

**CHAPTER 2**

Toward Available, Affordable, and Quality Childcare Services

The availability of childcare services matters for women’s economic participation. Women bear a disproportionate burden of unpaid care at home (UN Women 2015), and this unequal distribution of responsibilities compromises their ability to access and retain jobs.¹ Women are more often the secondary earner, work fewer hours, and are paid less than men. These gaps widen further when childcare needs arise (Fabrizio et al. 2020). The worldwide COVID-19 crisis has heightened the importance of aligning childcare policies more closely with the needs of working parents and, in particular, working mothers.

In light of these circumstances and building on information presented last year, *Women, Business and the Law 2022* collected pilot data for 95 economies that measure legal frameworks for the provision of childcare services, focusing on availability, affordability, and quality. This pilot exercise was intended to fill knowledge gaps around the overall design and effectiveness of childcare policies and to inform their successful implementation to increase women’s economic opportunity. Over time, expanding access to childcare can have positive impacts not only for female labor force participation and child development, but also for economic growth, creating a more abundant and diverse workforce and offering substantial business and employment opportunities.

The importance of analyzing childcare laws

International law has long recognized that working parents need access to outside childcare and called for making childcare facilities more readily available (figure 2.1). Increasingly, empirical research has documented the positive impact that policies

FIGURE 2.1 | THE INTERNATIONAL LEGAL FRAMEWORK ON CHILDCARE PROVISION



Source: Women, Business and the Law team.

targeting the availability, affordability, and quality of childcare services can have on women's participation in the labor market, their hours of work, and their wages (Olivetti and Petrongolo 2017). Such policies also have multigenerational benefits, resulting in improved child development and overall economic growth and productivity.

The evidence regarding the positive impact of childcare *availability* on women's employment is compelling and broad, both in lower- and higher-income economies (Calderón 2014; Chevalier and Viitanen 2002; Clark et al. 2019; Dang, Hiraga, and Nguyen 2019; de Barros et al. 2013; Herbs and Barnow 2008; Sanfelice 2018). In Indonesia, access to formal public childcare is found to increase the likelihood that women with age-eligible children will participate in the labor force by 13 percent (Halim, Johnson, and Perova 2019). While the positive effect is seen most often in women's labor force participation, evidence also suggests that having access to childcare allows women to work longer hours, achieve higher productivity and income, and find employment in the formal, rather than informal, sector (Calderón 2014; Dang, Hiraga, and Nguyen 2019; de Barros et al. 2013; Sanfelice 2018). Conversely, a lack of childcare can limit productivity and the type of employment in which women can engage, preventing them from taking more stable and lucrative opportunities in the formal sector (Alfers 2016; Cassirer and Addati 2007; Hein 2005; Heymann 2007). In Guatemala, 40 percent of mothers working informally cited lack of childcare as a key reason for not taking a formal-economy job (Cassirer and Addati 2007). In the absence of childcare, many women also resort to taking their children to work with them. For example, survey data for Pakistan, Peru, and 10 African economies suggest that 40 percent of mothers take young children to work (Hein 2005). Apart from the potential danger to the health of the child, having to provide their own childcare while working restricts the range of jobs that mothers may seek.

Even when formal childcare is available, *affordability* of care is a central concern that influences the extent to which childcare services are used. Empirical evidence from both higher- and lower-income economies finds a positive relationship between affordable childcare, funded partially or fully by the government, and women's labor market outcomes, including participation in the labor force, wages, and working

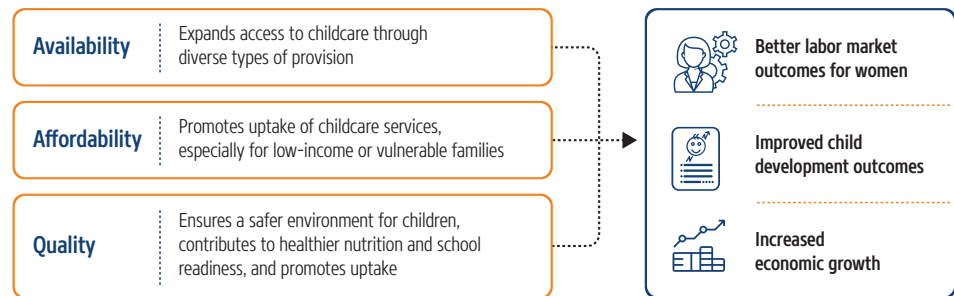
hours (Devercelli and Beaton-Day 2020; Geyer, Haan, and Wrohlich 2015; Haan and Wrohlich 2011). Perception-based household surveys from the European Union (EU) also demonstrate that more than 40 percent of families consider cost to be the main barrier to using formal childcare (Devercelli and Beaton-Day 2020). High costs not only discourage households from using formal childcare facilities but also have a negative effect on mothers' participation in the labor market in Kenya, Liberia, and Mozambique (Bhatkal 2014; Clark et al. 2019; Lokshin, Glinskaya, and Garcia 2000). In low-income economies, affordability is a priority. Better-off households are able to hire childminders at home relatively cheaply, while poor households have few affordable options for childcare, despite great need. As a result, children are left at home with no adult supervision or in the care of child siblings (Samman, Presler-Marshall, and Jones 2016).

Literature also cites *quality* as a factor determining parental decisions to use formal childcare services: good-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 (Malmberg, Mwaura, and Sylva 2011; Rao 2010; Richter and Samuels 2018). The impact of quality of childcare services on female labor force participation is less researched, but a positive relationship is evident between the provision of universal low-fee, high-quality preschool in Quebec, Canada, and the female labor supply (Baker, Gruber, and Milligan 2008; Haeck, Lefebvre, and Merrigan 2015).

