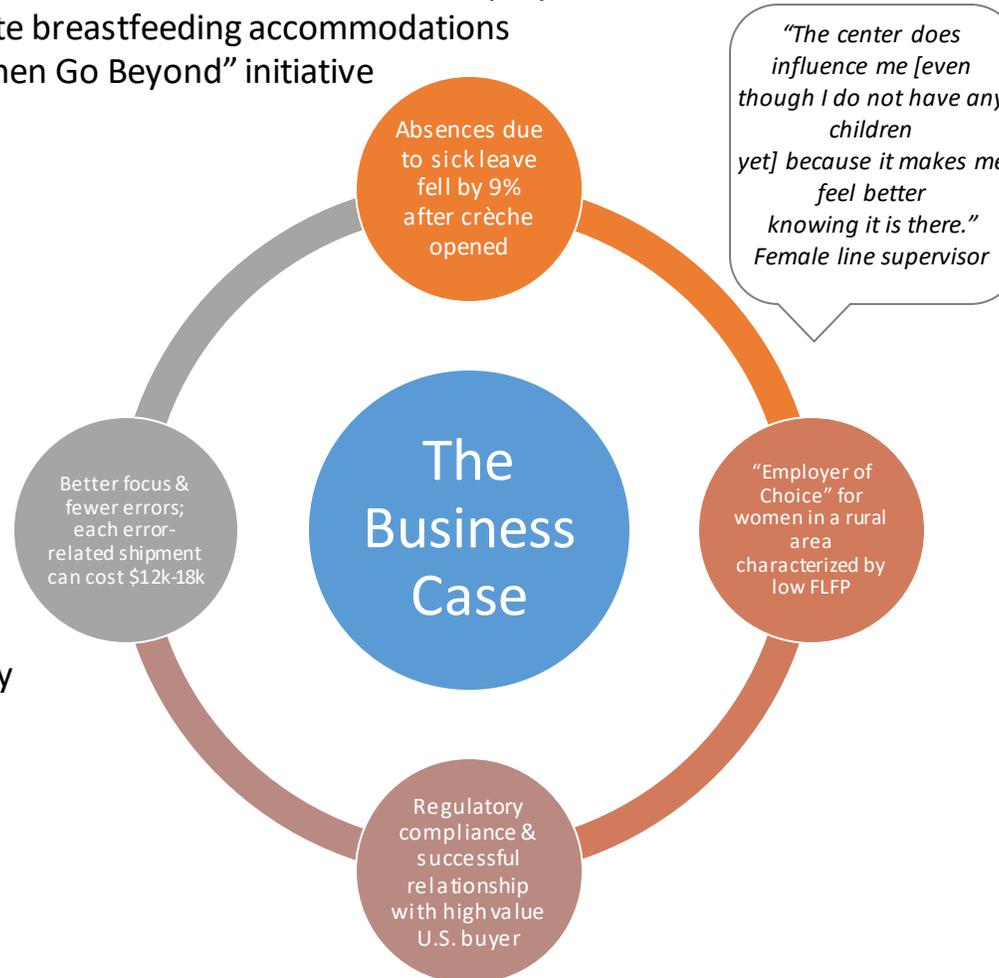
How:

- Free on-site childcare center and transportation
- Doctor and nurses on-site to serve employees and children
- On-site breastfeeding accommodations
- “Women Go Beyond” initiative

Who: MAS Kreeda Al Safi is a Better Work factory and a subsidiary of MAS Holdings, a Sri Lankan design-to-delivery conglomerate and IFC client worth \$1.6 billion with 48 facilities in 15 countries.

Employee Profile: At MAS Kreeda Al Safi’s satellite factory in Madaba, 92% of 406 employees are women. 19% of women (71) and 75% of men (24) have children under age 6.

*One of 11 of 50 economies examined by WBL where employers are legally mandated to provide or support childcare.





How:

