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RESEARCH PAPER

Childcare Solutions for Women Micro and Small Enterprises

WOMEN'S ECONOMIC EMPOWERMENT WORKING GROUP

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1. Introduction

Care work, in all its forms, is a critical social good. It is essential for the provisioning of society and provides the foundation upon which our market economies function. Most care work across the world is unpaid, and its distribution is strongly gendered: **more than three-quarters of all unpaid care work globally is carried out by women.**[1]

This has significant implications for gender equality and women's economic empowerment. Unpaid care work constitutes **a key barrier to women's labour market outcomes**, including labour force participation, wages, and job quality. Increased time devoted by women to unpaid care work is correlated with a declining rate of labour force participation.[2] Moreover, according to ILO research, **unpaid care work is the principal reason given by women of working age for being outside of the labour force.**[3]

Box 1: What is Unpaid Care Work?

Unpaid care work can be defined as **all unpaid services provided by individuals within a household and community for the benefit of its members**, including care of persons, domestic work, and voluntary community work. Common examples include cooking, washing, cleaning, looking after children, and caring for elderly, sick, or less able dependents.

It is a form of **work** as it requires time and effort, it is **care** as it helps to support the health and well-being of others, and it is **unpaid** as those doing the work are not remunerated for their time and effort.[4]

The amount of time women spend on unpaid care work **markedly increases with the presence of young children**, particularly those under five years old.[5] In Ghana, for example, women spend 107 more minutes on unpaid care work per day when a young child is present, an increase of 70 per cent compared to no children in the household.[6] The corresponding increase for men is just three minutes. **This demonstrates the specific importance that *childcare* services can have in alleviating women's unequal responsibility for care** - particularly for young women who are most likely to have pre-school-age children, while also trying to establish themselves in the labour market.

[1] ILO, 2018a.
[2] Ferrant *et al*, 2014.
[3] ILO, 2018a.
[4] Elson, 2000.
[5] ILO, 2018a.
[6] *Ibid.*

We are in the midst of a 'global childcare crisis'.[7] According to recent estimates from the World Bank, **more than 40 per cent of children below primary-school-age need organised childcare but do not have access to it.**[8] This lack of childcare **disproportionately affects children and families in low- and lower-middle-income countries**. Almost 8 out of every 10 children needing, but without access to childcare come from these countries - equating to some 280 million children.[9] This crisis has been **exacerbated by the ongoing COVID-19 pandemic**, which has brought with it closures of services, lockdowns, and other restrictions adversely affecting childcare.[10]

A growing body of research has explored the relationship between childcare and women's economic empowerment in low- and middle-income countries (LMICs). The results suggest that **childcare provision can improve women's labour market outcomes across a number of measures, including employment, income, and transitioning from the informal to the formal sector.**[11] Based on these promising links, further research has sought to develop the 'business case' for care - focusing largely on two avenues: public investment in childcare provision and formal, employer-supported childcare. A **'missing middle'** between these two well-documented models, of great relevance for development actors focused on promoting childcare solutions in LMICs, is about **meeting the childcare needs of women micro and small enterprises (MSEs)**, **including self-employed workers** - hereafter referred to as **'women MSEs'** (see box on next page).

MSEs form the backbone of the global economy, accounting for the largest share of total employment. This is especially the case in poorer countries. For instance, according to recent ILO analysis of data from 99 countries, the self-employed and micro and small enterprises together account for 70 per cent of total employment.[12] For countries with the lowest income levels, this share rises to nearly 100 per cent.

The employment share of the informal sector is also strongly correlated to country income levels, constituting up to 85 per cent for low-income countries.[13] More than 740 million women worldwide work in the informal economy.[14] Globally, 58 per cent of women who work are in the informal economy, and this rises to 92 per cent in low-income countries.[15]

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[7] Samman *et al.,* 2016.

[8] Devercelli & Beaton-Day, 2020.

[9] *Ibid.*

[10] Gromada *et al.,* 2020.

[11] See, for example, Angeles *et al.,* 2014; Clark *et al.,* 2017; and Dang *et al.,* 2019.

[12] ILO, 2019a.

[13] *Ibid.*

[14] ILO, 2018b.

[15] Bonnet *et al.*, 2019.

Box 2: What are Women MSEs?

The term 'MSE' stands for micro and small enterprises. While the exact definitions of 'micro' and 'small' vary across institutions and countries, the most widely used variable for defining MSEs and distinguishing them from medium or large enterprises is the number of employees.
This research brief follows the definition used in World Bank Enterprise Surveys, which adopt the below classifications. Therefore, MSEs in this brief can be understood as enterprises with up to 19 employees.

	Micro	Small	Medium	Large
Employees	<5	5-19	20-99	100+

The global MSE sector is large and heterogeneous, cutting across all types of products and services, and encompassing a variety of work arrangements. **Many MSEs are informal**, and most struggle to grow. As a result, employment in MSEs is frequently characterised by low pay, insecurity, poor working conditions, and limited social protections. **Women are overrepresented as MSE owners and workers globally** due to social constraints and limited access to capital, financial services, technology, and markets.[16]

In this brief, we use the term 'women MSEs' to refer to women owners and workers in enterprises of less than 20 employees. We include **self-employed women** as part of this definition, given the abundance of own-account workers who operate their own enterprises, or engage independently in a profession or trade, but hire no employees.[17]

In such a context, neither publicly provided nor employer-supported childcare may be a feasible solution for these women and their families. Public provision of childcare may be constrained due to limited fiscal space and low political will to invest in longer-term, social infrastructure, while employer-supported childcare is unlikely to reach the vast majority of households that are not employed in larger, formal enterprises. So, while these are both models of childcare provision to work towards, they **may not reflect the current lived reality** of most workers in poor countries, especially women.

Employer-supported childcare is not the reality for us. Employers are actually vacating their responsibility of providing childcare. In some instances they do not give formal contracts to women workers or even refuse to hire them altogether.

- Sumitra Mishra, Executive Director, Mobile Creches (India)

[16] de Haan, 2016.
[17] ILO, 2022a.

The purpose of this research brief is therefore to explore the range of childcare solutions available to meet the needs of women MSE owners and workers in LMICs, with a particular focus on the informal sector.[18] It begins by identifying the different ways that lack of access to childcare can constrain women MSEs, before outlining four broad childcare models that can serve this group. Each includes examples from LMICs of how the model works in practice, as well as one or two more in-depth case studies. **While the primary focus of this brief is on childcare solutions meeting the needs of women MSEs, some of the solutions offer opportunities for women MSEs within the paid care sector** - and are discussed where applicable. The brief concludes with a **set of recommendations, aimed at donors and other development actors seeking to promote childcare solutions for women's economic empowerment and MSE development.**

In exploring this topic, we recognize that childcare is not a panacea for tackling gender inequalities related to care, and may not always be the most significant constraint facing women MSEs in different contexts and life stages. **Other dimensions of care, such as eldercare, domestic work, or caring for sick and disabled persons are also part of the conversation, though not the core focus of this paper.** The need to understand more about these dimensions of care, especially from the perspective of women MSEs, is recommended as an avenue for further research.

The research methodology for this brief consisted of a combination of desk research and key informant interviews with experts at organisations that work with, represent, or provide childcare services for women MSEs in LMICs.[19] Data collection and analysis took place between October 2021 and January 2022.

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[18] By focusing on women MSEs we are not framing childcare as a 'women's issue'. However, the reality is that lack of access to childcare impacts women more than, and differently to, men, due to gendered social norms around caregiving. Hence the focus of this paper is on the childcare needs, constraints, and solutions specifically for *women MSEs*.

[19] See Annex A for a list of individuals who participated in an interview.

2. Childcare as a Constraint for Women MSEs

Caring for children can be a source of joy and fulfilment. However, **the unavailability or unaffordability of childcare also affects the choices that parents, and particularly mothers, make regarding whether to work, what type of work to do, and how to combine this paid work with their unpaid care responsibilities.**[20] Looking particularly at women MSEs, balancing their work and childcare is challenging, if not impossible, without compromising their productivity, well-being, or the safety of their children.

Outlined below are some of the various, interlinked ways in which childcare can act as a constraint for women MSEs. *Note: many of these constraints could equally apply to other forms of care work, including eldercare, domestic work, and caring for sick or disabled persons.*

Time

Simply put, **time spent fully dedicated to childcare is time that cannot be spent on other activities**. In this sense, caring for children can directly impact women MSEs' paid work schedules and the amount of time they can dedicate to tasks related to the functioning of MSEs. Interviews with street traders in Ghana and South Africa revealed that women without childcare solutions were unable to take advantage of the best times of day for business (early morning and evening) because this was when their children needed them most.[21] Even those women who can leave their children in the care of others (e.g. older children, extended family, neighbours) may still need to cut their workday short and risk losing out on much-needed income.

Multi-tasking

For women MSEs with young children, their day is rarely divided neatly into time spent on paid work versus time spent on care. Instead, they must regularly multi-task in order to accomplish both simultaneously. For example, **many women have no safe alternative but to bring their young children to work** with them in fields, markets, or city streets. A recent survey of women across 31 developing countries found that only 4 per cent reported using childcare services, while 39 per cent said that they had to mind their children while at work.[22] Similarly, a study in Uganda found that 38 per cent of self-employed women brought their children to work with them, a practice that was associated with 48 per cent lower profits.[23] **Women's productivity and income has been shown to decrease when they care for children at work** because it is distracting, disrupts working hours, and can

[20] ILO, 2019b.

