

# GENDER EQUALITY, CHILD DEVELOPMENT AND JOB CREATION:

## HOW TO REAP THE 'TRIPLE DIVIDEND' FROM EARLY CHILDHOOD EDUCATION AND CARE SERVICES

### SUMMARY

Early childhood education and care (ECEC) services have come to occupy an important place on the global policy agenda. While some developed countries have long invested in this area, a growing number of developing countries are following suit. As those who carry out the bulk of childcare—as unpaid caregivers as well as service providers in day-care and pre-school institutions—women have a huge stake in this issue. However, the implications for women, as mothers or childcare workers, have been insufficiently reflected in the work of international organizations and many national-level policies that tend to focus mainly on children. Well-designed investments in ECEC services can have major economic and social pay-offs for families, individuals and societies at large by: (a) facilitating women's labour force participation, (b) enhancing children's capabilities and (c) creating decent jobs in the paid care sector. But this triple dividend is not automatic. It needs to be built into service design and delivery. This brief discusses different mechanisms for financing, delivering and regulating ECEC services and highlights promising avenues for realizing the triple dividend. It argues that the key is high-quality childcare that is available, affordable, accessible and compatible with the needs of working parents.

### Early childhood education and care services: What's at stake?

Early childhood education and care (ECEC) generally refers to centre-based services for children below compulsory school age, including day-care, kindergarten and preschool services. In theory, these services could pursue both child development goals—such as getting children ready for school—and work-family reconciliation goals—by offering alternatives to parental care. In practice, comprehensive ECEC services attuned to the needs of working families remain scarce, particularly for younger children. In developing countries, public childcare provision is uncommon and most parents cannot afford market-based solutions. As a result, coverage is often low and highly unequal.<sup>1</sup> When asked who minds their children while they are at work, only 4 per cent of women surveyed across 31 developing countries reported using childcare services.<sup>2</sup> Almost 40 per cent said they minded their children themselves. But such arrangements often come at a cost: they limit women to less formal and lower-paid jobs and may expose their children to health and safety hazards.

Conversely, sustained investments in ECEC services can have huge economic and social pay-offs for families, individuals and societies by:

- **Facilitating women's labour force participation.** ECEC services are essential for working parents to remain in or return to their jobs. There is a strong correlation between women's labour force participation and available and affordable childcare services.<sup>3</sup> To provide effective support, service delivery must be not only trustworthy in terms of safety and quality but also compatible with the needs of working parents in terms of location and opening hours.
- **Enhancing children's capabilities.** Studies from both developed and developing countries show that ECEC can enhance children's physical and cognitive development, particularly children from poorer households,<sup>4</sup> with a lasting impact into adulthood, including on employment prospects and earnings.<sup>5</sup> Service quality—including the development and retention of a skilled ECEC workforce with the ability to create a stimulating learning environment—is critical for producing these outcomes.<sup>6</sup>
- **Creating jobs in the paid care economy.** Because ECEC is highly labour intensive, it can be an engine of job creation. In Turkey, for example, it has been estimated that expanding ECEC services to the Organisation for Economic Co-operation and Development (OECD) average enrolment rate could create more than 700,000 jobs.<sup>7</sup> However, it is not only the quantity of jobs that matter but also their quality. Women are

overrepresented among the ECEC workforce, where low pay and poor working conditions jeopardize their right to decent work and lead to high turnover rates, depriving children of the opportunity to establish stable bonds of attachment and trust.<sup>8</sup> Raising the status of ECEC work, ensuring adequate wages and investing in opportunities for training are hence key to achieving gender equality and child development goals. It may also attract more men into caring professions.

## Policies matter: Options for funding and delivering ECEC services

### *The education/ care divide*

In many countries, there is a split between pre-primary education,<sup>9</sup> which pursues early learning objectives in a school-type environment from ages 3–5 onwards, and childcare services for preschool children from age 0.<sup>10</sup> This is due to different institutional trajectories and responsibilities—with pre-primary education generally falling under the purview of ministries of education and childcare services under social development or welfare ministries. This divide creates problems of compatibility and continuity for working parents and fails to fully exploit the potential for a triple dividend.

Pre-primary education focuses mainly on developmental support for children so that they acquire skills for future learning, but part-time schedules and long holidays often limit its contribution to work-family reconciliation. In Argentina, for example, the majority of children attend preschool for no more than 3.5 hours per day.<sup>11</sup> Day-care services, in contrast, tend to be more aligned with the needs of working parents, including full day and extended arrangements. Developmental aims, however, are often secondary and caregivers assumed to not require specific skills despite the evidence on the importance of service quality for very young children.<sup>12</sup>

A more integrated approach is needed that is sensitive to the developmental needs of children while also responding to the requirements of real world families. Governments can often build on and improve what exists by strengthening the developmental thrust of childcare services through curriculum and staff development or by offering after-hour care and vacation programmes in pre-primary education.