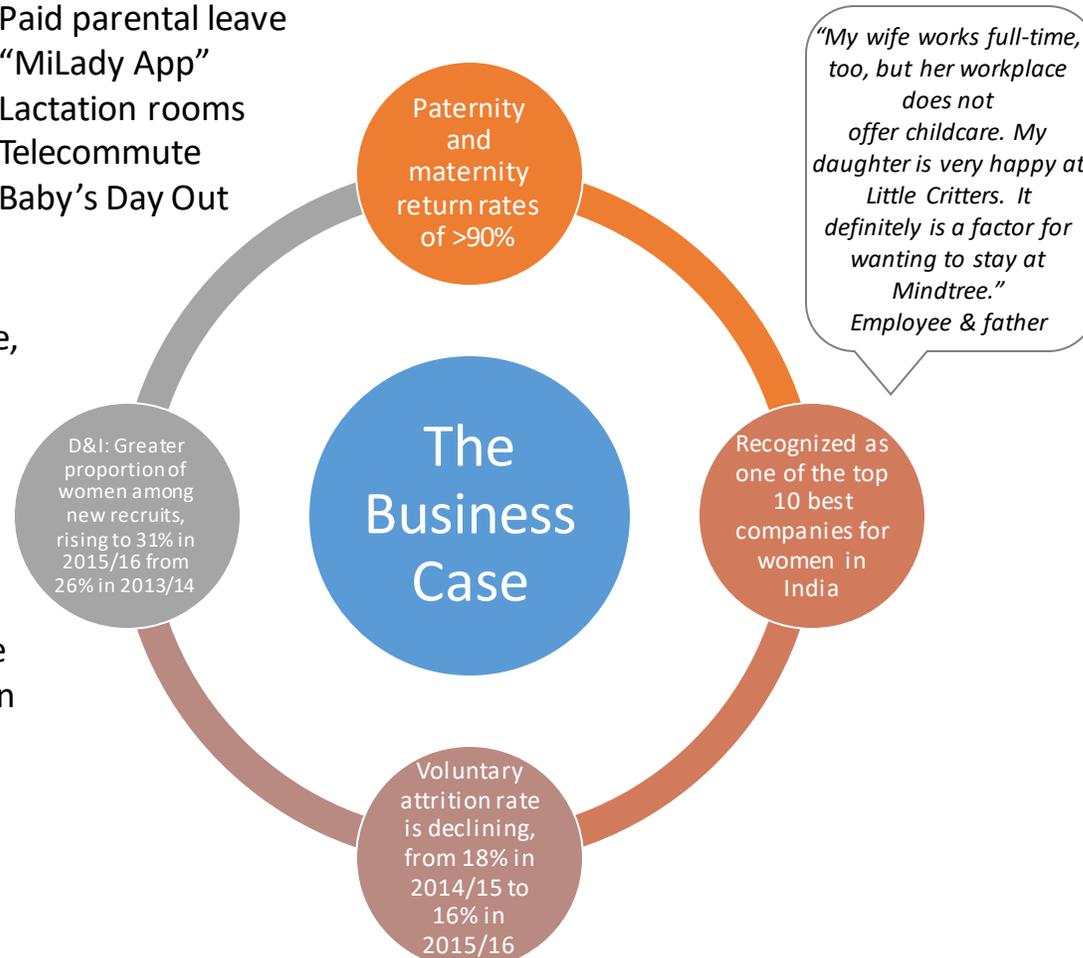
- Little Critters on-site childcare facility at HQ; reserved spaces in external crèches in other locations
- Reimbursements for night shift staff for childcare costs
- Paid parental leave
- “MiLady App”
- Lactation rooms
- Telecommute
- Baby’s Day Out