[21] Alfers, 2016.

[22] UN Women, 2015a.

[23] Delecourt & Fitzpatrick, 2019

sometimes be off-putting for customers.[24] This arrangement can also be harmful for children, who may experience neglect, poor nutrition due to missed meals, or increased exposure to workplace hazards.[25] In a recent study from India, street vendors reported that several children have been hit by scooters or cycles or have fallen into drains because they do not have a safe place to play while their mothers are working, and oversight is challenging.[26]

Mobility

Childcare responsibilities may influence women MSEs' decisions concerning the geographical location of their business, as well as limit their access to markets. It is not uncommon to see women MSEs with home-based businesses. For example, a large-scale study of microentrepreneurs in Sri Lanka found that 74 per cent of women-owned businesses operated out of the home - 22 percentage points higher than the corresponding figure for men.[27] Similarly, numerous global assessments have reported women entrepreneurs choosing to work from home or close to home *specifically* to be able to manage their care responsibilities.[28] While this may provide greater flexibility for balancing paid work with unpaid care, it can often mean accepting work that is less regular and less well-paid. In Thailand, for instance, interviews with home-based workers showed that they were fully aware that working outside of the home meant better pay and more regular employment, but still opted to work from home due to the convenience of being able to carry out their unpaid care and domestic work.[29]

Informality

A lack of childcare may prevent women from pursuing opportunities in the formal sector, opting instead for **informal work that is more flexible and easily combined with childcare responsibilities - though often also associated with higher precarity and lower productivity**. In the slums of Guatemala, 40 per cent of mothers working informally reported caring for their children themselves and cited a lack of childcare as a key reason for not taking formal-economy jobs.[30] Likewise, in South Africa, waste pickers cited flexibility as the primary reason for entering into this precarious type of work.[31] **This trade-off between flexibility and formality contributes to women's concentration in the most vulnerable, low paid and unregulated sectors of the economy.**

Enterprise Development

A heavy care workload is likely to limit women MSEs' access to and participation in skills training programmes, mentoring programmes, and other forms of enterprise development services. In Malawi, for instance, almost half of the female participants who dropped out of an entrepreneurial

[24] Alfers, 2016; Moussié & Alfers, 2018; Boatang-Pobee, 2021.
[25] Chopra *et al.,* 2020; Nyariro *et al.,* 2021.
[26] Institute of Social Studies Trust & Mobile Creches, 2020.
[27] De Mel *et al.*, 2009.
[28] See, for example, Chopra & Zambelli, 2017.
[29] Alfers, 2016.
[30] International Food Policy Research Institute, 2003.
[31] Alfers, 2016.

skills training programme cited their household and family obligations as the reason why, compared with only 4 per cent of men.[32] Enterprise development services can play an important role in supporting more productive employment for women MSEs through improving business practices and access to markets, which in turn can boost income and profits, and even lead to the creation of new jobs for more (women) workers. None of these benefits can be realised when women's unequal responsibility for childcare restricts their time and ability to travel and access these services.

Well-being

A final way in which childcare can impact on women MSEs is through their physical and mental well-being. **The combination of paid and unpaid work that falls on women's shoulders can lead to significant physical, mental, and emotional depletion**, with common coping strategies involving 'stretching their time' by waking up earlier, sleeping later, and taking little time for rest or leisure.[33] In one study of women informal workers, for example, a home-based worker in Thailand said that if she spent too much time looking after her child during the day, she would have to compensate by working later into the night, missing out on sleep as a result.[34] Even when women MSEs are not directly caring for their children, **the lack of a dependable, quality childcare solution can add to their stress and anxiety**: they worry for their children's safety and development while at work, are unable to concentrate on their tasks, and have to put in place multiple, complicated, and sometimes costly childcare arrangements to ensure they can go to work.[35]

2.1 Barriers to Uptake of Childcare Services

Where childcare services are available, as in densely populated urban centres like Nairobi, which has an estimated 3,500+ informal childcare operators,[36] existing research shows that key barriers to uptake for women workers include the **high cost of user fees; the distance from a worker's home or workplace; limited operating hours that do not accommodate long and irregular workdays; and concerns over the quality of care that children receive.**[37] The COVID-19 pandemic has only exacerbated these issues: increasing user-fees for childcare due to rising operating costs (e.g. personal protective equipment, cleaning supplies), decreasing the accessibility of services as a consequence of lockdowns and childcare centre closures, and raising new concerns about child safety and well-being should they be exposed to the virus.[38]

Social norms are another important barrier to uptake of childcare services. These pervasive attitudes and practices around women's traditional role as primary caregivers can limit how acceptable it is for

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[32] Cho *et al.*, 2013.
[33] Chopra & Zambelli, 2017.
[34] Alfers, 2016.
[35] *Ibid.*
[36] Interviews with Emma Caddy (Tiny Totos) and Sabrina Habib (Kidogo).
[37] See, for example, Alfers, 2016 and ILO & WIEGO, 2020b.
[38] Grantham *et al.*, 2021.

women to join the workforce and leave their children in the care of others, often with the belief that this will have adverse consequences for children, or that it reflects poorly on women's role as mothers.[39] Interestingly, **both men and women internalise these norms**: public opinion surveys conducted across 52 countries found the share of women holding this view to be almost equal to that of men.[40] Failure to comply with such norms can lead to ostracism and exclusion from the community, as well as gender-based violence.[41]

In many LMICs, rather than enrol children in organised childcare, **it is common for adolescent girls to step in and care for younger siblings** while their mothers are at work. This is at the expense of their own time for education, work, and leisure. For those countries with available data, 43 per cent of girls aged 5-14 spend time caring for other children, and girls worldwide spend 30-50 per cent more time than boys on unpaid care work.[42]

[39] Samman *et al*., 2016.

[40] World Values Survey, n.d. (cited in Samman *et al*., 2016)

[41] Karmili *et al.,* 2016.

[42] UNICEF, 2016.

3. Childcare Solutions for Women MSEs

Having established the multitude of ways in which childcare responsibilities can constrain women MSEs in LMICs, the next step is to explore some of the **promising childcare solutions available to help address their specific needs.** Supporting the development of quality childcare solutions for women MSEs can have enormous social and economic payoffs. Done well, it can lead to a **'triple win'** of facilitating women's labour force participation and economic agency as well as broader gender equality outcomes; enhancing child well-being and development; and creating decent job and business opportunities in the paid care sector, particularly for women.

Women's Labour Force Participation and Economic Agency

There is a nascent literature on the impact of childcare on women workers in LMICs. One study in the Korogocho slum area of Nairobi found that **providing subsidised childcare increased women's employment by 20 percentage points** amongst those who used the service.[43] Meanwhile, among working women, those with access to subsidised childcare were able to **dedicate fewer hours to paid work without any loss in earnings**. Another study in Vietnam found that the use of childcare increased the probability of women having a wage-earning job by 41 per cent and increased the probability of them having a formal sector job by 26 per cent.[44]

Child Well-Being and Development

Evidence regarding the impact of quality childcare on childhood development is relatively well documented, by contrast. For example, across 53 LMICs with available data, there is a **positive association between the percentage of children enrolled in pre-primary education and the percentage of children developmentally on track.**[45] Moreover, these developments appear to have **lifelong benefits** for children, including increased learning outcomes, greater achievement in school and later in life, involvement in community activities, and improved quality of life.[46]

Decent Job and Business Opportunities in the Paid Care Sector

Finally, emerging research is looking at the potential of the care economy, and particularly childcare, to create decent jobs and business opportunities. The World Bank recently estimated that **investing in the childcare workforce to meet current needs could create up to 43 million new jobs globally**. These jobs are especially important for the future of work, given that care is relatively more difficult to automate compared to other jobs.[47] **Women represent approximately two-thirds of the global care workforce.** Close to 250 million women are engaged in paid care work, which itself accounts for

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[43] Clark *et al.,* 2017.

[44] Dang *et al.,* 2019.

[45] ILO, 2018.

[46] Boivin and Bierman, 2013 & Ermisch *et al.,* 2012 (cited in Britto *et al.*, 2016).

[47] Devercelli & Beaton-Day, 2020.

almost 20 per cent of global female employment.[48] There is therefore **significant potential for quality childcare services to create decent employment for women, including for women MSEs** who could pursue business opportunities for income generation while also meeting the childcare needs of their community.[49]

Based on the extensive scoping conducted for this research, **we have identified four broad childcare models that can serve women MSEs in LMICs**: social franchising, cooperatives, programmes supporting market-based solutions, and partnerships. The different models have been identified from the perspective of organisations that want to support childcare for women MSEs, and **include both direct childcare provision and support in providing these services to end users**. Each model is described in further detail below, including its value proposition, challenges, examples of how the model works in practice in LMICs, and one or two more in-depth case studies.

Table 1: Childcare Models Serving Women MSEs

Model	Description
Social Franchising	Developing a network of quality-assured childcare MSEs catering to low-income women and families.
Cooperatives	Cooperatively organised childcare facilities run by and for women MSEs.
Programmes Supporting Market-Based Solutions	Programmes that support innovative market-based solutions for childcare.
Partnerships	Multi-stakeholder collaborations to meet the childcare needs of women MSEs.