There is also a lack of data on the role that the legal framework can play in promoting or hindering the provision and uptake of childcare services. Publicly available international databases produce some data on outcomes, but there is not enough evidence on practices to inform policy design. Despite global coverage, the United Nations Children's Fund (UNICEF) Education Statistics data are limited to gross and net enrollment rates in early childhood education programs and government expenditure on preprimary education. Data from the United Nations Educational, Scientific, and Cultural Organization (UNESCO) Institute for Statistics focus on national education systems and enrollment rates for children below primary school-starting age. Data from the Organisation for Economic Co-operation and Development (OECD) Family Database and from Eurostat provide a solid overview of childcare arrangements, outcomes, and policies, but are limited in scope to OECD and EU member states. Only limited data are available on childcare across low- and middle-income countries, particularly for children below age three (Devercelli and Beaton-Day 2020).

The enactment of policies to make childcare available, affordable, and of decent quality is a priority due to their potential to achieve better market outcomes for women, children, and the economy overall. In support of this goal, *Women, Business and the Law* mapped and explored current legal and regulatory measures adopted to ensure or strengthen three pillars of childcare: availability, affordability, and quality (figure 2.2). The project does not endorse a specific design of childcare policy and recognizes that legal frameworks differ in their institutional arrangements, delivery schemes, and general application. However, it aims to fill knowledge gaps and contribute to policy dialogue on some of the features of legal frameworks that may promote or hinder the provision and uptake of childcare services.

FIGURE 2.2 | THE THREE PILLARS OF CHILDCARE SERVICES



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





A conceptual framework for measuring legal barriers to childcare

The unmet need for childcare is substantial: 40 percent of children below primary school age worldwide need childcare but lack access (Devercelli and Beaton-Day 2020). Lack of access is even more severe for children below the age of three due to higher costs and scarce policies for widespread provision (Devercelli and Beaton-Day 2020). 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 2.3).

Under the availability pillar, *Women, Business and the Law* explored how governments make childcare available through regulatory interventions that support diverse types of provision and convenience. Although no international legal standards have been established to guide regulations on the provision of childcare, governments may support a wide range of childcare options to meet the needs of working mothers and families. Childcare can be funded and operated by the public or the private sector. Public childcare, funded and operated by the government, can be provided at center-based facilities, including nurseries, day care centers, preschools, and kindergartens. Private childcare can be funded and operated by for-profit or not-for-profit entities or supported through public-private partnerships. It includes home- and center-based care. Employer-provided or -supported childcare is another form of private childcare that includes services offered at on-site or off-site centers as well as childcare-related financial support. To explore the convenience of services, *Women, Business and the Law* measured whether laws or regulations mandate minimum operating hours for both public and private centers and whether legal frameworks provide for flexible or on-demand hours.² Legal mandates for employers to provide or support childcare were also examined.

Under the affordability pillar, *Women, Business and the Law* measured regulatory interventions that increase affordability through government-provided free services and financial and nonfinancial support for families, private childcare providers, and employers. The regulation of fees was also measured. Governments can use a variety of arrangements to make formal childcare affordable for providers and consumers—for example, by providing financial support in the form of ongoing subsidies, allowances, reimbursements, one-time grants, and tax benefits as well as nonfinancial support,

FIGURE 2.3 | KEY CONSTRAINTS IN THE CHILDCARE MARKET

Key constraint	Costs 	Diverse options 	Quality 	Social and cultural norms 
Supply side (provider)	High operational costs and tight margins make providers financially vulnerable.	High property costs, safety concerns, and barriers to entry may limit ability to open centers in convenient locations.	Quality is often poor due to an undertrained and unsupported childcare and early learning workforce, a lack of guidance on quality standards, and a lack of financing.	Inattention among policy makers to women's unpaid caregiving labor discourages the prioritization of support for childcare services.
Demand side (consumer)	High costs are a barrier for many families, especially low-income families.	Inconvenient location of services and operating hours limit uptake.	Two factors limit uptake: (a) lack of parental trust that children will be in a safe environment that provides quality service and (b) lack of parental understanding of what good quality looks like.	Cultural and social norms that discourage having children cared for outside of the family limit uptake.

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

including the government's direct provision of free or low-cost childcare, workforce subsidies, or additional hours of childcare. Specifically, childcare subsidies for families are found to boost female labor supply in France (Givord and Marbot 2015), to increase women's probability of employment and working hours in Kenya (Clark et al. 2019), and to affect women's employment rates and work hours in Latin America and the Caribbean (Diaz and Rodriguez-Chamussy 2013). In the Netherlands, a 50 percent reduction in childcare fees for all parents and a simultaneous increase in tax credits for low-income working parents is found to increase the female labor supply and number of hours worked (Bettendorf, Jongen, and Muller 2015).

Governments may choose to attach conditions to subsidies or other forms of financial support. In the absence of suitable regulations, public childcare support may not necessarily guarantee better access to affordable childcare. One risk is that providers may "capture" public support for themselves, rather than passing it on to parents through lower costs. Possible scenarios include providers accepting direct subsidies from government but not reducing prices accordingly or raising fees following an increase in rebates of public childcare fees, benefits, or tax relief for parents. One way to prevent capture and target vulnerable populations is to combine public support with fee caps and regulations, such as maximum fees.³

Government support for market-based solutions for affordable childcare may be an option for many families; however, depending on the level of government support, these services might not necessarily reach the poorest and most economically vulnerable. Thus, data were also collected on legal or regulatory measures specifically targeting low-income families through subsidies or other inputs, including granting additional hours of childcare and preferential enrollment terms to disadvantaged families.⁴

Under the quality pillar, *Women, Business and the Law* collected data on regulatory interventions that improve the quality of services. In order to make the indicators more actionable, the concept of quality was broken down into three main categories: structural, process, and system quality.