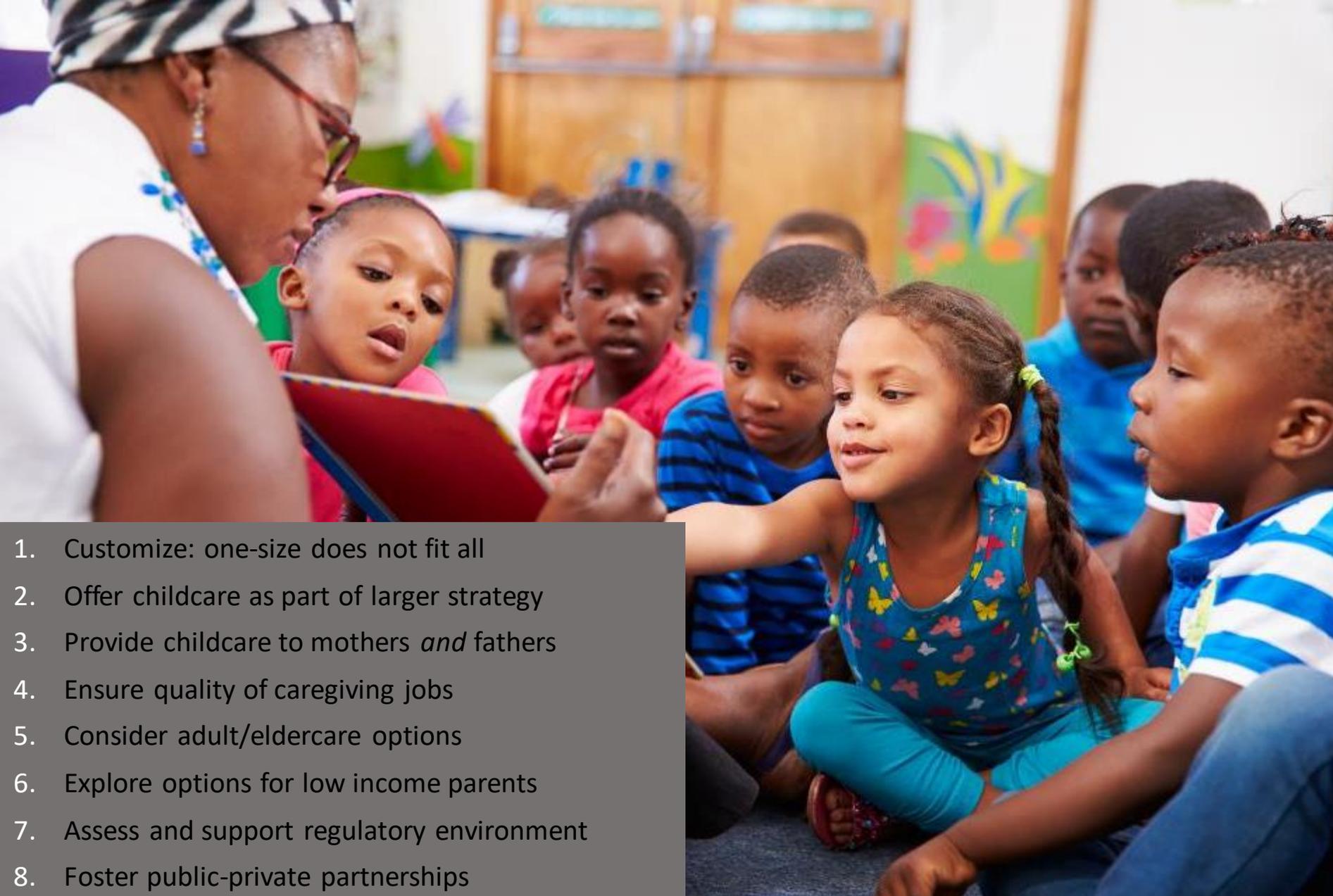
Who: A global IT consulting firm based in Bangalore, employing >16,000 people across India and Asia Pacific, Europe, and N. America.

Size: In 2016–2017, Mindtree had global revenues of \$779.8 million.

Employee Profile: 28% of permanent workforce are women. Almost one in five employees have children younger than 3.