3.1 Social Franchising

Description

Social franchising is a way of replicating and scaling-up socially driven programmes. A relatively new concept, it shares similarities with the more well-established, commercial franchising model – except with the goal of maximising social impact over profit. **The social franchise model for childcare in LMICs seeks to develop a network of affordable, quality-assured childcare MSEs serving low-income women and families in order to improve outcomes for children, parents, and childcare providers.** Prominent examples of this model can be found in East and Southern Africa, including organisations such as Kidogo, Tiny Totos, and SmartStart.

48 ILO, 2018.

49 Devercelli & Beaton-Day, 2020.

In the social franchise model, services are provided by an organisation to childcare operators in return for an affordable franchise fee. These services aim to improve the quality and profitability of existing childcare businesses and help set up new ones, thereby **supporting a large number of small-scale, informal childcare MSEs – which tend to be women-owned and operated – while also supporting low-income families, particularly women, with an affordable, quality childcare solution.**

The exact services offered vary by organisation, but generally include some form of **intensive, introductory training** to bring all franchisees up to minimum acceptable quality standards across aspects such as **childhood learning and development**; **occupational safety and child safeguarding**; **health and nutrition**; and **business management skills.** Beyond this, there is ongoing support and monitoring; access to standardised teaching materials; periodic training to further consolidate knowledge; technology-based solutions to track attendance, payments, and cash flow; and access to a broad network of childcare MSEs within the franchise, which serve as a support group or community of practice. Similar to a commercial franchise model, **failure to adhere to the minimum quality and safety standards can lead to exclusion from the franchise.**

Value Proposition

Social franchising childcare models have a clear value proposition, particularly in the large urban centres where they are thriving. In such areas, there are countless childcare providers that already exist: the key issue is the low quality of these informal, unregulated services.

From the **childcare provider's perspective**, once a franchise has gained a 'critical mass' of operators and established a reputation for quality care, it can be valuable for these childcare MSEs to join. Doing so will act as an investment into their business, helping them improve quality while using the brand as a clear signal of their enhanced service offer. This in turn can provide the childcare MSEs with more customers and help increase their revenues and profits.

From the **parents' perspective**, including women MSEs, sending their children to an established and well-recognised franchise provides additional reassurances over the quality of care they will receive. A reliable, affordable, quality childcare solution such as this should in turn give parents greater freedom in terms of the type of employment they choose to pursue and the amount of time they choose to dedicate to it, along with relief from worrying about their children's safety and having to put in place multiple, informal childcare arrangements.

Finally, in terms of the **value for the children attending**, they receive a guaranteed level of quality care and nutrition along with safe and stimulating play and learning activities, which together should contribute to good early childhood development and set them up well for the future.

Childcare lends itself well to social franchising for a number of reasons:

- **It enables quality at scale** by providing a replicable model that can be used by existing childcare MSEs to improve their service offer.

- **It catalyses innovation.** New ideas to improve outcomes for childcare MSEs and the children they serve can be piloted at the core, with successful innovations then diffused across the network (see Box 3).
- **It maintains and encourages entrepreneurship.** By working with existing childcare MSEs, the social franchise model works within the market structure rather than distorting it. The women MSEs that join the network continue to run their own businesses and maintain decision-making power and responsibility over them.
- **It contributes to systems change.** Childcare MSEs that are part of a franchise will be competitively providing quality care, putting pressure on similarly priced, non-franchised centres to either improve their quality or risk losing customers.

Box 3: Leveraging Data Across Childcare Networks in Kenya

Tiny Totos is a Kenyan social enterprise that uses social franchising to improve informal daycares in deprived areas across Nairobi and beyond. One of the organisation's unique innovations is how it uses the rich operational data collected by franchisees through its mobile-based application. The Tiny Totos team recognised that they could use these insights to provide valuable additional services for parents within the network, many of whom are women MSEs.

One way of doing this was through the **bulk-buying of consumables**. Tiny Totos leveraged their aggregate data to see roughly how many children were attending daycare across the network per day. Based on this, they approached retailers of **highly nutritious porridge** with an offer to buy in bulk at a negotiated rate. This has enabled parents across the Tiny Totos network to have access to highly nutritious porridge - not available in local markets - and to purchase it for their children at a lower price than they would pay for regular porridge elsewhere.

Another innovative way of utilising data was through **asset financing**. This entailed using data points such as customers' payment history and how regularly they use the service to enable access to finance for households to purchase assets, including **clean cookstoves**, **water filters** and **mobile phones**. The data points helped build a risk profile for the customer, which could serve as an alternative to collateral in order to gain access to finance for these **well-being-enhancing investments**.

Source: Interview with Emma Caddy, CEO and Founder of Tiny Totos.

Challenges

There are important challenges to consider when it comes to the social franchise model for childcare in LMICs. The first is that, for the most part, these organisations target *existing* childcare operators and have therefore proven most effective in areas with well-established childcare markets - typically large, urban centres. **It remains to be seen how effective such a model may be in rural areas with less**

mature childcare markets and potentially more entrenched social norms relating to gender roles**.** This is important given that close to half of the total population across LMICs live in rural areas, with this figure rising to 67 per cent among the poorest countries.[50]

A second challenge is that **the core operations of these social franchises rely heavily on donor funding.** For example, Kidogo, a childcare social enterprise working across East Africa, estimates that 90 per cent of its funding comes from philanthropic grants with the remainder coming from franchise fees. This means that the sustainability of these social franchises - and their positive impact (see case study below) - is reliant on continued donor support. Without this support, it is unclear how such positive impact can be sustained over time.

There are two important qualifiers to add here. Firstly, while the core operations of organisations like Kidogo and Tiny Totos are indeed dependent on grant funding, **each individual childcare business is a self-sustained, profitable venture** - with childcare MSE owners and workers earning a decent livelihood. So, should anything happen to the funding stream for the social enterprise, the standalone childcare MSEs should still be able to operate as before. Secondly, **while subsidies can be seen as distortionary to the market for childcare, childcare is subsidised in most countries across the world, often by the state.** For instance, OECD countries spend on average close to 0.8% of GDP on early childhood education and care, equating to almost $6,000 USD PPP (2017) per child.[51]

A final challenge of this model is the **trade-off between quality and profitability**. There is an inherent tension between these two goals, with childcare MSEs incentivised to take on as many children as possible to maximise profit, and social enterprises keen to ensure quality standards, including maximum acceptable caregiver-to-child ratios. SmartStart, a social franchise operating across South Africa, documented this tension in a recent evaluation which found that a large number of its franchisees were exceeding group size requirements.[52] This risks scaling-up poor-quality childcare. It is therefore important that social franchises maintain close contact with their franchisees and have proper monitoring and enforcement mechanisms in place, as well as potential incentives to help childcare MSEs scale-up in a way that assures quality.

[50] World Bank*,* 2022.

[51] OECD*,* 2022.

[52] Horler, J. *et al.,* 2019.

Case Study: Kidogo, Kenya

Problem

In the informal settlement (slum) neighbourhoods of Nairobi, it is not uncommon to see mothers from low income households rushing each morning to drop their children off at an informal 'babycare' before heading to work. **Recent estimates suggest there are in excess of 3,500 such daycares in informal settlements across the city,** which largely operate informally and therefore without regulation. The **key problem with this setup is the lack of quality care for children**, who are often overcrowded into small, home-based centres with limited ventilation and unsanitary conditions. They often lack the stimulation and play necessary for their cognitive, social, and emotional development because caregivers are rarely trained in early childhood care and education. The cheap, low nutritional value food that is often served can further retard children's development through stunting and wasting. Concerns over the quality of care that children receive can make parents, including women MSEs, hesitant to enrol their children in these informal daycares, or anxious if they decide to do so.

Solution

Kidogo was started in 2014 in direct response to the problem of poor quality childcare for low income households living in informal settlements in Nairobi. Market research conducted by the team suggested three key factors most important to parents when it comes to childcare: a safe and clean environment; a service that is affordable with respect to their daily income; and a convenient location, near work or home.

Recognising the glut of women childcare MSEs across informal settlements, Kidogo focused its energy on improving the quality of existing, affordable (<$1 USD per day) childcare centres through a social franchise model. In this model, women entrepreneurs who wish to join the franchise attend a **three-month 'accelerator'** which provides them with intensive **training**, **mentorship** and **skills** necessary to set up as a franchisee.

At the core of this model is the 'Kidogo Way', the organisation's proprietary approach inspired by the nurturing care framework, which incorporates six key themes to promote positive outcomes for children's health, nutrition and development, as well as improving business practices for the women MSEs and boosting parental engagement in their children's education.

Once a woman entrepreneur goes through the three-month accelerator and demonstrates that she can meet the minimum acceptable quality standards, she is accepted into the Kidogo franchise and becomes a *Mamapreneur*. In return for a franchise fee of between $5 and $20 USD per month, dependent on size (a relatively small amount to ensure she has a stake in the continued success of the franchise), each Mamapreneur receives: a starter kit of **key educational resources** for their centre; **monthly training** on the Kidogo Way; **biweekly mentorship visits** from a local Kidogo field officer who provides support and feedback on how to improve their service; **nutrition interventions** for the children in their care; **access to a local community of Mamapreneurs** who can act as a key support mechanism and a focal point for exchange and learning; a **mobile-based app** to help with managing attendance, payments, and cash flow; and the ability to market the centre with **Kidogo branding**, which serves as a signal of quality to parents in the community.

