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Tackling Childcare

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Tackling Childcare: The Business Case for Employer-Supported Childcare

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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
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.

Business Case Research
- Afrifresh, S. Africa
- Akamai, U.S.
- Bauducco, Brazil
- Borusan, Turkey
- BTMU, Japan
- MAS Kreeda, Jordan
- Martur, Turkey
- Mindtree, India
- Safaricom, Kenya
- Schön Klinik, Germany

Policy Research
- Desk research in 50 economies. Detailed WBL childcare questions rolled out in more than 100 economies
- Coverage in 2018 WBL Report

Partnerships
- CGI Commitment Partners: Care.com, ILO, IWPR, Kidogo, UN Global Compact, and UN Women
- AeroMexico, Afrifresh, Danone Nutricia, Dialog Axiata, Grupo M, HBL, MAS Kreeda, Mindtree, Pandurata Alimentos, Safaricom, Sumitomo Chemical

Tackling Childcare Report launched at the 2017 WBG/IMF Annual Meetings

Phase II - Implementation

The WBG Advisory Council on Gender & Development
"Why" and "How" Employers Support Childcare

**WHY**
- Enhanced Corporate Reputation
- Recruitment and Retention
- Increased Productivity
- Improved Employee Relations
- Increased Diversity
- Regulatory Compliance

**HOW**
- On- or near-site company childcare center
- Childcare spaces purchased externally/cooperate with other businesses to provide care jointly
- Public-private partnerships to expand childcare provision
- Childcare subsidies for employees
- Extended hours care: early, late, nights & weekends
- Back-up/emergency care
- Summer camps & care during school holidays
- Referral & information services/facilitate access to tax benefits
- Flexible working time to allow employee(s) to provide childcare
- Engagement with other employers to improve public provision of childcare
Making an Informed Decision

**Employee Demand**
- Types of childcare problems
- Ages of children
- Types of care—regular, intermittent, at nonstandard hours

**Employer Goals & Resources**
- Desired outcomes
- Which employees to target
- Company assets & values

**Community Context**
- Government mandates
- Community partners
- Childcare market

**Explored Options**
- Subsidies
- Reserved spaces in private childcare centers
- On-site crèche
- Partnerships with other companies
- Public-private partnerships
- Extended hours
- Vacation camps
- Back-up care
- Flexible working

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**Environment**
- Is childcare required?
- Are there incentives?
- Is the childcare market ripe for collaboration?

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**Integrated Childcare Strategy**

**How can approaches be combined to solve employee needs, meet employer goals, and leverage community resources?**
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

Source: Women, Business and the Law, 2017
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](#).
An example of a country policy highlight prepared by WBL for each case study

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<thead>
<tr>
<th>Leave policies</th>
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<tbody>
<tr>
<td>Paid maternity leave</td>
<td>Yes</td>
<td>30 days</td>
</tr>
<tr>
<td>Paid paternity leave</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Paid parental leave</td>
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<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Legal obligation for employers to support childcare</th>
<th>0-2 years</th>
<th>3-5 years</th>
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</thead>
<tbody>
<tr>
<td>Obligation for employers to support childcare</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Based on the number of female employees</td>
<td>Yes, up to 4 years of age</td>
<td></td>
</tr>
<tr>
<td>Based on the number of employees regardless of gender</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Special legislation on employer-provided childcare</td>
<td>Yes</td>
<td>Yes</td>
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</table>

<table>
<thead>
<tr>
<th>Government incentives to employers to support childcare</th>
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</thead>
<tbody>
<tr>
<td>Tax benefits to employers to support childcare</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Non-tax benefits to employers to support childcare</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Monetary support for employees (monetary and/or nonmonetary benefits)</td>
<td>Yes, up to 4 years of age</td>
<td></td>
</tr>
<tr>
<td>Government support for employers (monetary and/or nonmonetary benefits)</td>
<td>Yes, up to 4 years of age</td>
<td></td>
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<table>
<thead>
<tr>
<th>Quality of private childcare services</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>License or registration required</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Zoning requirements</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Pupil-teacher ratio required</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Penalties for non-compliance with laws</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

*The Women, Business and the Law (WBL) 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
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

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.
Mindtree IT, India*

The Business Case

- Paternity and maternity return rates of >90%

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.

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

Voluntary attrition rate is declining, from 18% in 2014/15 to 16% in 2015/16

Recognized as one of the top 10 best companies for women in India

D&I: Greater proportion of women among new recruits, rising from 26% in 2013/14 to 31% in 2015/16

Employee & father: "My wife works full-time, too, but her workplace does not offer childcare. My daughter is very happy at Little Critters. It definitely is a factor for wanting to stay at Mindtree."
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

- **Business Case and Market Research**
  - Provide business case research support at firm and sector levels.
  - Conduct market sizing to explore IFC investment opportunities in care markets (e.g. India).

- **Inform Government Regulations**
  - Based on WBL research, help inform and improve standards and regulations pertaining to employer-supported childcare in priority regions.

- **Advisory Services**
  - Advise companies on how to become the “Employer of Choice,” including for parents:
    - Analysis, action plan development, measuring and reporting.

- **Knowledge & Partnerships**
  - Share knowledge and test best practices across countries and industries.
    - Examples:
      - Better Work/garment
      - Sri Lanka
DOING BUSINESS WITH SOUL IN THE 21ST CENTURY

PLACING PEOPLE AT THE HEART OF OUR BUSINESS

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SOUL

Creating an engaging, inspiring and fulfilling work environment

Safaricom
Twaweza

When we come together, great things happen.
CHILD CARE

51%
OF OUR STAFF ARE
FEMALE
HOW CAN YOU ADD SOUL TO YOUR BUSINESS?
Afzal Habib

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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

Kidogo Hubs
We design & operate high-quality Childcare Centres of Excellence

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

#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.
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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For more information about SEEP’s Women’s Economic Empowerment Working Group, contact facilitator Lis Meyers: LMeyers@nathaninc.com

www.seepnetwork.org

Thank You!

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

Visit [www.SGConference.org](http://www.SGConference.org) for details on the agenda, speakers, registration and more.