- **Structural quality** includes standards on teacher-to-child ratios, group size, and physical infrastructure. Measures of structural quality include regulatory interventions mandating teacher-to-child ratio and group size.
- **Process quality** refers to program, workforce, and interactions quality. Program quality typically covers the curriculum, materials, duration, and intensity of the program and strategies for community and parental engagement. Workforce quality is a key contributor to process quality and refers to the qualifications, experience, competencies, and conditions of employment for early childhood educators. The quality of interactions reflects the social, emotional, and physical interaction that the child has with materials, peers, and teachers. While aspects of program and interaction quality fall outside the scope of legal or regulatory intervention and are difficult to capture and compare, measures of process quality examined here include mandatory periodic training of educators.
- **System quality** refers to the overall system in which childcare is delivered. Measures of system quality include regulatory interventions mandating licenses or other forms of operating authorizations, inspections, reporting requirements, and sanctions for noncompliance with applicable laws and regulations, in both the public and private sectors.

Collecting data on legal and regulatory frameworks for childcare provision

For this pilot stage of the project, *Women, Business and the Law* collected data on legal and regulatory frameworks for childcare provision in 95 economies (table 2.1). Economies were selected to represent at least 82 percent of the world's population, with at least one economy from each income group chosen within each World Bank region.

TABLE 2.1		<i>WOMEN, BUSINESS AND THE LAW</i> CHILDCARE PILOT ECONOMIES	
Region	Economy		
East Asia and Pacific	China; Fiji; Hong Kong SAR, China; Indonesia; Malaysia; Mongolia; Philippines; Singapore; Thailand; Vietnam (10)		
Europe and Central Asia	Bulgaria; Croatia; Georgia; Kyrgyz Republic; Moldova; Romania; Russian Federation; Serbia; Tajikistan; Turkey; Ukraine; Uzbekistan (12)		
Latin America and the Caribbean	Argentina; Bahamas, The; Barbados; Belize; Bolivia; Brazil; Colombia; Ecuador; Mexico; Nicaragua; Panama; Paraguay; Peru; Puerto Rico (US); Suriname; Trinidad and Tobago (16)		
Middle East and North Africa	Algeria; Bahrain; Djibouti; Egypt, Arab Rep.; Iran, Islamic Rep.; Jordan; Kuwait; Malta; Morocco; Oman; Qatar; Tunisia; United Arab Emirates (13)		
OECD high income	Australia; Belgium; Canada; Chile; Czech Republic; Denmark; France; Korea, Rep.; Lithuania; Norway; Poland; Portugal; Slovenia; Spain; Switzerland; United Kingdom; United States (17)		
South Asia	Bangladesh; Bhutan; India; Nepal; Pakistan; Sri Lanka (6)		
Sub-Saharan Africa	Angola; Botswana; Cabo Verde; Côte d'Ivoire; Ethiopia; Gabon; Ghana; Guinea; Kenya; Malawi; Mauritania; Mauritius; Namibia; Rwanda; Senegal; Sierra Leone; South Africa; Tanzania; Togo; Uganda; Zambia (21)		

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

Note: OECD = Organisation for Economic Co-operation and Development.

Within each region, economies were chosen that have a female labor force participation rate in each of the four quartiles of value distribution. Economies with no available data on the female labor force participation rate or with extremely low and high values in the distribution (at the 1st and 99th percentile) were excluded.

The choice of preliminary questions within each of the three pillars was guided by a thorough review of empirical evidence and a round of consultations with experts.⁵ The data were collected by means of desk research. Some questions on availability and affordability of childcare services were also administered to current *Women, Business and the Law* experts in labor law. Where there were difficulties locating or interpreting applicable laws, the team attempted to reach childcare providers and academics in the field via phone or email. For future cycles of data collection, the team plans to build a solid base of contributors and to survey childcare providers who have direct knowledge of legal requirements and acceptable standards.

Childcare regulations were assessed for children younger than preprimary school–starting age and children of preprimary school–starting age up to the start of primary school.⁶ However, the main focus of the analysis was on regulations applicable to children of any age after birth but below the formal preprimary school–starting age, as defined by the International Standard Classification of Education (ISCED). This age is typically below three years but varies from country to country.⁷ Table 2.2 provides a snapshot of the data collected for two countries at different income levels. Romania (upper middle income) and Kenya (lower middle income) are highlighted because they employ different models of childcare provision. While Romania has both public and private childcare provision, Kenya has only private provision. Selected aspects were collected for both public and private childcare in center-based settings.

TABLE 2.2 DATA SNAPSHOT, ROMANIA AND KENYA		
Indicator	Romania	Kenya
Availability of childcare services		
1.1 What is the preprimary school–starting age (in years)?	3	4
1.2 Does the law regulate public or private provision of childcare services?	Public and private	Private
1.3 Does the law require employers to provide or support childcare services?	No	No
1.4 Does the law mandate minimum hours of operation of public or private childcare centers?	No	Yes (9 hours)
1.5 Does the law provide for flexible or on-demand hours of operation at public or private childcare centers?	Yes	No
Affordability of childcare services		
2.1 Where the government provides childcare services, does the law establish free provision of such services?	No	n.a.
2.2 Does the law establish specific conditions (income, number of children, other criteria) on which cost to parents for public childcare services is determined?	Yes	n.a.
2.3 Does public provision of childcare services cover meals at no additional cost to parents?	No	n.a.
2.4 When fees are required by public or private childcare providers, are they regulated?	Yes	No
2.5 Does the government provide some form of financial support to parents for the use of childcare?	No	No
2.6 Does the government provide support (nonfinancial or financial) for the use of childcare services specifically targeting low-income families?	Yes	No
2.7 Do parents receive tax benefits specifically for using childcare services?	No	No

(Table continues next page)