Results

As of the end of 2021, Kidogo has helped establish **538 franchisees across Kenya**, serving over **11,000 children and their families through 10-12 hours of high-quality care each day**. Through growth monitoring every three months, Kidogo has observed a **23 per cent reduction in stunting and 32 per cent reduction in wasting**, with **80 per cent of children in Kidogo centres meeting their developmental milestones** - the physical, social, emotional, cognitive, and communication skills they need to develop and grow.

The 500+ Mamapreneurs are seeing their job quality improve overall, with business outcomes such as **monthly profit generally increasing by 20-50 per cent** (self-reported by Mamapreneurs). Kidogo's aim is to ensure all Mamapreneurs are earning the official minimum wage of around $150 USD - far more than what the average informal childcare worker earns in Kenya - which would provide greater stability for these women MSEs and help them further develop their businesses. There have already been numerous examples of Mamapreneurs growing their business from a small home-based childcare service to a larger, centre-based one, with some even going on to open school-based operations - combining daycare with formal, pre-primary school, hiring additional caregivers and serving over 40 children.

Another important result of the spread of the franchise has been the use of its **childcare network** in response to COVID-19. Kidogo gave **conditional cash transfers** to the Mamapreneurs in their network in return for them distributing play-based learning packs to the children attending their centres. This provided Mamapreneurs with a form of income support during the closure of their childcare centres, while enabling the children that normally attended these centres to continue learning. Additional measures taken included regular check-ins with parents to ensure continued childhood development and assess maternal stress, as well as a free-to-use 'Ask a Childcare Expert' hotline for any questions parents might have regarding proper care and development of their children.

Scale & Sustainability

Kidogo's ambition for its social franchise model is not for all of the 3,500+ informal daycares in Nairobi to become Mamapreneurs. Rather, it aims to gain **sufficient market share** (at least 15 per cent, and currently 32 per cent) across the informal settlements in which it operates to reach a **'tipping point'** where parents begin to demand higher quality services from childcare MSEs. As a result, non-franchised centres will either have to improve their service offer through better quality childcare or face the risk of losing customers and even going out of business. This is the systems change thesis that is at the core of their model.

Since its inception, Kidogo has **expanded its operations from one to seven counties**, replicating its social franchise model across Kenya. Alongside this, Kidogo is exploring **alternative models to scale-up quality childcare**, most notably through partnerships with government, businesses, and civil society organisations (see Box 6). Kidogo's 3-5 year strategy is currently undergoing a refresh, with their partnerships strategy being refined based on these initial collaborations to establish a clear value proposition.

From a sustainability standpoint, **the key challenge remains financial**. Around 90 per cent of Kidogo's funding comes from philanthropic grants. While each Mamapreneur runs her own profitable business and earns a decent livelihood, she still receives substantial field support from Kidogo - including biweekly visits, educational resources and nutritional supplements. It is therefore **important to ensure that as much of these costs can be covered by the franchise fee**, while maintaining its affordability for the women-owned childcare MSEs and discouraging them from either driving down quality by increasing the caregiver-to-child ratio or pushing any cost increase onto the very low-income users who may not be able to afford higher fees (currently less than $1 USD per day).

Opportunities are currently being explored by Kidogo for additional revenue generation through **advisory services**. This entails using the vast amount of knowledge and tools already created by Kidogo to provide tailored advice to various organisations, particularly employers looking to develop childcare facilities for their staff. This advisory work can then **cross-subsidise the social franchising that is serving those at the bottom of the pyramid**.

Sources: Interview with Sabrina Habib, Co-Founder of Kidogo, as well as FP Analytics, 2021; Premji, 2014; Somji, 2020; and information from https://www.kidogo.co/.

3.2 Cooperatives

Description

Cooperatives are typically developed to fill a gap in the market where the goods or services needed by a specific group are unavailable, unaffordable, or below an acceptable standard of quality. This is the catalyst behind the emergence of cooperatively organised childcare facilities run by and for women MSEs in LMICs: **scarce resources can be pooled by members to provide access to quality childcare services in the absence of public or private options.**

While the exact number and share of cooperatives in the care economy is unknown, a recent mapping indicates they are increasingly providing care for children (and other groups) across the globe, and doing so in socially and organisationally innovative ways.[53] Childcare cooperatives serving women MSEs emerge in diverse forms, sometimes as **'add-on' services to existing worker cooperatives**. For example, the Associação de Catadores de Papel, Papelão, e outros Materiais Recicláveis (ASMARE) Cooperative of waste pickers in Brazil, where a daycare service for children under five years old was added in response to women worker-members' care needs.[54] In other cases, childcare cooperatives are **'outgrowths' from other types of worker organisations**, like trade unions, as in the case of the Self-Employed Women's Association (SEWA) childcare cooperative in India (see case study below). Less often, they are **the product of necessity among previously unorganised workers**, like the women vendors and traders at Ghana's largest outdoor market who joined forces to transform a former government-run childcare centre into a cooperative model (Box 4).

Box 4: Unorganised Vendors and Traders Cooperate to Deliver Childcare Services in Ghana

The Makola Market in Accra, Ghana is the workplace for thousands of women informal traders and vendors, many of whom have **no viable alternative but to bring their children to work with them each day.** Previously, parents could rely on the government-run Makola Market Childcare Centre to access affordable and quality childcare services on site at the market. However, when a new government was elected in 2001, financial support for the centre diminished and conditions quickly deteriorated.

Frustrated and dissatisfied, **women vendors and traders came together alongside childcare workers from the centre and representatives from the Ghana Association of Traders** to form a Parent-Teacher Association and take joint responsibility for operating the centre. Under their management, the centre now **provides cooperative childcare for 140 children**, starting at 6am and running until the last child is picked up at the end of the day. **Financing is an ongoing challenge** as parents must now cover all the operating costs, but **a flexible payment system is in place, with subsidies and free spaces** for those who cannot afford the monthly fee. Some vendors also provide fresh vegetables and fruit from their own stalls for the children's daily meals.

This is a unique model of cooperative childcare provision in that many of **the women vendors and traders involved were not previously organised or unionised**. Rather, they came together, alongside other stakeholders, in response to a sudden and common need for childcare at their workplace. Working with organisations like Women in Informal Employment: Globalizing and Organizing (WIEGO), parents at the Makola Market Childcare Centre continue to campaign for support from the government, and to push more broadly for public childcare centres to be established at every market in Ghana.

Sources: UN Women, 2019 and WIEGO, 2017.

[53] ILO, 2016 and 2017.

[54] ILO & WIEGO, 2018.

Value Proposition

In the cooperative childcare model **the goal is not to generate a profit, but rather to meet members' and/or users' common childcare needs through a jointly-owned and democratically-controlled enterprise**. For this reason, cooperative childcare delivers value for money. **Any surpluses generated by user fees and member dues are reinvested** in the cooperative for the benefit of members and their children. This keeps the cost of operating as low as possible.

Apart from the cost savings, there are a number of advantages that cooperatively organised childcare facilities offer for women MSEs, their children, and childcare workers. For women MSEs, they **maintain ownership control of the cooperative and can actively participate in setting policies and making decisions**. This helps ensure that the childcare services offered are geared towards their specific needs and preferences, for example, in terms of location, operating hours, staffing, and the quality of care provided. As owners and parents, women MSEs work closely alongside childcare providers and this creates a **strong basis for communication, trust, and accountability**. Children in turn benefit from a higher standard of care, contributing to better health, nutrition, and education outcomes.

Childcare cooperatives can also **provide decent work opportunities for paid care workers**, particularly women. In a recent global survey, half of care cooperatives reported that between 50 and 100 per cent of their employees are women, and almost 6 per cent stated that all of their employees are women.[55] Beyond employment, **some childcare cooperatives extend membership to childcare workers, giving them equal ownership and decision-making control**. This **democratic and inclusive structure** ensures a voice and **representation for childcare workers** in the cooperative, and helps guarantee their **access to better working terms and conditions** (e.g. decent wages, benefits, regular work hours, training).[56] Available evidence indicates that care workers employed by cooperatives often earn higher wages and receive more benefits than their counterparts working for other types of care service providers.[57]

Challenges

Despite these added values, childcare cooperatives in LMICs face various challenges that limit their growth and sustainability. **The main challenge is cost**. Quality childcare services are expensive to maintain, and these costs cannot be borne by women MSEs alone, especially in the informal sector given their low earnings. External funding from donors, governments and other stakeholders is critical to establish and sustain cooperative childcare initiatives. Even for SEWA's childcare cooperative, which has been operating for almost forty years, women members' user fees are able to cover just 10-15 per cent of monthly operating costs (see case study below).[58]

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[55] ILO, 2016.
[56] ILO, 2016.
[57] ILO, 2017.
[58] Alfers & Arora, 2016.

