WHY CHILDCARE?

The benefits of childcare services are not limited to child development and can have a positive impact on women’s economic inclusion and national growth and productivity. Unpaid care work is one of the main barriers to women’s employment and job retention as women are often the main caregivers for the family. The study highlights the business case for employer-supported childcare and the private sector provision of childcare services more broadly.

ENABLING CHILDCARE POLICIES IN THE PRIVATE SECTOR

Tackling Childcare

- *Women, Business and the Law* measures laws and regulations that affect women’s economic empowerment in 173 economies around the world.
- Family-friendly workplace policies such as maternity, paternity and parental leave as well as flexible work schedules can allow childcare responsibilities to be shared between both parents.
- The Tackling Childcare project examines the regulatory framework for two age groups (early childhood care and preschool educational services) across 50 pilot economies.
- Areas covered are employer-supported childcare and private stand-alone childcare centers.
- The pilot study will be extended to 100 economies in the 2018 *Women, Business and the Law* report.

Key Trends

- Employers are legally required to support childcare in 11 out of 50 economies.
- Of the economies covered 60% provide government benefits to parents to support childcare, while 54% provide such benefits to childcare centers, and 34% to employers.
- Government support to employers, childcare centers and parents for early childcare can increase the likelihood of women’s representation of 25% or more in national parliaments.
- 25% or more female representation in parliaments increases the likelihood of laws mandating government support to parents, employers and childcare centers for preschool childcare services for older age groups.
- Regulations on childcare quality and safety standards are more comprehensive for older children compared to younger children.

HOW TO USE THIS DOCUMENT

This document aims to improve understanding of how legal and regulatory environments shape private childcare services in 50 economies. It seeks to build awareness of how quality childcare services are linked to women’s economic empowerment and identify areas for reform.
ARE EMPLOYERS LEGALLY REQUIRED TO PROVIDE OR SUPPORT CHILDCARE?

In a minority of economies (11 out of 50) employers are legally required to provide or support childcare services for employees. In 5 economies (Iraq, Japan, Netherlands, Ukraine and Vietnam), employers have a general requirement to do this. In Ecuador and India, the requirement is triggered by hiring a specific number of employees (male or female). In 4 economies, (Brazil, Chile, Jordan, Turkey), it is triggered by hiring a specific number of female employees, which can be a disincentive to hiring women.

EXAMPLES OF THE OBLIGATION FOR EMPLOYERS TO PROVIDE CHILDCARE

<table>
<thead>
<tr>
<th>Economy</th>
<th>Trigger of obligation</th>
</tr>
</thead>
<tbody>
<tr>
<td>ECUADOR</td>
<td>Fifty employees</td>
</tr>
<tr>
<td>JORDAN</td>
<td>Twenty female employees with 10 children under the age of 4 years old</td>
</tr>
<tr>
<td>INDIA</td>
<td>Fifty employees</td>
</tr>
</tbody>
</table>

GOVERNMENT SUPPORT FOR CHILDCARE

Government incentives can reduce the cost of private childcare. The Tackling Childcare project examines tax and non-tax benefits granted to parents, employers, and private childcare facilities. A 2016 World Bank Group study on childcare in Turkey emphasized the importance of analyzing different types of government support to determine the most effective policy.

Women, Business and the Law finds that 60% of economies provide childcare benefits to parents, 54% to private childcare providers and 34% to employers.

Government support for early childcare services increases the likelihood of women’s representation of 25% or more in national parliaments.

25% or more female representation in parliaments increases the likelihood of laws mandating government support for childcare services provided to older age groups.

Women’s representation in parliament

Yes 26%  No 18%

Likelihood of government incentives for preschool services

Yes 34%  No 15%

Source: Women, Business and the Law Tackling Childcare 2017 (50 economies)
QUALITY AND SAFETY STANDARDS

Quality and safety are important for both child development and establishing user trust. Government oversight can help to ensure the implementation of these standards. *Women, Business and the Law* measures 16 quality and safety requirements, including teacher and caregiver qualifications, pupil-teacher ratio, inspections and penalties for non-compliance.

The majority of OECD high income, Middle East & North Africa and Europe & Central Asia economies heavily regulate childcare services.

South Asian economies covered lack laws that regulate childcare services.

Most Sub-Saharan African economies covered lack laws on early childcare services but have more regulations covering preschool education for older age groups.

EXAMPLES OF QUALITY AND SAFETY STANDARDS

Pupil-teacher ratios vary across economies as well as with the age of the child. The ratio often decreases for older children.

<table>
<thead>
<tr>
<th>Economy</th>
<th>Required caregivers</th>
<th>1 year old children</th>
<th>5 year old children</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>(9)</td>
<td>(25)</td>
<td></td>
</tr>
<tr>
<td>Canada</td>
<td>(10)</td>
<td></td>
<td>(39)</td>
</tr>
<tr>
<td>South Africa</td>
<td>(12)</td>
<td>(30)</td>
<td></td>
</tr>
</tbody>
</table>

About half of the economies covered mandate zoning requirements. In China, preschool facilities must be a safe distance from electromagnetic waves, high-voltage electricity, manufacturers of flammable, explosive, toxic and hazardous products and contaminants such as garbage storage sites.
LEGAL REFORM CAN IMPROVE WOMEN’S ECONOMIC OPPORTUNITIES

**INDIA** amended The Maternity Benefit Act in 2017 to require employers with 50 employees or more to establish a childcare center.

**IRAQ** enacted a new labor law in 2015 to require employers to establish childcare centers when employing women.

**JAPAN** enacted the 2014 Children and Childrearing Support Act which mandates employers to create an enabling environment for work-life balance and to contribute to the payment of child allowance.

**UKRAINE** enacted a new tax law in 2015 which grants tax benefits to preschool facilities.

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**Where governments publicly provide or subsidize childcare for children under the age of primary education, women are more likely to receive wages**

<table>
<thead>
<tr>
<th>Is there public provision for children under the age of primary education?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
</tr>
<tr>
<td>No</td>
</tr>
</tbody>
</table>

Received wages in the past year, female (% age 15+)

Source: Women, Business and the Law 2016 (173 economies), Global Findex and World Development Indicators databases

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**THE TACKLING CHILDCARE PROJECT** is a collaboration between the World Bank Group’s Women, Business and the Law team (WBL) and the International Finance Corporation (IFC) Gender Secretariat in partnership with the Institute for Women’s Policy Research (IWPR). The study includes 50 economies: Australia, Bahrain, Belarus, Botswana, Brazil, Canada, Chile, China, Côte d’Ivoire, Ecuador, Estonia, Finland, France, Germany, Ghana, India, Indonesia, Iraq, Italy, Japan, Jordan, Kazakhstan, Kenya, Latvia, Malaysia, Mexico, Morocco, Netherlands, Nicaragua, Norway, Pakistan, Palau, Philippines, Russian Federation, Serbia, Slovenia, South Africa, Sweden, Switzerland, Tajikistan, Tanzania, Togo, Tunisia, Turkey, Uganda, Ukraine, United Arab Emirates, United Kingdom, United States, Vietnam.