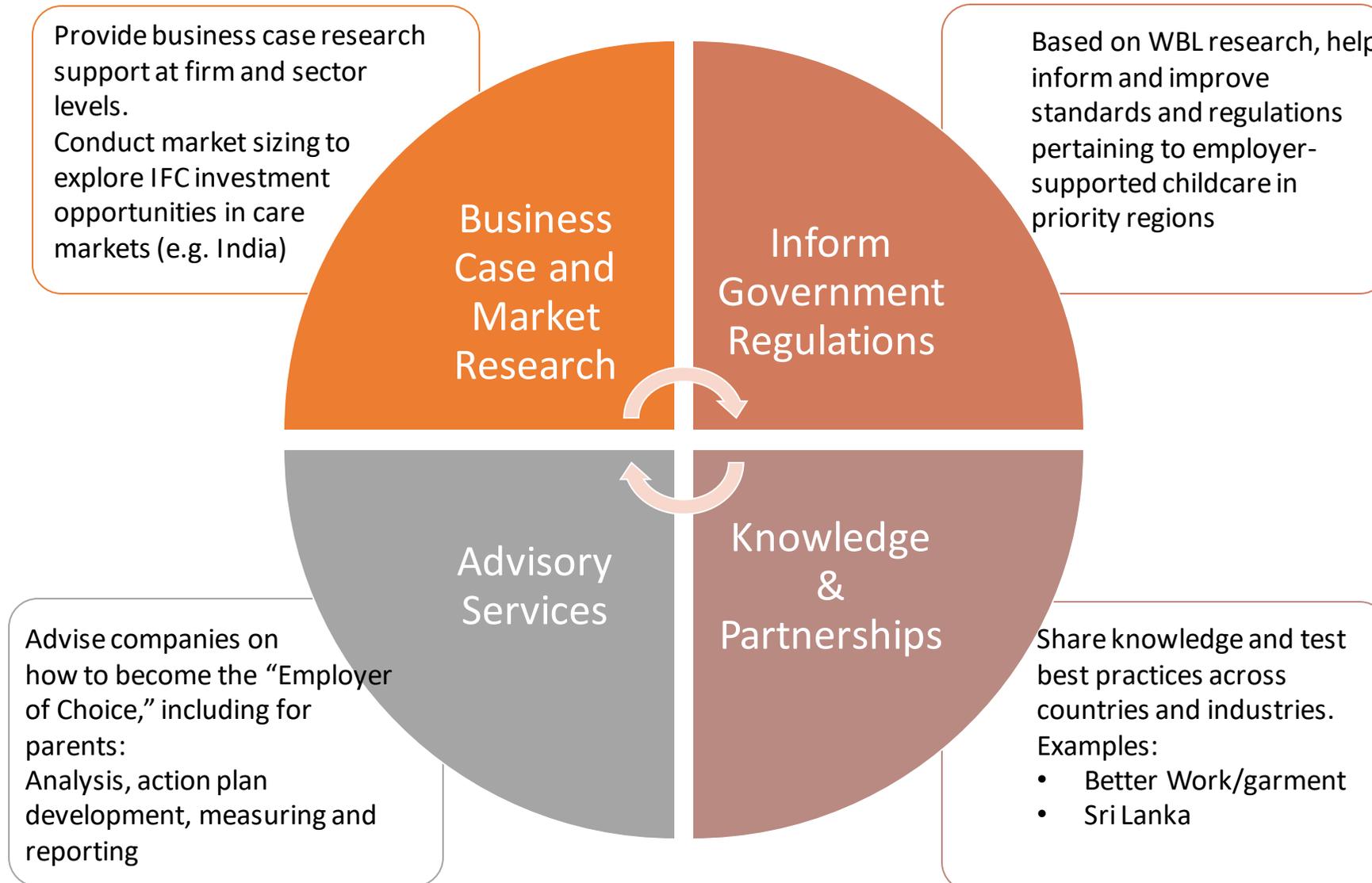
**One of 11 of 50 economies examined by WBL where employers are legally mandated to provide or support childcare.*





1. Customize: one-size does not fit all
2. Offer childcare as part of larger strategy
3. Provide childcare to mothers *and* fathers
4. Ensure quality of caregiving jobs
5. Consider adult/eldercare options
6. Explore options for low income parents
7. Assess and support regulatory environment
8. Foster public-private partnerships
9. Increase investments to create markets
10. Highlight the successes of early-movers

How IFC Supports Employers: Ongoing Work and Next Steps





PLACING PEOPLE AT THE HEART OF OUR BUSINESS



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SOUL

Creating an
engaging,
inspiring and
fulfilling work
environment

 **Safaricom**
Twaweza




BAKERS
CLUB


BAKERS
CLUB

When we come together,
great things happen.



51%

**OF OUR STAFF ARE
FEMALE**

CHILD CARE



100% HUMAN

HOW CAN YOU ADD SOUL TO YOUR BUSINESS?



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Who is Kidogo?



Meet Kidogo.

Kidogo is a social enterprise that provides high-quality, affordable, Early Childhood Care & Education to low-income communities in East Africa

The Kidogo Way™

Our proprietary method promotes young children's healthy growth & development:



Designing Child-Friendly Environments



Developing Play-Based Curriculum



Training Childcare Professionals



Integrating Health & Nutrition



Engaging Parents & Communities



The Hub & Spoke Model

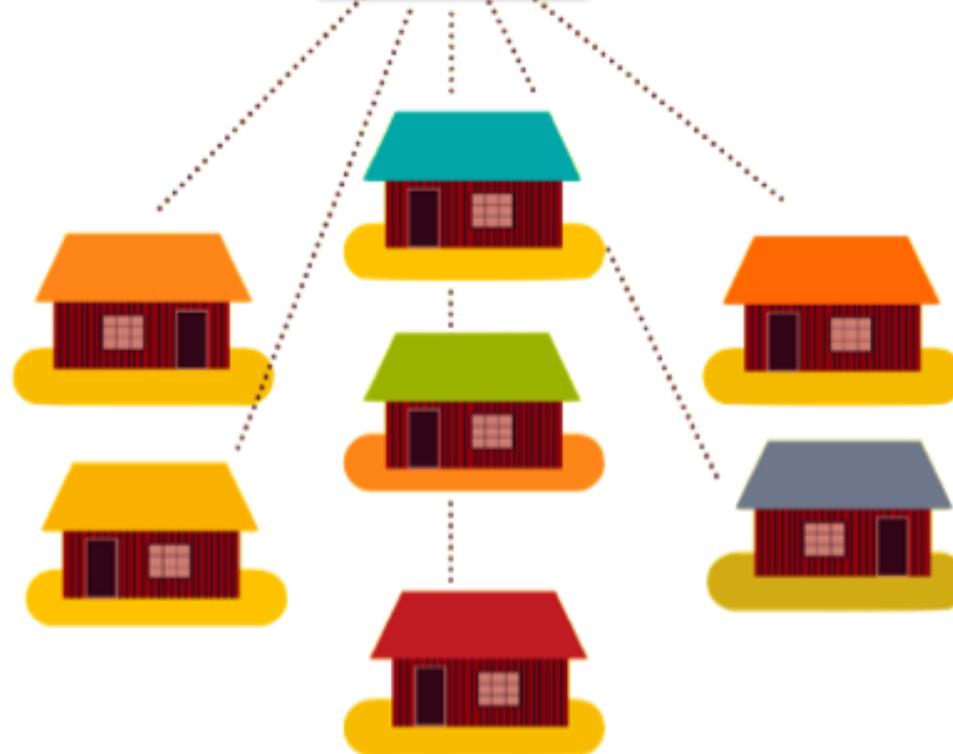
Spokes Officers

We deploy a trained ECD field team to provide mentorship & quality assurance



Kidogo Hubs

We design & operate high-quality Childcare Centres of Excellence



#Mamapreneur Spokes

We partner with local women to start or grow a childcare micro-businesses to serve the local community

Our #Mamapreneurs

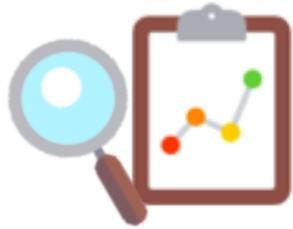


12 Months of Training & Mentorship



Mamapreneur Hellen
Harietta Daycare

Kidogo@Work: Partnering with Companies



Understand

We start by conducting a **rapid assessment** of the company's workforce, mapping the childcare options employees currently use and the challenges they face. We seek to understand employers vision & key objectives



Design

Next, our experts work with your team to develop a customized solution that meets your needs and budget to optimize quality & accessibility for your staff



Implement

Finally, we work hand-in-hand with you to implement the new childcare strategy. We build long-term partnerships and work with you to measure success & optimize service levels

Impact of childcare for women at the BOP

GrOW Research Series - Policy Brief

POLICY BRIEF



What are the Benefits of Subsidized Early Childcare? Evidence from Kenya.

Providing subsidized early childcare in an urban African slum area can produce important benefits, like increasing maternal employment and earnings. Indirectly, it can enable older siblings to attend school and improve younger children's health and cognitive development leading to higher lifetime earnings. These benefits of subsidized childcare far outweigh the costs.

WHAT'S AT STAKE?

Previous research shows that the gains associated with Early Childhood Care and Education (ECCE) greatly exceed its costs. A study of early education programs in the U.S., for example, found a 7.3 fold benefits-to-costs ratio (Garcia et al., 2016). Unfortunately, nearly all of the Cost Benefit Analyses (CBA) of ECCE programs are conducted in high-income countries. CBA studies in low- and middle-income countries are rare because of limited rigorous evaluations of ECCE programs and challenges to monetizing benefits.

KEY RESULTS

- Mothers who used subsidized childcare services experienced an increase in their earnings and free time.
- Attending day care may increase children's future earnings and life expectancy.
- Subsidized childcare may increase school enrollment for older siblings.
- The benefits associated with providing subsidized early childcare outweigh the costs.

Recent GrOW study in a Nairobi slum

- Women spend ~17% of income on childcare
- Women with access to childcare had improved mobility, productivity, and peace of mind at work
- Receiving free childcare vouchers increased women's participation in paid work by 8.5%; effectively closing the gender employment gap (~10%)
- Increased enrollment of older siblings in school (no longer have childcare responsibilities)

Investing in Childcare is a Win-Win(-Win)

Good for Children



Quality early childhood care & education transforms the trajectory of a child's life

Good for Women



Accessible & affordable childcare unlocks the economic potential of mothers to work

Good for Business



Companies can reduce turnover, improve productivity, and build their reputation through childcare

Q & A



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Thank You!



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For more information about SEEP's Women's Economic Empowerment Working Group, contact facilitator Lis Meyers: **LMeyers@nathaninc.com**
www.seepnetwork.org



The SEEP Network is delighted to feature a technical track on **Savings Groups and Gender-transformative Initiatives** at SG2018: The Power of Savings Groups!

SG2018

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