> *Poor working women cannot afford to pay the full costs for childcare services, even through the cooperative model. There needs to be public or private investment to make them financially viable.*
>
> - Mirai Chatterjee, Director of Social Security, SEWA (India)

A financing strategy adopted by some women MSE childcare cooperatives is to **extend their services to other parents in the community at slightly increased rates**. This has been a strategy for the Unidas Para Vivir Mejor (UPAVIM) Cooperative of women artisanal producers in Guatemala, which established a children's centre to provide high-quality childcare for its members and the community.[59] Parents from the community pay a monthly fee, while UPAVIM members pay a reduced amount. A similar strategy is for cooperatives to **partner with public or private sector organisations** to deliver childcare services to their employees, who can be charged much higher user fees, **effectively subsidising the cost for members**. However, the capacity to scale effectively using this strategy is rare, and most childcare cooperatives remain limited in terms of reach and coverage.

A related challenge is **technical expertise**. Childcare cooperatives run by and for women MSEs may lack the knowledge and experience to deliver quality childcare services - and compared to other models of childcare provision, such as social franchising, cooperatives are **fragmented**, operating without the benefit of an extended network to rely on for information, learning, and support. Technical assistance from governments or donors in the form of training, capacity building, and support for collaboration and information sharing can help to build the viability, sustainability, and scalability of childcare cooperatives.

A final challenge is the **lack of available data and evidence** documenting the operations, learnings, and benefits of childcare cooperatives serving women MSEs, particularly those catering to unorganised workers and workers in the informal economy.[60] This information is critical for showing donors, governments, and other stakeholders why they should invest and engage in this area. It is also needed in order to advise and encourage other women MSEs in LMICs to test cooperative models of childcare provision.

Case Study: SEWA's Sangini Child Care Workers' Cooperative, India

Problem

In 1974, the Indian Government launched the Integrated Child Development Services (ICDS) scheme, which still runs today, and is billed as the largest child development and care programme in the world. The ICDS was established with the goal to promote children's well-being, nutrition, and development, and not from the lens of poor working women. As such, it was **not designed to meet their specific**

[59] UPAVIM, 2021.
[60] ILO & WIEGO, 2018.

childcare needs. For example, ICDS services **run just three to four hours per day** in most states, which is nowhere near the average workday for poor women, especially in the informal sector.

Solution

To address the gap in services left by ICDS, and in response to members' needs and requests, SEWA set up the Sangini Child Care Workers' Cooperative (SCCWC) in Ahmedabad in 1986. The cooperative is **jointly-owned and managed by its 628 members**, which includes the women workers who use the centres and the childcare providers who run them (called *balsevikas*). This co-governance structure ensures **mutual accountability** and a **high quality of care for children**. The balsevikas are also SEWA members and live in the communities where the centres operate, so **parents have considerable trust in the service**.

The SCCWC is currently responsible for **11 childcare centres in Ahmedabad**, which provide **full-day care (9am-5pm) for around 300 children below 6 years old**. Each centre can take up to 30 children and there are at least two childcare providers per centre. The centres deliver an integrated care approach, which ensures that children receive basic **education** and **social skills**, adequate **nutrition** through daily meals, and basic **health** services including vaccinations.

SEWA members can enrol their children at a centre for around INR300 ($4 USD) per month, which covers just 10-15 per cent of total operating costs - the remainder is covered by other SEWA ventures, donor funds, public subsidies, and private donations (e.g. money, food, supplies). The basic operating costs for the centres include the salary of two childcare providers, rent, the cost of supplies such as food and medicine, and administrative costs. In addition, the set-up costs are approximately INR25,000 ($400 USD), which includes initial community consultations and the purchase of necessary equipment such as cradles, toys, and educational materials.

Results

The high quality, full-day childcare provided by Sangini centres has been shown to have **positive effects on women's incomes and mental health** as well as **children's health and education**. For working mothers who use the SEWA centres, a recent study found that **64 per cent were able to increase their working days and double their income due to the support from the centre**. **Over 95 per cent of mothers also reported reduced mental stress** after enrolling their children. Likewise, **children enrolled in Sangini centres have been shown to have stronger verbal skills, better nutrition habits, and higher vaccination rates** compared to children enrolled in the government-run ICDS centres.

The fact that Sangini centres are locally owned and operated makes them accountable and **responsive to community needs**. The centres serve as a public service access point for vaccinations, primary health care, and nutritional advice for parents, as well as a **hub for community organising**. During the COVID-19 pandemic, they provided direct support to households when children were stuck at home, supplying meals and early childhood care and education kits. This is despite the fact that they were not collecting any fees at the time. They also provided a safe space for mothers, offering counselling services and mental health support. In July 2021, Sangini centres reopened their doors for children to return into their care, whereas the government-run ICDS centres still have not reopened as of February 2022.

Though the SCCWC cannot afford to pay childcare providers at the centres above minimum wage, they express a **high level of job satisfaction** as they are respected leaders in the community. They also receive **continuous on-the-job training**, and benefit from **access to other SEWA-run cooperative services** such as the bank and health insurance scheme. Employee retention is high, with most childcare providers working in the cooperative for over 15 years on average. For comparison, childcare workers in the government-run ICDS centres are paid below minimum wage and considered informal waged workers rather than public sector workers.

Scale & Sustainability

The **biggest challenges facing the SCCWC are sustainability and scale**. The ambition has always been to scale-up and provide childcare support for a greater number of women, whether they are cooperative members or not. However, **there is only so much that poor working parents can afford to pay,** and this is where the government or donors can step in.

Up until 2006, the Indian Government was supporting the SCCWC through its ICDS programme, providing 60 per cent of the operating costs for Sangini childcare centres. At the peak of this partnership, the SCCWC was operating 165 childcare centres throughout Ahmedabad, and providing care for nearly 5,000 children. More recently, the SCCWC was testing a pilot partnership with the local branch of the Reserve Bank of India to provide childcare services to its employees. Parents from the bank were willing and able to pay 10-15x more for services, which could subsidise the cost for SEWA members. Unfortunately, this pilot programme was shuttered by the onset of the COVID-19 pandemic and has only just restarted in February 2022.

Together with the broader SEWA membership, the SCCWC is actively **advocating for the Indian government to invest more and improve the quality and accessibility of public childcare services**, especially for women informal workers. Their recommendations from a recent study on pandemic and early childcare include: recognising quality childcare as the right of all children; public investment in care infrastructure and extension of ICDS; understanding the importance of workers' organisations, especially women's collectives, in running childcare infrastructure; and recognising the importance of family-friendly policies and social protection.

Sources: Interview with Mirai Chatterjee, Director of Social Security at SEWA, as well as Alfers & Arora, 2016; ILO & WIEGO, 2018 and 2020; Institute of Social Studies Trust & Mobile Creches, 2020; Banerjee & Mukhopadhyay, 2021.

3.3 Programmes Supporting Market-Based Solutions

Description

Across LMICs, innovative business solutions are emerging to deliver quality and affordable childcare services for all. Emerging alongside them are **programmes aimed at identifying, developing, and scaling these businesses in order to amplify their impact**: providing solutions to the childcare needs of women MSEs while in many cases also fostering entrepreneurship opportunities for women MSEs in the childcare sector. These programmes can take different forms including, for example, business incubators, accelerators, and targeted enterprise development programmes. Unlike social franchising and cooperatives, they are not engaged in direct childcare provision; instead, their **focus is on stimulating growth and investment in market-based childcare solutions**.

Value Proposition

Under this model, small and growing childcare businesses are provided with **financial, technical, and other types of support to help them develop or scale their operations**. The exact offerings vary depending on the specific context and initiative, but frequently include access to **capital**, **training**, **technology**, **mentorship**, **technical expertise**, **investors**, and other types of enterprise development support. For example, the UN Women Care Accelerator is providing 13 men- and women-led care start-ups in the Asia-Pacific region with tailor-made training, mentorship opportunities, and connections with potential investors, partners, and experts to develop and scale-up their business models.[61] This six-month programme is aimed at supporting men and women entrepreneurs who are working to improve the quality, affordability, and accessibility of care, including but not limited to childcare.

Some programmes under this model are focused exclusively on providing support to *women-led* childcare enterprises. For example, in Kenya, Uthabiti Africa is catalysing the growth of women-led childcare enterprises through its Childcare Enterprises Network initiative (see case study below). Programmes such as this provide critical entrepreneurship opportunities, resources, and training for women MSEs in the childcare sector, leading to improvements in their business and in the quality of care they provide.

The different types of support offered by programmes under this model are often **temporary**, typically lasting less than one year, so that businesses can emerge self-sufficient. This makes them potentially **appealing, short-term investment opportunities** for donors, governments, foundations, and impact investors.

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[61] UN Women, 2021.

Case Study: Uthabiti's Childcare Enterprises Network Initiative, Kenya

Problem

Uthabiti Africa is a non-profit organisation founded in 2019 that **aims to facilitate quality childcare market growth in Kenya**. Initial inception research by Uthabiti identified six critical gaps in Kenya's childcare market, including: **insufficient public and private investment** in the sector; **poor coordination** among childcare providers; **gaps in the policy and regulatory environment** and oversight; **insufficient workforce development** among childcare workers; **a lack of data** on the sector; and **low parental demand** for quality childcare services.