### *Who pays? Public funding versus fees*

Good childcare is expensive, but the medium- and long-term benefits of high-quality ECEC services exceed their immediate costs, including by increasing female labour supply, flexibility and productivity, which in turn may trigger higher tax revenues.<sup>13</sup> In low-income countries, estimates suggest

that expanding pre-primary enrolment to 50 per cent would produce benefits of US\$33 billion, exceeding cost by 8 to 18 times, depending on assumptions.<sup>14</sup>

While many of the benefits of ECEC services accrue to society at large, the costs are often disproportionately borne by individual families. High childcare fees can have negative consequences for both women and children. In Ireland, for example, where families bear more than half of the cost of childcare, there are considerable financial incentives for one parent—usually the mother—to leave the labour force, particularly with the birth of a second child.<sup>15</sup> In countries such as Ethiopia, Sierra Leone and many of the Arab States, where funding and provision are entirely left to the private sector, ECEC coverage tends to be low and skewed towards better-off urban families, thus excluding children who stand to gain most from access to quality services.<sup>16</sup> Adequate public funding is hence paramount to enable women's labour force participation and guarantee access for all children.

### *How is public money spent? Direct investments in service delivery versus parental subsidies*

Broadly speaking, there are two modalities for making public funds available: governments can invest directly in service provision or provide subsidies to parents. Parental subsidies usually imply lower immediate costs for governments—because they tend to be set well below the actual cost of care—and allow parents to choose from a range of providers. If sufficient public money is made available, rapid expansion can be achieved over a short period of time. In Mexico, for example, subsidies provided through the Federal Day-care Programme for Working Mothers led to the creation of 8,000 day-care centres over two years.<sup>17</sup> At the same time, parental subsidies often create a diffuse array of providers offering services of uneven quality that is difficult for families to judge and for the state to monitor. They also often lead to a growth in family-based day care run by self-employed individuals who are poorly trained, earn low wages and enjoy little or no access to social protection.<sup>18</sup>

Expanding services through direct public funding often takes longer, but the evidence suggests that it yields better results in terms of accessibility and affordability.<sup>19</sup> Direct funding is also associated with more uniform levels of service quality and better working conditions because it affords governments greater control in terms of standard setting, training requirements and wage supplements.<sup>20</sup> This model is common in the Nordic countries, France and Germany. Recently, Chile has also opted for this strategy (see Box 1).<sup>21</sup>

## BOX 1

### Chile: Investments in public services boost access, equality and compatibility for working mothers

Since 2006, Chile has pursued the expansion of ECEC services for children under the age of 4 in ways that have boosted coverage, enhanced equality in access and made service hours more compatible with the needs of working mothers. To achieve these goals, the Government increased its investment in the expansion of public childcare services fourfold between 2006 and 2010. Centres are staffed by salaried ECEC professionals, centrally funded and regulated but locally run, largely by municipalities with some delegation to non-profit providers. Access is free for children from the first three income quintiles. Achievements include increased coverage—from 17 per cent in 2006 to 26 per cent in 2011—and a decline in gaps between children from different socio-economic groups. The majority of newly created centres offer full-day and extended schedules to allow mothers to seek employment, work or study.<sup>22</sup>

### Who delivers and responds? State, market and community-based provision

Even when the state provides significant funding for ECEC, it does not necessarily deliver the services. Private ECEC providers include large corporations; small, medium and large enterprises; self-employed child-minders providing services in their own homes; non-governmental or faith-based organizations; local community groups; and cooperatives. Some operate on a for-profit basis while others do not. Whether privately provided services are accessible, affordable and of adequate quality depends on the degree of state funding and regulation.

Private for-profit providers will often accommodate parental preferences, including with regards to opening hours and classroom activities. Yet, such higher-end services remain unaffordable for the majority of households. Market providers may also be reluctant to invest in poorer regions or unprofitable neighbourhoods. In some countries, therefore, public funding for privately provided services is accompanied by a cap on profits and/or a tying of parental fees to household income to ensure affordability. There is also evidence that for-profit providers allocate fewer resources to quality improvements.<sup>23</sup> Setting clear standards for health, safety and hygiene as well as group size, child-staff ratios and workers' qualifications is hence crucial. Childcare services do not always yield easy profits for market providers and many close as a result. In England,

for example, almost half of the new childcare places created between 1999 and 2003 closed; closure rates were particularly high in small, family-based centres.<sup>24</sup> Finally, and in order to combat the tendency among for-profit providers to create low-quality childcare jobs, some countries regulate requirements for pay, working conditions and unionization.<sup>25</sup>

Studies from Canada and the United States suggest that non-profit childcare providers attribute greater importance to quality and staff qualifications than commercial providers.<sup>26</sup> Yet, where public funding is insufficient, non-profits are unable to uphold quality standards and pay decent wages.<sup>27</sup> This is the case in many developing countries, where community-based services are often the only option available to lower-income households. They usually function in private homes or community spaces, target poor and vulnerable children and are staffed by (mostly female) 'volunteers'. Poor training and infrastructure frequently compromise programme quality, limiting child development outcomes.<sup>28</sup> This is not, however, inevitable. Governments can improve the chances of the triple dividend being realized through community-based provision by investing in infrastructure, hiring more professional staff and training and formalizing the positions of community workers—as in Ecuador, for example (see Box 2).