TABLE 2.2 DATA SNAPSHOT, ROMANIA AND KENYA (continued)		
Indicator	Romania	Kenya
2.8 Does the government provide private childcare centers with some form of financial support?	Yes	No
2.9 Do private childcare centers receive tax benefits?	Yes	No
2.10 Does the government provide some form of financial support to employers for establishing or supporting childcare services for their employees?	No	No
2.11 Do employers receive tax benefits for providing or supporting childcare services?	Yes	No
Quality of childcare services		
3.1 Are public or private childcare centers legally required to obtain licenses or some form of operating authorization?	Yes	Yes
3.2 Does the law mandate a teacher-to-child ratio for public or private childcare centers?	Yes	No
3.3 Does the law mandate a maximum group size in public or private childcare centers?	Yes	No
3.4 Does the law require caregiving staff at public or private childcare centers to undergo periodic training?	Yes	No
3.5 Does the law require inspections for compliance with applicable laws or quality standards by public or private childcare centers?	Yes	No
3.6 Does the government require reporting of information by public or private childcare centers?	Yes	Yes
3.7 Are penalties imposed for noncompliance with applicable laws and regulations by public or private childcare centers?	Yes	Yes

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

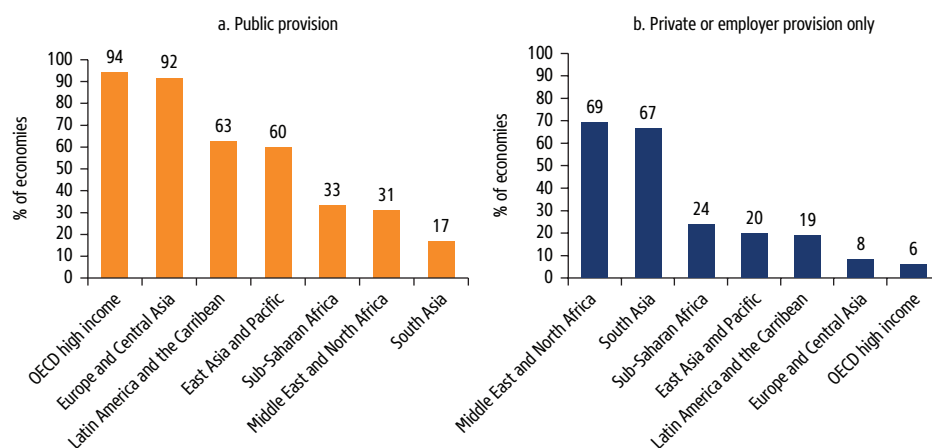
Note: In Kenya childcare services for children below the preprimary school–starting age of four are regulated for private providers only. Therefore, questions that are specific to public providers are coded as n.a. In Romania, where no distinction in the answers is made for public and private providers, rules are equally applicable to both. In accordance with standard *Women, Business and the Law* assumptions, legislation applicable to the main business city in each economy was reviewed. A detailed and expanded list of childcare indicators and data notes is available at <https://wbl.worldbank.org>.

Insights from pilot data

Availability of childcare services across regions

The availability and regulation of different types of childcare services vary widely across regions. Among the sample of 95 economies, public provision of childcare is nearly universally regulated in the OECD high-income region and Europe and Central Asia (figure 2.4). In contrast, the Middle East and North Africa and South Asia have the smallest share of economies regulating the provision of public childcare services. Nonetheless, in these two regions, provision of childcare services is more regulated for the private sector (Middle East and North Africa) and for employers (South Asia).

In South Asia, historically entrenched patriarchal norms and traditional values contribute to low levels of women’s engagement in the labor force and the feminization of unpaid care (Waidler, Sunny, and Rees 2021). The onus of care is largely informal, especially in the first three years of a child’s life, and remains primarily the responsibility of households. However, employers are increasingly providing childcare services to their workers. This trend may be attributed partly to regional advisory programs, including from the International Finance Corporation (IFC 2019). 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 enforcement.

FIGURE 2.4 | LAWS REGULATING PUBLIC, PRIVATE, AND EMPLOYER-PROVIDED CHILDCARE SERVICES, BY REGION

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

Note: Of 95 economies reviewed, public provision of childcare services is regulated in 55 economies. Provision of childcare services by the private sector or employer *only* is regulated in 25 economies. Panel a is based on indicator 1.2 from table 2.2 for economies where the law regulates the provision of public childcare services. Panel b is based on indicators 1.2 and 1.3 from table 2.2 for economies where the law regulates childcare services provided by the private sector or employers *only*. OECD = Organisation for Economic Co-operation and Development.

Of the 55 economies that regulate both public and private provision of childcare services, just eight economies establish minimum required hours of operation for both public and private childcare centers, ranging from 6 hours in Czech Republic, 7 hours in Brazil and the Republic of Korea, to 10 hours in Mauritius and Spain. The law provides for flexible or on-demand hours of operation in Cabo Verde, where Decree-Law No. 58/2018 establishes that the day care's opening hours must be suitable to the needs of parents or persons exercising parental authority. A similar provision exists in Angola. Across the economies in Europe and Central Asia, including Kyrgyz Republic, Romania, the Russian Federation, Serbia, Slovenia, Ukraine, and Uzbekistan, flexible operational hours of childcare services are available. Such hours generally include short-term stay, full-time stay, extended-day stay, or the round-the-clock stay, making it convenient for parents to choose an option that suits their work schedules. Considering parental needs in access to childcare services is an important aspect of legislative provisions that may also have far-reaching impacts for their potential to advance gender equality.