Solution

To address these gaps and accelerate the growth of women-led childcare enterprises, in 2021 Uthabiti launched its Childcare Enterprises Network initiative for childcare service providers, starting with three large urban cities: Nairobi, Mombasa, and Kisumu. Uthabiti provides its network of members with **free access to curated resources to help strengthen and grow their enterprises** while improving the quality of their childcare services for children below eight years old. The specific types of offerings include:

- **Financial services:** Uthabiti supports its members to access suitable financial services and resources to effectively run their childcare enterprise. This includes banking services, money transfer services, loans, insurance, and grants, among others.
- **Learning:** M-toto provides opportunities for skills development and knowledge expansion on quality caregiving and management of childcare enterprises. This includes information on business registration and licensing.
- **Yaya Plus:** Yaya Plus is a digital service developed by Uthabiti that enables Uthabiti members to connect with users including parents and businesses in need of childcare services.
- **Play materials:** Uthabiti offers access to affordable and contextually relevant play and learning materials that enhance children's development and learning.
- **Health and nutrition:** Uthabiti provides members with access to resources for fostering good health and hygiene among children in their care.

Uthabiti takes a 'systems approach' to addressing problems in Kenya's childcare sector, with a **focus on women childcare providers at the bottom of the economic pyramid**. Childcare is currently a profession of last resort in Kenya: there are no national standards for training, and workers have few rights, including in terms of pay. To address this, Uthabiti is working with three county governments to develop minimum standards, guidelines, and certification for the childcare workforce. Their goal is **to help formalise and improve the quality of work for childcare providers**, and make it a career of dignity and choice, while also improving the quality of childcare services. They are also engaged in **generating, documenting, and sharing evidence** with all stakeholders in the childcare sector to improve policy and practice.

Results

As a new initiative, there is limited evidence available on the impacts of the Uthabiti Childcare Enterprises Network initiative to date. However, **938 women-led childcare enterprises have already been registered** as network members, including homecare, daycare, and early child development centres. These enterprises **provide care for around 33,700 children, including 840 children with disabilities**.

Scale & Sustainability

Uthabiti Africa is **currently seeking partners and investors** to help support their work in Kenya through this initiative. They would like to register more women-led childcare enterprises as members, to scale existing offerings such as their Yaya Plus digital service, and test new types of support including a quality assurance training module currently being developed called 'Childcare 101'.

Sources: Interview with Asayya Imaya, CEO and Founder of Uthabiti Africa, and Joyce Wesonga, Technical Lead, Stakeholder Engagement at Uthabiti Africa, as well as Uthabiti Africa, 2021; and information from https://www.uthabitiafrica.org/women-led-childcare-enterprise-development.

In addition to direct business support, some initiatives under this model further aim **to strengthen the legal, regulatory, and policy environment** in LMICs for childcare businesses to operate and thrive. This can include reforms to promote better **regulation and oversight** of businesses operating in the childcare sector, or to improve **working conditions**, **workforce development**, and **social protection** for childcare providers. For initiatives supporting *women-led* childcare enterprises specifically, this might also include efforts to eliminate **legal barriers and gender discrimination** in areas such as access to capital, financial services, and business registration. This type of legal, regulatory, and policy reform helps to create an enabling environment for women's entrepreneurship in the childcare sector.

Challenges

By working to grow, diversify, and strengthen the childcare sector in LMICs, programmes supporting market-based solutions are helping to expand access to quality, affordable childcare for women MSEs. However, they also face several challenges in this respect. A key issue is that **private, for-profit childcare providers typically cater their services to more lucrative markets and clientele, as opposed to poor working women**. Likewise, most childcare businesses tend to **operate in dense urban centres, as opposed to semi-urban or rural areas where many women MSEs reside**. While programmes can look for ways to enable and incentivise childcare business owners to target underserved populations, this continues to be a key challenge.

A further challenge is the **lack of available information and data on the childcare sector in LMICs** (e.g. the size of the sector, the range of providers, the working conditions for childcare providers, etc.), and on the types of support required to help childcare businesses develop and scale. This information would provide a critical entry point for **further investment and engagement in the sector**. The newly launched Care Economy Knowledge Hub aims to address this gap by generating actionable evidence to stimulate growth and investment for care businesses (see case study below).[62]

The shocking thing is that in the last two years of funding, we have not been able to get a donor who is willing to listen to our stories about women's childcare enterprise development. The funding for unpaid care is there, but not for paid childcare. The silence around women's childcare enterprises, and the silence around the needs of childcare workers, is shocking.

- Asayya Imaya, CEO and Founder, Uthabiti Africa (Kenya)

Case Study: Care Economy Knowledge Hub, Multi-Regional

Problem

Market-based solutions to reduce, redistribute and reward care work hold immense potential for delivering affordable and quality childcare to underserved communities, including women MSEs. However, knowledge and evidence gaps on the **viability**, **scalability** and **gender impacts** of these businesses are preventing the types of public and private investment needed for the sector to grow and thrive. This is especially true in LMICs where a larger proportion of businesses offering care products, services, and interventions operate informally.

Solution

The Care Economy Knowledge Hub is a new action-oriented research initiative aimed at addressing this knowledge gap by **identifying, documenting, and amplifying market-based solutions to care**, including childcare, across sub-Saharan Africa, Southeast Asia, and Latin America. It is being led by Kore Global in partnership with Intellecap, CoreWoman, Busara, and Volta Capital, with support from Canada's International Development Research Centre (IDRC) and Soros Economic Development Fund.

The goal of Care Economy Knowledge Hub is to build the knowledge and evidence base to demonstrate the transformational potential of the care economy and draw more investment and attention to the field.

There will be three phases to the implementation research:

1. **Map existing small and growing businesses in the care economy** across the three regions. More than 100 eligible businesses will be included in the mapping, and approximately 60 businesses will be selected for further research.

[62] Robino *et al.*, 2021

2. **Profile 60 selected businesses, identifying their financial and non-financial needs and innovative features**, and gaining a better understanding of their impact, viability, scalability, and replicability.
3. **Conduct 20 in-depth case studies to provide richer detail on business models, their potential for scalability, and their contribution to the care economy** ecosystem from an impact/gender perspective. In order to do this, the research will highlight the key scale differentiators and critical ingredients for the expansion of business models in the care economy, as well as the behavioural design elements that have contributed to business success (or failure), based on qualitative research with customers.

Results

Ultimately, this initiative aims to provide ecosystem actors, in particular incubators, accelerators and impact investors, with the **evidence and data they need to support scalable and market-based care solutions**. It also seeks to inform strategies for care-economy enterprises to meet their capital and resource needs.

Beyond evidence generation, this initiative aims **to build partnerships between investors and entrepreneurs** to advance business innovation and investment in the care economy. It seeks to engage evidence users, including business owners and entrepreneurs, impact investors, researchers, and policymakers to understand their needs and facilitate a community of practice (or 'hub') where they can connect.

Scale & Sustainability

This initiative is currently in phase one as of February 2022. Team members are actively seeking like-minded funding partners and impact investors to jointly promote this important agenda. The project hub (link below) provides more information about the initiative and opportunities to engage.

Sources: Interviews with Carolina Robino, Senior Program Specialist at IDRC and Rebecca Calder, Director and Co-Founder of Kore Global, as well as Robino et al., 2021; and information from https://www.the-care-economy-knowledge-hub.org

3.4 Partnerships

Description

Partnerships here can be understood as multi-stakeholder collaborations that bring together diverse groups, such as government, civil society organisations, multilateral agencies, research institutes, international financial institutions, and the private sector. The unique approach of a partnership model is that **multiple actors are each contributing resources to achieve a mutual goal**. Partnerships within the context of this research brief have the core goal of providing childcare solutions that meet the needs of women MSEs in LMICs, and can take the form of previously-described models for delivering childcare.

Value Proposition

The value proposition for childcare partnerships in this context is threefold:

- **Skills**: Working in partnership allows the unique skills and resources of different partners to be combined. Each actor can play to its own core strengths and allow others to do the same, with the outcome being a more competent and effective aggregate approach to childcare solutions for women MSEs.
- **Sustainability**: By joining forces to work towards a common goal, partnerships ensure that all the actors involved in initiatives to serve the childcare needs of women MSEs have a shared stake in their success and sustainability, especially so when partners' institutional incentives are well aligned.
- **Scale**: The potential to create positive impact at scale for women MSEs and their children, as well as the mostly female childcare workforce, is enhanced by working across multiple actors with large networks and broad reach, particularly government.

Given their nature, there are **many different modalities through which childcare solutions for women MSEs can be delivered via partnerships**. The most common mode of partnership based on the evidence collected through this research involves **government as a key stakeholder**. Private companies looking to provide employer-supported childcare for their workers also feature, though to a lesser extent. This finding supports the above point on scale, with government - at the national, regional, or local level - being **especially well placed to bring about large scale improvements in childcare for women MSEs given their wide presence and outreach**. This is particularly important for reaching the poor in rural areas where childcare markets are not well-established and private sector actors are typically not present. Where governments recognise the importance of childcare services but lack the fiscal space or political will to support fully-fledged public provision, partnerships can offer an attractive compromise.

Box 5: Childcare partnerships for women workers in Mexico

One of the largest and most well-established childcare partnerships serving women MSEs in LMICs was the *Estancias* programme in Mexico. Launched in 2007 and operational until 2019, it was created by the Government of Mexico with the **specific goal of improving labour market outcomes for low-income mothers** who work or are seeking employment and do not have access to formal social security.