Independent of the provider, the needs of working parents have to be factored into service delivery decisions, including centre location and opening hours, if women's labour force

## BOX 2

### Ecuador: Improving quality and working conditions in community-based childcare

Ecuador's 3,800 *Centros Infantiles del Buen Vivir* provide childcare services for more than 138,000 children of working mothers. Services are centrally coordinated but run mainly through agreements with local governments and civil society organizations. Until 2013, caregivers were so-called 'community mothers': volunteers who received only a small stipend for their work. As part of a broader strategy to universalize access and improve quality, the Government plans to create another 1,000 centres by 2017 and has recruited a growing number of early childhood professionals to coordinate service provision in each centre. In parallel, training for childcare workers—now called 'child education promoters'—now allows them to obtain a technical degree after three years of part-time study. Since 2013, these workers also receive the minimum wage—more than triple the previous stipend of US\$200—and full social security benefits.<sup>29</sup>

participation is to be supported. In large urban areas, for example, parents often travel long hours to and from work. Where childcare facilities are based in home communities, opening hours need to be adjusted accordingly. Providing childcare services closer to parents' workplaces can be an alternative option if adequate transport services allow for commuting with small children. Effective inspection systems, as well as participatory review mechanisms involving parents

and children, can act as a quality check and increase responsiveness to their needs and preferences.

While there is room to synchronize ECEC services more strongly with the needs of working parents, sustainable childcare arrangements will also require changes in the broader environment where long working hours and commuting times, inadequate public transport systems and urban segregation conspire to reduce family time at the expense of both parents' and children's well-being.

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## RECOMMENDATIONS

- Countries should work towards integrated systems that provide a continuum of care for preschool children and are sensitive to the needs of both children and working parents
  - Adequate public investments in infrastructure and service operation are paramount for rights-based universal access.
  - Direct public investment in ECEC services, as opposed to parental subsidies or voucher systems, should be privileged for yielding better results in terms of accessibility, affordability and quality
  - Private-for-profit provision must be properly managed, ensuring clear quality and safety standards as well as decent working conditions for staff
  - Community-based provision can be strengthened by investing in infrastructure, hiring more professional staff, and training and formalizing the positions of community workers
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The policy brief series synthesizes research findings, analysis and policy recommendations on gender equality and women's rights in an accessible format. This brief was produced by Silke Staab, Research Specialist at the Research and Data section. To see the full bibliography visit: <http://goo.gl/RloTsh>

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### FURTHER READING

Blofield, M. and J. Martinez Franzoni. 2015. "Work-Family Relations and Inequality in Latin America." UN Women Discussion Paper No. 7. UN Women, New York.

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### ENDNOTES

<sup>1</sup> UNESCO 2015.

<sup>2</sup> UN Women 2015.

<sup>3</sup> Del Boca 2015; Contreras et al. 2012.

<sup>4</sup> Yoshikawa and Kabay 2015; Pianta et al. 2009.

<sup>5</sup> Schweinhart et al. 2005.

<sup>6</sup> OECD 2012.

<sup>7</sup> Ilkharacan et al. 2015.

<sup>8</sup> Mathers et al. 2014.

<sup>9</sup> UNESCO's EFA Global Monitoring Report uses the term pre-primary education for programmes that introduce children, aged at least 3 years, to a school-type environment.

<sup>10</sup> Daly 2015.

<sup>11</sup> Faur 2012.

<sup>12</sup> Yoshikawa and Kabay 2015

<sup>13</sup> OECD 2006, Annex D.

<sup>14</sup> Behrman and Urzua 2013, cited in Yoshikawa and Kabay 2015.

<sup>15</sup> OECD 2006.

<sup>16</sup> UNESCO 2015.

<sup>17</sup> Staab and Gerhard 2010.

<sup>18</sup> OECD 2006; Staab and Gerhard 2010.

<sup>19</sup> OECD 2006.

<sup>20</sup> Ibid.

<sup>21</sup> Staab 2012.

<sup>22</sup> Staab 2014.

<sup>23</sup> Moss 2009.

<sup>24</sup> Ibid.

<sup>25</sup> Kagan and Rigby 2003, cited in OECD 2006.

<sup>26</sup> Cleveland et al. 2007.

<sup>27</sup> OECD 2006.

<sup>28</sup> Cuetto et al. 2009, cited in UNESCO 2015.

<sup>29</sup> IADB 2013 and official documents.