Financial support for affordable childcare

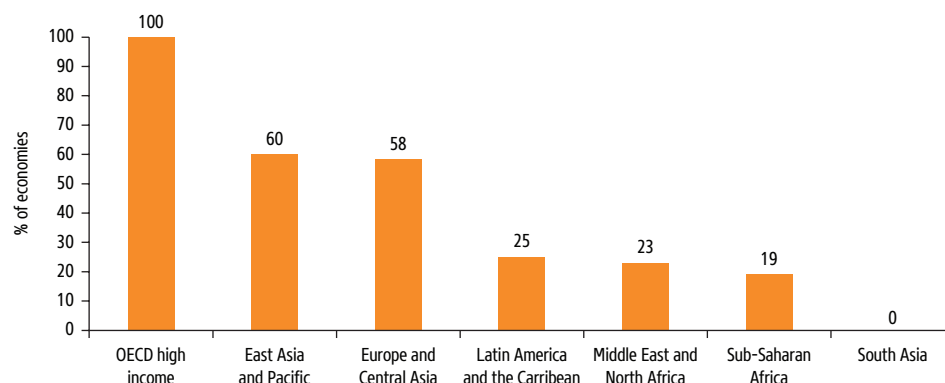
Under the affordability pillar, *Women, Business and the Law* measured whether the law mandates the free provision of public childcare services. Out of 55 economies where public provision of childcare is regulated, about 80 percent do not mandate free provision—at least within the framework of governing laws—and parents must pay a fee that may be conditioned on a set of criteria, including income or number of children in a family. Higher- and upper-middle-income economies providing public childcare at a cost tend to regulate explicitly how the cost is determined.

Granting financial support to parents (who are the consumers) or providers of childcare services is another policy measure that governments adopt to reduce costs and facilitate uptake. For example, among the economies that grant financial support to parents specifically for the use of childcare services, in nearly 90 percent of cases such support is provided under conditions that can include but are not limited to the following: the household's level of income, the work status of parents, the number of hours that a child spends in a facility, the number of children enrolled in a facility from the same family, and the average rate of childcare in a facility as generally set by the government. In Argentina, Czech Republic, and Denmark, such support is unconditional and generally provided as a fixed amount or percentage of the overall cost for childcare.

All pilot economies in the OECD high-income region provide some form of financial support to consumers or providers of childcare services for children below preprimary school-starting age, followed by more than half of the economies in East Asia and Pacific and Europe and Central Asia (figure 2.5). However, among these regions, conditions also apply in more than 85 percent of cases, especially with regard to financial support for parents. For example, in Portugal, a so-called attendance allowance for children in a childcare facility is granted when both parents are engaged in professional activity. In Croatia, the joint income of all members of the household is considered when determining the cost of childcare services. In Singapore, the employment status of parents is taken into account when calculating the amount of subsidy.

In Latin America and the Caribbean, Argentina and Mexico grant financial incentives to parents, with the former also providing financial support for private childcare centers. In the Middle East and North Africa, Malta provides free public childcare for parents under the condition that they work or study and for private childcare centers under the condition that they enter into a public-private partnership to receive a uniform sum of money per child. In Jordan, women may be eligible for a six-month allowance for childcare, depending on their salary range, work, and insurance status. In Sub-Saharan

FIGURE 2.5 | FINANCIAL SUPPORT FOR CONSUMERS OR PROVIDERS OF CHILDCARE SERVICES, BY REGION



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

Note: Figure is based on indicators 2.5, 2.8, and 2.10 from table 2.2. In some cases, governments can opt for nonfinancial support. For example, in Mexico, private childcare centers providing services for children from 45 days until 2 years and 11 months of age receive support in the form of meal supplies and basic utilities, such as electricity, water, and gas. However, data on nonfinancial support for consumers or providers of childcare services were not collected at the pilot stage of the project.

Africa, Angola and Cabo Verde provide government subsidies to private childcare centers that submit a request and meet a set of prescribed criteria. For example, in Cabo Verde, private day care centers are eligible to receive operating subsidies if they serve children below three years of age and guarantee that they will waive the monthly fee and publicize the free services provided, in line with obligatory quarterly reporting on the use of the subsidy awarded. In South Asia, households primarily finance childcare, with minimal state involvement, which may explain the absence of regulatory frameworks for the formal services provided by the state or private sector.

The cost of childcare is particularly important for low-income families. Thus, establishing provisions that target low-income families through financial assistance or other nonfinancial inputs is instrumental not only to ease the burden of care for the most economically vulnerable, but also to contribute to poverty eradication overall. Legal or regulatory interventions supporting childcare provision that target low-income families have been identified in a third of the economies covered (table 2.3). However, the effectiveness of these measures may be hindered by poor implementation or de facto challenges that cannot be captured in the data collected. For example, measures that guarantee access and priority enrollment may still be ineffective due to long waiting lists or insufficient funds.

Governments also use preferential tax policies to facilitate the provision of childcare services by private providers and employers as well as its uptake by parents. Such policies may take the form of income tax credits, deductions, or exemptions. Table 2.4 lists the pilot economies that apply preferential tax policies. For example, in Malaysia, the Income Tax Act allows parents to take an annual personal tax deduction for childcare fees paid to registered centers. In Mauritius, the Income Tax Act allows companies to deduct from their gross income twice the amount of capital expenditures on crèches (child day care centers) for the benefit of their employees.

TABLE 2.3		EXAMPLES OF FINANCIAL AND NONFINANCIAL SUPPORT FOR CHILDCARE SERVICES FOR THE POOR
Measure	Examples	
Fee reduction or exemption	In <i>Hong Kong SAR, China</i> , fees are waived for children under the age of three who receive whole-day childcare services if their parents pass a "social needs" test. In <i>Croatia</i> , the costs of participating in early childhood care and education programs are reduced by 80% for families that receive a guaranteed minimum benefit in the social system.	
Grants and subsidies	In <i>Singapore</i> , low-income families with difficult family circumstances can apply for financial assistance if they are unable to afford childcare fees or for a one-time grant to cover the initial start-up costs of enrolling a child in a childcare center. In <i>Mauritius</i> , monthly grants under a crèche (child day care center) voucher scheme are paid to poor families to allow children to get a good start in life.	
Exemption from nutrition fees	In <i>Ukraine</i> , parents or other caregivers are exempted from paying for children's meals if the total income per member does not exceed the subsistence level (guaranteed minimum) established annually by the state budget.	
State guarantee of access and priority enrollment	In both <i>Brazil</i> and the <i>Philippines</i> , the state establishes guaranteed access and priority enrollment in childcare centers for children of low-income families. In <i>Chile</i> , priority nursery spots are given to children of economically vulnerable families.	
Reserved capacity quotas	In <i>Turkey</i> , 3% of the capacity of childcare facilities is reserved for children of poor families for free use.	
Free educational resources	In <i>Argentina</i> , the Ministry of Education, Science, and Technology, in agreement with the Federal Council of Education, provides textbooks and other pedagogical, cultural, and technological resources to families in difficult socioeconomic circumstances.	
Prohibition on refusal of admission	In <i>Zambia</i> , equal access to early childhood education and care for children from birth to the start of primary school is ensured through a mandatory obligation for heads of public or publicly funded institutions not to refuse to admit a child if the child's parent is unable to pay or has not paid the fee determined by the institution.	

