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Childcare and Women's Economic Empowerment: what's the link and what can the market systems approach add?



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How some programmes are taking a market systems approach to developing childcare services

Meet Robinah.

Robinah lives in a small town outside of Kampala. She is 24 years old and has two young children. On an average day, she wakes up at around 6am and begins preparing breakfast for her family. She then spends time getting her children ready for the day ahead, before carrying them with her to the local market where she has a stall. Throughout her day, she balances her paid work with caring for her children: watching over them, preparing lunch for them, feeding them – all while attending to her customers.

Robinah leaves her stall early to head back home and prepare dinner for the household before bathing the children, serving them dinner and cleaning the dishes. Finally, she prepares her children for bed. A rare period of calm allows her to wash herself, pray and get some rest – before repeating it all again the next day.

In many ways, Robinah's day is relatable for women across the world who - even before the COVID-19 pandemic - were performing more than three-quarters of all unpaid care work: equating to roughly 12.5 billion hours of unpaid care work done by women every single day.

Whilst there is increasing recognition of unpaid care work and its impact on women's economic empowerment (WEE), there remains little practical guidance on how to foster its reduction and redistribution among society.

One step to achieving this is through the provision of childcare services, which shift care responsibilities away from mothers and other unpaid carers to paid caregivers. In turn, this can contribute to the economic empowerment of women through improved access to labour market opportunities and greater agency over manageable workloads.

The ILO Lab has looked at [programmes taking a market systems approach to developing childcare services](#), exploring the different ways that they have addressed the issue as well as the key lessons learned for implementation.

Three approaches

Based on the programmes researched, three approaches to addressing childcare emerged:

1. **Looking at the market for childcare services**

This approach, as taken by the [LIWAY project in Ethiopia](#), considers childcare services as its own system, analysing the core market for childcare as well as the wider ecosystem surrounding it to understand where the key constraints to further development of the market lie. LIWAY's analysis of the childcare market system in Addis Ababa uncovered a number of key constraints including:

- a scarce supply of qualified caregivers
- a lack of affordable physical infrastructure for childcare centres
- limited access to finance to cover the costs of setting up a childcare business.

Their holistic analysis allowed the programme to tackle some of these key constraints of the childcare market by addressing their root causes - which lay outside of the core market - and facilitate its development.

2. **Influencing policy**

Facilitating improvements in the formation and, importantly, the implementation of laws, regulations and standards by the state. Influencing policy can enhance childcare in two ways: quality and provision. The quality of childcare can be improved through effective regulation and licensing, while its provision can be boosted through publicly funded childcare centres or public subsidies to lower the cost of private childcare services for end users. The latter was addressed by the [ALCP project in Georgia](#), which identified women's exclusion from local decision-making processes as a key cross-cutting constraint in their project focusing on the livestock market system. Working with municipal government actors, the project facilitated increased female participation in village meetings, which subsequently enabled the allocation of municipal funds to establish publicly funded kindergartens.

3. Making the business case to enterprises

This is about establishing a convincing argument for why it is in employers' interests to support childcare for their employees. This could be based on recruitment, retention, productivity or CSR, amongst others. In turn, employers can support childcare through private subsidies, public-private partnerships and on-site childcare centres. The **Market Development Facility (MDF) project in Pakistan** took this approach in their leather sector portfolio after identifying a skilled labour constraint in the industry. MDF partnered with a large shoe manufacturer in Punjab to test the business case for hiring and upskilling female workers, based on business benefits for recruitment and retention. Attracting young female workers in this socially conservative context required a separate working space for them as well as on-site childcare - both of which were provided through a cost-sharing arrangement between the project and the company.

Eight lessons

From these programmes' experiences, eight key lessons can be drawn:

1. **Unpack the childcare market system:** this is a practical starting point for identifying the obstacles to developing the market for childcare services.
2. **Cities as more mature markets:** their high population densities make them promising areas for market-based childcare solutions.
3. **Public sector incentives matter:** as a key player in the childcare market system, it's important to understand government's motivational drivers and play to them.
4. **Gender analysis critical:** this is how issues such as unpaid care work and lack of childcare services can be identified as barriers to economic development.
5. **Holistic understanding of WEE:** look beyond employment or income generation to capture the full effects of childcare services on women's economic empowerment.
6. **Female workforce a key entry point:** the business case for employer-supported childcare is most compelling for companies with a large (current or future) female workforce.
7. **Working with lead firms has pros and cons:** they are often most willing to pilot new ideas but this can come at the expense of adoption by smaller firms, which limits wider systems change.
8. **Social norms matter:** simply providing access to childcare is not sufficient if prevailing customs mean that communities are not comfortable using these services.

Key takeaways

Childcare services have the potential to alleviate the burden of unpaid care work for women and substantially contribute to women's economic empowerment. The market systems approach can yield opportunities to facilitate improvements in both childcare provision and quality - based on the approaches and lessons outlined above.

As a relatively new phenomenon, there has been some reluctance from both donors and implementers to engage directly in childcare services. Rather than shy away from this sector, projects should not be afraid to test promising initiatives and scale up those that are successful.

Ultimately, developing childcare services has the potential to enhance quality of care and education for children, provide greater labour market opportunities for mothers and create additional decent jobs in the care economy: a triple-win for society.

The ILO Lab is committed to exploring this promising area of work further; we hope **you will join us** as we push for greater gender equality in the world of work through developing the childcare market system.

For a more thorough exploration of the projects researched and their different approaches, read the full brief: [Child's play](#)