Rather than directly providing childcare services itself, the government recognised the potential for greater scale by using locally established home and community-based childcare centres. On one hand, the programme provided **subsidies to women workers**, covering up to 90 per cent of the cost of childcare (means-tested) for children between one and four years old. At the same time, the programme incentivised the creation of **new childcare MSEs** to serve this additional demand through financial assistance in the form of **startup capital**.

To ensure that these childcare services met the needs of low-income women workers in the informal economy, centres were required to adhere to a set of obligations, or **minimum quality standards**, in return for government support. For example, centres had to operate for at least eight hours per day, five days a week; provide two hot meals and snacks to the children each day; hire an extra assistant for every additional eight children; and serve a maximum of 60 children in total.

As of the end of 2018, the Estancias programme, through its partnership between government and childcare MSEs, had **facilitated access to childcare for almost 330,000 children while enabling more than 300,000 low-income mothers to use the service**: effectively extending social protection to women working in the informal economy. According to an impact evaluation of the programme, it **boosted employment among eligible mothers by 18 per cent** and **increased the number of hours spent in paid employment by 24 hours per month**.

Beyond these positive outcomes for mothers and their children, Estancias was also **responsible for the creation of more than 9,500 home and community-based childcare centres**, each of which contributed to additional employment and income creation for the largely women-owned and operated childcare MSEs. Estimates suggest this **generated employment for an additional 46,000 women** - demonstrating the scale that such partnerships can achieve when government is involved.

Sources: Angeles et al., 2014; ILO, 2016; Pereznieto & Campos, 2010; Samman et al., 2016; Staab and Gerhard, 2011; and information from https://www.gob.mx/.

Case Study: Supporting Childcare Facilities in Markets Project, Uganda

Problem

Uganda's informal and unstructured markets are where some of the country's most marginalised women work. In these settings, there are **no onsite childcare options available** to vendors, and no infrastructure (e.g. permanent stalls, washrooms, sanitation areas) to enable them to care for their young children easily or safely. **Unstructured markets are hazardous environments**, often located next to busy roads, and are high risk for both women vendors and their children. Unfortunately, little is known about sustainable childcare models that can help to meet the needs of poor women market vendors in Uganda.

Solution

Responding to this evidence gap, ACE Policy Research Institute is leading a three-year **research partnership to test the provision of childcare facilities for women vendors working in unstructured markets in Kampala**. By focusing on unstructured markets, the project will directly reach poor mothers who are without access to childcare, while **informing government responses to childcare gaps in other contexts**.

The project involves a range of partners who are mutually invested in finding childcare solutions for women market vendors. This includes government actors from the Ministry of Gender Labour and Social Development and the Kampala Capital City Authority in charge of the markets. It also includes a local women's NGO called Forum for Women in Democracy. Funding partners include the Bill & Melinda Gates Foundation, the William and Flora Hewlett Foundation, and IDRC, as part of their joint efforts to advance gender equality in the world of work.

The research will adopt a mixed methods approach, including: a rapid assessment involving **interviews with 250 women business owners in and around Kampala** to understand their childcare needs; a **large-scale household survey** in rural and urban areas of Kampala to explore **cultural norms and barriers** around the uptake of childcare services; and a **childcare market intervention** conducted via a randomised control trial.

Results

The project has several expected outcomes. First, it will produce **evidence on whether and how reducing and redistributing unpaid childcare increases women vendors' productivity and income**. Second, it will uncover **factors that impede access to childcare facilities** among vulnerable women working in unstructured markets. Third, it will help **inform government responses** through tested and proven models for scaling-up childcare facilities.

Scale & Sustainability

This partnership project aims to understand and identify childcare models that work for poor women market vendors in Uganda. In doing so, it will also explore scalability, including through private-public partnerships, to ensure sustained impact of childcare interventions. It will uncover the factors that impede women's access to childcare facilities, and provide scalable solutions so that the government can introduce affordable, effective, and sustainable childcare models more widely.

Sources: Interview with Jacklyn Makaaru, Director of ACE Policy Research Institute, as well as information from https://apriug.org/2021/05/25/grow-east-africa-project/.

Challenges

While there are clear benefits to multi-stakeholder partnerships for delivering childcare solutions to women MSEs, the **consistency of this support over time can be a critical challenge** to sustaining positive impacts. Donor support is by nature time-bound, delivered within limited project and funding cycles. Likewise, when governments change, political and financial support for initiatives can be withdrawn. For example, **SEWA's Sangini Child Care Workers' Cooperative** - outlined in the 'Cooperatives' case study, above - **was able to serve close to 5,000 children** at the height of its partnership with the Indian government, which contributed 60 per cent of the total operating costs. Since that partnership ended due to a change in government, **SEWA has had to drastically scale back its operations** and is currently serving around 300 children - just six per cent of its peak partnership capacity that was achieved by combining SEWA's technical knowledge and experience in delivering locally-owned and operated childcare services with the Indian government's financial resources and network of ICDS childcare centres.

Similarly, support for **the Estancias programme was effectively withdrawn by the Mexican government in 2019**. Funding for the establishment of new childcare MSEs was stopped, while direct subsidies for childcare amongst low-income working women and those seeking employment also came to an end. Instead, poor households with young children received a reduced cash transfer, without an obligation to use this specifically on childcare. Meanwhile, without the public subsidy in place, an increasing number of home-based childcare centres are expected to close as parents cannot cover the full cost of user fees.[63]

Both of these examples underline the **importance of ongoing advocacy efforts to ensure continued public involvement and investment** in quality childcare services, particularly for women MSE owners and workers operating in the informal economy. Ideally, such obligations are enshrined in law, with government then having a legal obligation to provide this support. This would likely render such

[63] ILO & WIEGO, 2020b.

initiatives relatively less vulnerable to political upturn, such as a change of government or shift in policy priorities.

Box 6: Partnering with Government to Scale-up Quality Childcare in Kenya

Kidogo, the childcare social franchise operating across Kenya, is currently exploring various partnership models in a bid to further scale-up quality childcare for low-income mothers and their children. One such partnership is with the County Government of Kisumu, in western Kenya. While not targeted specifically at women MSEs, the partnership **aims to operationalise childcare facilities for parents at three vocational training centres in the county**.

As part of the shared agreement, Kidogo will provide core training to newly hired childcare staff on quality caregiving for young children - an investment of around $2,000-3,000 USD. In return, the county government will provide the childcare premises and cover all operating costs, including the salaries of caregivers, educational materials, and nutritious food.

This partnership is attractive for Kidogo, allowing the social enterprise to work together with a county that recognises the constraint that childcare responsibilities can pose to accessing and completing vocational training, particularly for women, and is motivated to address this constraint for its population through quality childcare facilities.

The relatively low, one-off investment required by Kidogo is easy to fund thanks to its existing training resources. The partnership also has **large potential for scale** when combined with the county government's commitment. Finally, starting small with three centres allows the partnership model to be tested: seeing what works, what might need changing, and demonstrating the benefits to children and their parents before looking to scale-up.

Source: Interview with Sabrina Habib, Co-Founder of Kidogo.

Case Study: Mobile Creches, India

Problem

The NGO Mobile Creches was established more than fifty years ago in direct response to the **lack of appropriate childcare solutions for women working on urban construction sites across Delhi**. These low-paid, mostly migrant labourers - working in the informal economy for a daily wage, without any benefits from employers or social security from the state, and far from the support of their extended families - faced the prospect of either leaving their children unattended throughout the working day or taking their children with them to potentially hazardous worksites: neither of which was an attractive solution to their childcare needs.

Solution

Mobile Creches responded to this problem by **providing mobile childcare facilities at construction sites**. This allowed mothers to drop their children at safe premises where they could be looked after close to the workplace, allowing mothers to continue working while still being close by to breastfeed if needed. At the same time, **Mobile Creches advocated for childcare at the policy level** - helping to pass the 1996 law mandating construction companies that employ more than 50 women to provide a dedicated space for childcare at their worksites. Since then, their worksite-based model has developed into partnerships with various employers, including construction firms, tea plantations, and manufacturing factories. In all these cases, childcare is a mandated obligation according to the labour laws governing the industry.

Mobile Creches' offer to employers is twofold, bringing its **technical expertise in training childcare staff** as well as **directly implementing quality childcare services**. In return, as part of their partnership agreement, employers must be involved as a key stakeholder in the implementation of childcare facilities, notably including the **provision of resources**. For example, in the construction sector, employers seeking to partner with Mobile Creches must provide safe infrastructure for a creche; running water and electricity; and at least one childcare worker. Beyond these minimum requirements, employers make a **discretionary contribution** to the operating costs of the creche, with Mobile Creches finding resources from philanthropic funds to make up the shortfall.

Impact

Through its partnerships with various private-sector employers, as well as governments and civil society organisations, Mobile Creches conservatively estimates its **direct reach to be between 25,000 and 30,000 children per year**, providing at least eight hours of childcare to them, six days a week. In the more than fifty years since its founding, **it has served more than 1 million children**.