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

Note: Examples are based on answers to the question, "Does the government provide support (nonfinancial or financial) for the use of childcare services specifically targeting low-income families?"

TABLE 2.4 PREFERENTIAL TAX TREATMENT FOR THE PROVISION AND UPTAKE OF CHILDCARE SERVICES	
Beneficiary	Economies
Parents	Belgium; Brazil; Canada; Chile; Czech Republic; Denmark; Ecuador; France; Korea, Rep.; Kyrgyz Republic; Malaysia; Malta; Mexico; Norway; Panama; Portugal; Russian Federation; Spain; Switzerland; Thailand; Ukraine; United Kingdom; United States
Childcare centers	Czech Republic; Denmark; Ecuador; Georgia; Iran, Islamic Rep.; Korea, Rep.; Kyrgyz Republic; Malaysia; Peru; Poland; Portugal; Romania; Russian Federation; Serbia; Spain; Thailand; Turkey; Ukraine; Uzbekistan; Vietnam
Employers	Australia; Bangladesh; Belgium; Cabo Verde; Ecuador; France; India; Korea, Rep.; Malaysia; Malta; Mauritius; Mexico; Poland; Portugal; Romania; Trinidad and Tobago; United Kingdom; United States; Vietnam

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

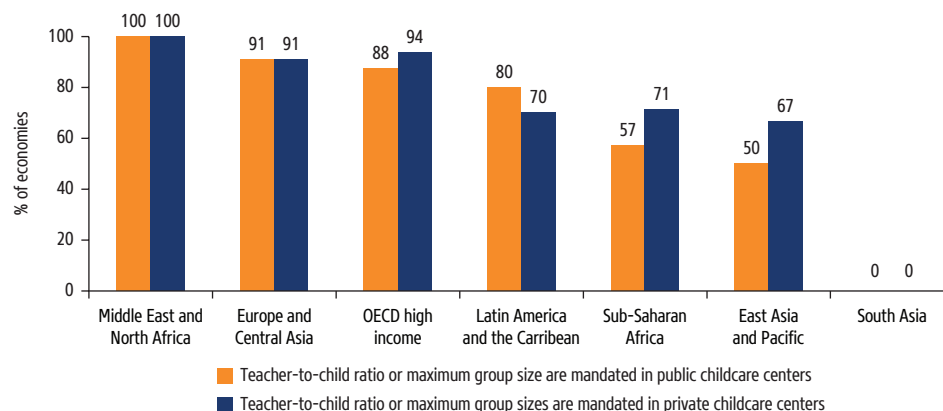
Note: Examples are based on answers to questions related to childcare-related tax benefits for parents, childcare centers, or employers.

Quality standards across economies

By setting mandatory minimum standards of quality, governments can ensure that providers offer high-quality care. However, burdensome quality requirements may also disincentivize childcare providers from operating. An analysis of regulations on selected aspects of *structural quality* finds that economies that regulate the public and private provision of childcare services tend to regulate the teacher-to-child ratio or maximum group size more often for private childcare centers than for public ones in the OECD high-income region, Sub-Saharan Africa, and East Asia and Pacific (figure 2.6).

On *process quality*, data were collected and analyzed on periodic training requirements for teachers in public and private childcare centers. Empirical evidence links continuous training to better, more effective teaching, high-quality interaction between teachers and children, and improved learning, development, and well-being

FIGURE 2.6 | REGULATION OF STRUCTURAL QUALITY FOR PUBLIC AND PRIVATE PROVIDERS OF CHILDCARE, BY REGION



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

Note: The sample for the figure comprises 55 economies where the law regulates the provision of both public and private childcare services: 6 economies in East Asia and Pacific; 11 economies in Europe and Central Asia; 16 in OECD high income; 10 in Latin America and the Caribbean; 4 in Middle East and North Africa; 1 in South Asia; and 7 in Sub-Saharan Africa. The figure is based on indicators 3.2 and 3.3 from table 2.2. OECD = Organisation for Economic Co-operation and Development.

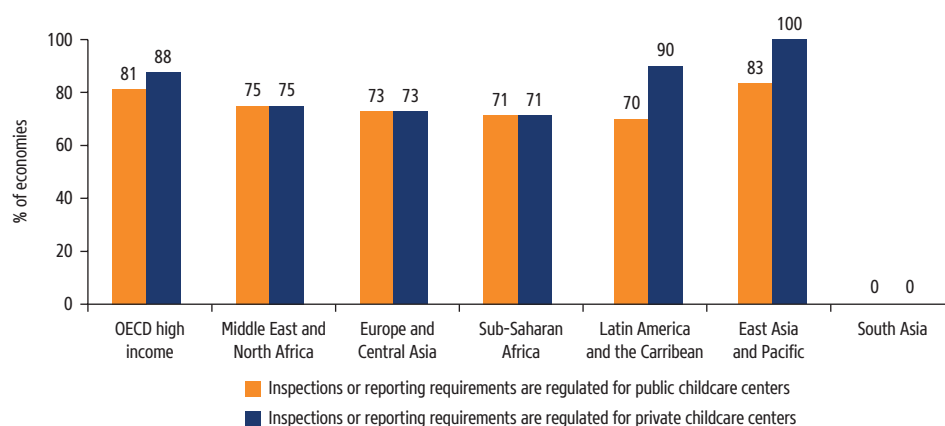
of children (OECD 2019). Continuous training also promotes career development for childcare teachers, who are predominantly women. Where both public and private provision of childcare services is regulated, mandatory requirements on continuous training exist in East Asia and Pacific (China, Vietnam), Europe and Central Asia (Croatia, Georgia, Kyrgyz Republic, Romania, Serbia), the OECD high-income region (Korea, Lithuania, Poland, Portugal, United Kingdom), and Latin America and the Caribbean (Argentina; Paraguay; Puerto Rico [US]).

When it comes to *system quality*, the team explored the extent to which licensing or other formal authorization from the government is required to operate a childcare center.⁸ Where the private provision of childcare services is regulated, requirements for obtaining a license or operating authorization from the government are close to universal for private providers. However, more variation is found in requirements for public providers where public provision of childcare services is regulated. Still, in nearly 70 percent of the economies covered, public providers must be licensed, be registered, or have some form of operating authorization.

By requiring mandatory inspections of physical facilities or reporting mechanisms, governments can hold childcare providers accountable for any failure to comply with quality standards. Among economies where both public and private provision of childcare services is regulated, more than 70 percent in the Middle East and North Africa, Europe and Central Asia, and Sub-Saharan Africa set equally applicable requirements on inspection or reporting for both public and private providers (figure 2.7). Yet, these requirements are more widespread for private providers in the OECD high-income region, Latin America and the Caribbean, and East Asia and Pacific.

While not all legal frameworks specify how often inspections and reporting must be conducted, there are notable examples. In Panama, for instance, inspections of public

FIGURE 2.7 | REPORTING OR INSPECTION REQUIREMENTS FOR PUBLIC AND PRIVATE PROVIDERS OF CHILDCARE SERVICES, BY REGION



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

Note: The sample for the figure comprises 55 economies where the law regulates both public and private provision of childcare services: 6 economies in East Asia and Pacific; 11 in Europe and Central Asia; 16 in OECD high income; 10 in Latin America and the Caribbean; 4 in Middle East and North Africa; 1 in South Asia; and 7 in Sub-Saharan Africa. The figure is based on indicators 3.5 and 3.6 from table 2.2. OECD = Organisation for Economic Co-operation and Development.

and private childcare facilities take place twice a year, while reporting of information by public and private childcare centers, including information on enrolled children and staff qualifications, takes place quarterly. In Slovenia, monthly reporting by childcare providers is required.

Overall, the mandated quality parameters vary widely across economies, with no clear pattern among regions. Because the regulation of quality standards varies widely across economies, evidence of what constitutes good quality and what aspects of quality might determine parental uptake of services is inconclusive at this stage. More evidence is needed on the role and impact of specific quality requirements for the uptake of childcare services. Nonetheless, economies are increasingly prioritizing investments in childcare to enhance children's capabilities at an early age and are recognizing and redistributing unpaid care work for women (box 2.1).

BOX 2.1 RECENT TRENDS IN CHILDCARE REFORM

Childcare reform has gained momentum in the past two years. The Child Daycare Centre Act 2021 of Bangladesh, for example, institutionalized the provision of childcare services for children from four months to six years of age. The act introduced diverse types of childcare provision and eased registration of childcare centers. Now governmental, semigovernmental, autonomous, and nongovernmental organizations can, under their own management, establish and operate day care centers with a simple registration process. However, more can be done on the regulatory side to ensure the provision of high-quality childcare services, including setting minimum standards for teacher-to-child ratios, maximum group size, and teaching quality. Inspectors may, at any time, visit a childcare center, but the frequency of visits is not mandated, creating a risk of noncompliance with quality standards.

Vietnam's Law on Education, which entered into force in July 2020, included preschool as the first level of education in the national system and kindergarten from the age of three months up to the start of primary school at the age of six years. The law mandates the adoption of policies investing in early childhood education, prioritizing mountainous areas, islands, areas populated by ethnic minorities, areas with extremely difficult socioeconomic conditions, and industrial zones. The law also mandates the adoption of policies to encourage private organizations and individuals to invest in preschool education.

Policy dialogue is also ongoing in many parts of the world. In February 2021, for instance, Peru introduced a bill (Proyecto de Ley N° 7023/2020-CR) mandating the establishment of day care for children below three years of age at public and private enterprises with at least 20 employees. The World Bank is additionally working with client economies in several regions to formulate and implement policies and laws targeting the availability, affordability, and quality of childcare provision. Recent research conducted by the Gender Innovation Laboratory for Latin America and the Caribbean (LACGIL) to inform policy dialogue with the government in Chile showcased access to childcare as a key economic reactivation strategy after COVID-19 (Bronfman and Buitrago 2021). In Mexico, an advisory services and analytics project led by the World Bank's Poverty and Equity Global Practice focuses on improving the regulatory framework for childcare provision, with a particular focus on the quality and equity of services. Several World Bank supply- and demand-side assessments of the provision of childcare services are also under way in the Mashreq region and will be used to inform the pilot exercise moving forward.

Source: Women, Business and the Law database.

Key limitations and next steps

During the pilot stage of this project, *Women, Business and the Law* collected data on childcare services provided in formal, center-based settings. This approach ensured comparability of the data by using a set of standardized assumptions, focusing on the main business city, and emphasizing the formal sector economy. Focusing on codified law makes indicators actionable because policy makers have the power to change the law. However, the proposed approach also comes with limitations (table 2.5). Further engagement with experts in the field will attempt to address such limitations in future cycles.

For all three pillars, data were collected on laws and regulations surrounding the provision of care for children up to preprimary school-starting age—typically below three years of age but varying by country—and from preprimary school-starting age up to primary school-starting age. However, methodological difficulties were encountered when analyzing data on childcare services for the older age group, largely due to overlapping regulatory frameworks for early childhood care services, which are generally provided at nurseries and day care centers, and early childhood care and education, which is generally provided at preschools and kindergartens (terminology may vary by economy). Therefore, data on laws and regulations for the provision of childcare for the older age group are not presented at this stage.