Beyond meeting the needs of women workers in the informal economy and providing quality care for their children, Mobile Creches' model has also facilitated the creation of jobs for women in the childcare sector. The organisation has provided childcare training to upwards of 100,000 women, with around half of them securing employment as a result: leading to **job creation and sustained livelihoods for around 50,000 women**.

Scale & Sustainability

As part of its new strategy, Mobile Creches' ambition is to accelerate access to quality childcare for 500,000 children over the next 5 years. **Partnerships** will play a *fundamental* role as part of this drive for scale and sustainability.

Historically, the majority of Mobile Creches' work has been in partnership with employers, most notably construction firms, through their worksite-based model. However, there is a worrying trend: **employers are increasingly vacating their responsibility, and indeed legal obligation, to**

provide childcare for their workers. At the same time, lead firms are effectively able to shirk responsibility for childcare by outsourcing the employment of low-paid, migrant women workers through layers of subcontractors, which compete on price and have little incentive to provide such childcare obligations.

For these reasons, Mobile Creches has looked to **alternative partners** for delivering quality childcare. As of early 2022, they have developed childcare partnerships with **governments** and **civil society organisations** across 12 different states in India, providing all partners with early childhood development training and additionally supporting strategic partners with monitoring and funding.

Some of Mobile Creches' most ambitious partnerships are with forward-thinking state governments that are prioritising early childhood development at the policy level. In these instances, they are **supporting state-provided childcare facilities to expand their service**, providing **technical support** and other **in-kind contributions** while government covers the operating costs involved. If successful, these are expected to significantly contribute to Mobile Creches' scale ambitions over the next five years, serving over 200,000 children (40 per cent of their total target).

Sources: Interview with Sumitra Mishra, Executive Director of Mobile Creches, as well as Samman et al., 2016; ILO, 2016; and information from https://www.mobilecreches.org/.

4. Recommendations

This research brief has shown how balancing childcare responsibilities can be a significant challenge for women MSEs, particularly in LMICs. Quality, affordable childcare solutions, such as those explored in the four models outlined above, can help alleviate these responsibilities and contribute to a **'triple-win'**: facilitating women's labour force participation and economic agency; enhancing child well-being and development; and creating decent job and business opportunities in the paid care sector.

Based on the findings of the research, the following set of recommendations can help to guide donors and other development actors in promoting childcare solutions for women MSEs in LMICs, and in contributing to this 'triple-win':

1. **Promote context-specific childcare solutions for women MSEs.**

There is no one-size-fits-all solution for childcare. It is important to understand the local context and promote potential solutions accordingly. Where lots of informal providers already exist, consider a social franchise model to improve quality. Where women MSEs are collectively organised, look to the cooperative model as a possible route. Where there is little provision but a strong culture of women's entrepreneurship, seek to stimulate the creation and growth of quality childcare MSEs through programmes supporting market-based solutions. Donors should also use their convening power to bring government and other actors together in partnerships focused on long-term sustainability. Working in consultation and partnership with local women MSEs is critical to understand their specific circumstances, needs, and preferences related to childcare.

2. **Keep scale and sustainability at the forefront of donor initiatives.**

Just as childcare models serving women MSEs' needs differ according to context, so should donor support. In some instances, setting up a traditional donor-funded childcare programme might be appropriate, but in other instances it may be more effective to directly fund those already working in the childcare space to help scale their services for women MSEs, such as through impact investment. Alternative approaches could target existing childcare MSEs with business supports: skills training, business incubators and accelerators to help cultivate and grow promising market-based solutions to quality childcare. It is important to remember that some form of support, whether from donors or government, will likely always be needed to ensure quality childcare service provision for women MSEs.

3. **Focus on quality standards and assurance, but not prohibitively so.**

The quality of care that children receive is undoubtedly important. Scaling-up poor-quality childcare is not good for children or their families, and will also harm economies in the long run given the impact of childhood education on economic productivity in later life. At the same time, however, donors should be mindful that their quality standards are not impossibly high to begin with, which risks stifling emerging innovation and entrepreneurial activity in the childcare space - particularly for MSEs. Striking a balance between these two extremes is important, as is acknowledging that such standards are goals to work towards over time: supporting providers to continuously improve rather than punishing them or removing support altogether.

4. **Prioritise solutions that provide decent employment for childcare workers.**

Solutions for addressing women MSEs' childcare needs vary in terms of their impact on childcare workers in LMICs. It is important for donors and development actors working in this space to provide decent employment opportunities for childcare workers in terms of wages, working conditions, training, professionalisation, and access to social and labour protections. This can be a challenge, as the examples and case studies outlined above demonstrate, but continuous improvement guided by these goals should always be a priority.

5. **Identify opportunities to serve rural women MSEs' childcare needs.**

The examples and case studies showcased in this research brief come overwhelmingly from urban areas. This demonstrates the gap that exists with regards to childcare solutions for women MSEs in semi-urban and rural areas, such as those engaged in agriculture or who run microenterprises. Donors should therefore explore and test childcare models that work specifically for rural women MSEs, with a focus on government involvement to reach those areas where childcare markets are not well-established and private sector actors are typically not present.

6. **Continue to promote public investment in childcare.**

Donor-supported solutions are important but insufficient to address women MSE's childcare needs in LMICs, especially in the informal sector. They must be accompanied by sustainable public investment in childcare services, inclusive social protection systems, and a workers' rights agenda. Donors and other development actors can play an important role in promoting public investment in childcare by championing care as a gender equality and women's economic empowerment issue and sharing evidence on the business case for investing in care (i.e., the 'triple win').

7. **Explore demand-side interventions to complement childcare supply.**

Go beyond the focus on childcare provision to identify actions that address the barriers to using such services, and boost uptake amongst women MSEs. This might include actions to address accessibility constraints; quality and safety concerns; lack of awareness of the importance of early childhood education; and pervasive social norms and expectations relating to childcare responsibilities. Identifying the appropriate entry points for demand-side interventions requires a user-focused programme design, understanding the unique needs of women MSEs in different contexts as well as their lived experiences.

8. **Address underlying social norms around caregiving.**

Initiatives providing childcare solutions for women MSEs do not take place in a vacuum, and their impact will be limited unless they are coupled with efforts to address the root causes of gender inequalities in care. While these fall under demand-side interventions, special consideration should be given to social norms and how they shape gender inequalities in care. Childcare programmes can incorporate culturally-relevant education, media, and advocacy tools to engage men and boys and promote their equal involvement in household caregiving tasks. This is also an opportunity for more joined-up programming within donor organisations, bringing together teams working across economic development, early childhood education, and gender equality to recognise, reduce, and redistribute women MSEs' unpaid care work responsibilities.

9. Conduct research into other dimensions of care from the perspective of women MSEs.

In some instances, childcare may not be the most significant care constraint facing women MSEs in LMICs. For example, at a later stage in the life cycle, providing care for elderly parents, or ill and disabled family members may be the more common and pressing issue. The need to understand more about these other dimensions of care from the perspective of women MSEs is an important avenue for further research and investment by donors and other development actors working in this space.

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Annex A: Key Informant Interviews

Name(s)	Organisation
Jacklyn Makaaru Arinaitwe	Director, ACE Policy Research Institute
Carolina Robino	Senior Program Specialist, International Development Research Centre
Sabrina Habib	Co-Founder, Kidogo
Rebecca Calder	Director and Co-Founder, Kore Global
Tesfayesus Alemayehu	Design, Monitoring and Evaluation Officer, Mercy Corps
Sumitra Mishra	Executive Director, Mobile Creches
Shehan Ramanayake; Sumudu Abeygunasekara; Delrene Seneviratne	Director SME Competitiveness; Manager SME Competitiveness; Deputy Team Lead, USAID CATALYZE Sri Lanka Private Sector Development (PSD)
Mirai Chatterjee	Director of Social Security, Self-Employed Women's Association
Emma Caddy	CEO and Founder, Tiny Totos
Asayya Imaya; Joyce Wesonga	CEO and Founder, Uthabiti Africa; Technical Lead, Stakeholder Engagement, Uthabiti Africa

Annex B: List of Examples

Example	Model	Website (if available)
Kidogo	Social Franchising	https://www.kidogo.co/
SmartStart	Social Franchising	https://www.smartstart.org.za/
Tiny Totos	Social Franchising	https://www.tinytotos.com/
ASMARE Cooperative Daycare Service	Cooperatives	
Makola Market Childcare Centre	Cooperatives	
SEWA's Sangini Child Care Workers' Cooperative	Cooperatives	https://sewabharat.org/
UPAVIM Cooperative Children's Center	Cooperatives	https://www.upavim.org/childrens-center
Care Economy Knowledge Hub	Programs Supporting Market-based Solutions	https://www.the-care-economy-knowledge-hub.org/
UN Women Care Accelerator	Programs Supporting Market-based Solutions	https://www.seedstars.com/community/entrepreneurs/programs/care-accelerator/
Uthabiti Childcare Enterprises Initiative	Programs Supporting Market-based Solutions	https://www.uthabitiafrica.org/women-led-childcare-enterprise-development/
Estancias Programme	Partnerships	https://www.gob.mx/
Mobile Creches	Partnerships	https://www.mobilecreches.org/
Supporting Parenting Care Facilities in Markets Project	Partnerships	https://apriug.org/2021/05/25/grow-east-africa-project/

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