Pillar	Feature	Limitation
Availability	Absence of good-practice frameworks	Specific policy recommendations are difficult to provide at this stage.
	Assumption of childcare in formal, center-based settings	The exclusion of services provided in the child's own or caregiver's home, within family, foster care, voluntary organizations, private individuals (nannies, au pairs, babysitters), and other informal arrangements, including community-based services and services provided at religious or philanthropic schools, does not reflect the full diversity of childcare options in practice.
	Cultural and social norms	The availability of extended families, including older siblings, to provide informal care may influence childcare decisions and discourage the uptake of formal services.
	Rural vs. urban divide	The focus on regulatory frameworks as applied to the main business city does not capture the full diversity of laws, which may vary by state or province in federal economies.
Affordability	Trade-offs among different support measures	Assessing the effectiveness and trade-offs among cross-country measures of support is challenging, as each economy chooses policy measures depending on its individual economic, social, and fiscal circumstances.
	Risk of "capture" of public support by providers	There is a danger that providers "capture" public support for themselves, rather than passing it on to parents through lower costs—a behavioral practice that goes beyond what is "on the books."
Quality	Definitions of adequate quality	There is no framework establishing the most effective quality parameters for parental uptake of childcare services.
	Costs to private sector providers	Regulations that are too stringent can reduce the use of formal childcare by increasing its price. Finding the fine line between what constitutes high-quality childcare without creating cumbersome regulatory burdens for private sector providers to comply with in a formal setting is challenging.
	Information asymmetries around the attributes of high-quality services	Collecting data on how much information parents possess before putting their child into formal care is best done through perception-based, household-level surveys.

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

Regulations establishing minimum education qualifications and specialization requirements for teachers in public and private childcare centers were also assessed. However, different definitions of degree levels and education systems around the world made it difficult to compare the minimum education levels of teachers and to standardize the indicator. The subject of minimum qualifications therefore requires further analysis and understanding through consultations with experts.

Similar to the legal index, the pilot exercise focused exclusively on the ways in which formal legal frameworks regulate the provision of childcare. While recognizing that childcare services may be provided in practice even in the absence of regulatory frameworks, this project sought to define some of the features of legal and regulatory frameworks that promote or hinder the provision and uptake of childcare services.

Women, Business and the Law recognizes that women are often primarily responsible for other forms of unpaid care at home, including care for the elderly or for persons with disabilities, which hinders their full participation in the economy. However, at this stage, the research focused only on laws and regulations targeting childcare responsibilities. Further research on policies and regulations to alleviate women's unpaid care responsibilities would contribute to a fuller picture of the many barriers to women's economic participation.

Finally, the role of other social policies, such as maternity and parental leave, should not be underestimated. Some gaps in the regulation and provision of care for children below preprimary school-starting age may be interpreted in coordination with generous maternity and parental leave policies, as they reduce both the need for parents to use outside formal childcare arrangements and the pressure for governments to provide or support childcare services. However, the availability of high-quality affordable childcare is a complementary policy that gives parents a flexible solution, especially when economic pressure to participate in the labor force increases.

With these considerations in mind, *Women, Business and the Law* will disseminate the preliminary findings on childcare provision and engage in further consultations with experts to facilitate feedback on the initial steps undertaken. Going forward, coverage will be expanded to 190 economies and to laws and regulations measuring the provision of childcare services for children of preprimary school-starting age and above. *Women, Business and the Law* intends to score the childcare indicators and include them as part of the index. To make the data comparable and annual data collection feasible, the scope of questions will be narrowed down based on a set of criteria, including supporting international frameworks, consultations with experts in the field, and empirical evidence. At the same time, the team will build a solid base of cross-sector experts, including experts in early childhood education, public and private childcare service providers, and academics. A data collection questionnaire will be administered to these experts, and survey answers will be validated through desk research. Building on this effort, *Women, Business and the Law* will contribute more analysis in the form of a background paper presenting the data set. Complementary economic research will also aim to establish links between the childcare indicators collected and improvements in women's position as active participants in the workforce and the broader economy.

Notes

1. Globally, women provide three times more unpaid care than men, ranging from 1.5 times more in North American countries to 6.7 times more in South Asian countries. See OECD.Stat data for 2019 (<https://stats.oecd.org/index.aspx?queryid=54757>).
2. Halim, Johnson, and Perova (2019) find that an increase in mothers' part-time employment in the informal sector is compatible with the short hours of operation of preschools in Indonesia.
3. Denmark, Finland, France, Norway, Portugal, and Sweden take this approach. In Denmark, for example, fees vary locally, but regulations stipulate that parents can be charged no more than 25 percent of the operating cost of care, with additional discounts for low-income families, single parents, large families, and families with children with disabilities (OECD 2020).
4. For example, Colombia, India, New Zealand, Rwanda, South Africa, and the United States mandate childcare services that specifically target low-income families. In the United Kingdom, low-income families can access 15 hours of childcare for children age two plus an additional 15 hours of childcare for children ages three to four.
5. The experts consulted included lawyers specializing in labor law and researchers specializing in early childhood education.
6. Regulations for children below preprimary school-starting age group are captured broadly, without distinguishing between infants and toddlers. Yet, aspects of quality, such as teacher-to-child ratio and mandated group sizes, can differ depending on the specific age of the child within a group.
7. According to ISCED, preprimary school-starting age is the age at which children typically enter preprimary education, which is the initial stage of organized instruction, designed primarily to introduce very young children to a school-type environment—that is, to provide a bridge between home and school.
8. For purposes of defining formal operating authorization, the following were considered: registration, operating permit, approval, notification, or formal recognition by the government.

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