Better Jobs and Brighter Futures: Investing in Childcare to Build Human Capital

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Our strategy: Positioning childcare as a tool to build human capital

The white paper brings together the gender, child development, family welfare and economic growth arguments- something for everyone!

Access to quality childcare has the potential to unlock pathways out of poverty, build human capital and increase equity.

These are the cornerstones of a country’s economic growth and productivity.
Global estimates: Substantial gaps in access to childcare
The childcare challenge disproportionately impacts families in low- and lower-middle-income countries

• The power of figures: Our estimates are conservative with a methodology that is rigorous enough

• Over 40 percent of children (nearly 350 million) who are below primary-school-entry age need childcare but do not have access to it.

• Nearly 8 out of 10 children who need childcare but do not have access are in low- and lower-middle income countries.

• A child living in a low-income country is nearly five times less likely to have access to childcare than a child living in a high-income country.
This issue needs to move beyond an academic or economic debate: Too many families do not have a real choice between earning an income and maximizing their child’s development.

Public policy needs to ensure families have meaningful choices.
Even when childcare is available, barriers limit uptake and reduce potential benefits

- High costs
- Low quality
- Inconvenient services
- Cultural norms
We suggest 5 policy goals to enable governments to ensure that childcare is available, affordable, of decent quality and meets the needs of all families

1. Expand access to childcare by promoting diverse types of provision
2. Prioritize childcare coverage for the most vulnerable families and ensure low-cost and free options are available
3. Allocate sufficient financing to make quality childcare affordable for families
4. Define clear, workable institutional arrangements and build system coherence
5. Ensure that children are in safe and stimulating environments through a robust quality assurance system and a supported and capable workforce
Goal 1: Expand access to childcare by promoting diverse types of provision

Diverse types of service provision are important to meet diverse family needs.

Various strategies are available to governments to expand access, including:
- Direct government provision
- Financial support to families
- Incentives for non-state provision
- Mandated employer-supported childcare

Engaging the nonstate sector will be needed in most countries to expand access and meet different families’ needs.
Goal 2: Prioritize childcare coverage for the most vulnerable families and ensure low-cost and free options are available

Given scarce resources, government support should prioritize vulnerable families

Strategies that can support vulnerable families include:

- Establishing or supporting provision targeting these families
- Reserving places for vulnerable families
- Offering extra financial support to low-income parents
- Designing programs with a focus on equity and cultural sensitivity
- Identifying spaces that could be used to provide services for informal workers near their worksites / neighborhoods
Goal 3: Allocate sufficient financing to make quality childcare affordable for families

Public financing is essential to make childcare affordable and to support systems needed for quality

New funding will be needed but short term there may be opportunities to leverage existing programs across different sectors
Goal 4: Define clear, workable institutional arrangements and build system coherence

Fragmented childcare policies and service delivery exacerbate challenges - childcare often fall through the cracks

There is no single correct approach - countries use a variety of institutional arrangements for childcare

Whatever institutional anchor is in place must be able to lead effectively
- Clear mandate
- Adequate finance and capacity
- Focus on promoting child development
- Continuity and coherence across the whole age range
- Strong coordination mechanisms to bring in all stakeholders
Goal 5: Ensure that children are in safe and stimulating environments through a robust quality assurance system and a supported and capable workforce

- Registration and accreditation systems
- Quality standards
- Robust monitoring systems
- Mechanisms to engage and empower parents
- Training programs for the ECD workforce
- Professional standards and recognition for the workforce
- Data collection
COVID-19: Increasing urgency and a potential moment of opportunity for childcare

The pandemic has laid bare the deep inadequacies in the current childcare system and exposed the vulnerability of the sector.

But may also offer a moment of opportunity to mobilize around this critical issue:

- Childcare is essential to the recovery efforts of countries.
- Expanding childcare services could be an important source of job creation.
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Access the full paper and other resources at:
www.worldbank.org/childcarereport
World Bank can elevate the issue, push the childcare agenda with our country teams and clients and contribute to the evidence base

Global voice to elevate the issue as central to human capital and economic development

Direct work with Governments and opportunities to operationalize childcare within the World Bank portfolio

- Engaging with WB regional and country teams to make the case for childcare in countries
- Supporting teams with tools and technical assistance to design quality programs and policies

Leverage global surveys and programs to collect data and evaluate impact

Across the World Bank, different teams are working on childcare from different angles, and we are pulling together a multisectoral group to refine and operationalize WB’s internal strategy

We estimate there are 100+ childcare activities in different sectors currently and are mapping the portfolio and pipeline

- Childcare paper
- Childcare funding round
- Convening multisector group of staff on childcare strategy

- Tackling childcare: making the case for employer-supported childcare
- Country diagnostics and tools with employer focus

- Indicators on childcare laws and policies integrated into annual surveys across 189 economies
- Policy briefs
Potential World Bank childcare work program: Focus on driving childcare activities internally with country teams and clients, while continuing to support global efforts

1. Mapping the World Bank portfolio to identify opportunities to integrate childcare into existing / pipeline projects

2. Formalizing a group of staff to refine and operationalize World Bank strategy, including executing strategy internally

3. Launching ELP funding rounds focused on childcare to generate more opportunities for childcare work that are led by country teams. Facilitating and incentivizing clients to invest in quality childcare activities through small grants to World Bank teams to work in countries (typically $100-200,000)
   - Catalyzing demand and making the case for investment through situation assessments and diagnostics
   - Strengthening the enabling environment to promote quality (quality standards and regulation, training programs, etc)
   - Piloting and evaluating interventions
   - Enabling resources and technical assistance to develop activities within World Bank operations

4. Building the evidence base through rapid evaluations of childcare from multiple perspectives
   - Implementing nimble and other evaluations in partnerships with the Strategic Impact Evaluation Fund (SIEF) and Gender Innovation Lab (GIL)

5. Gathering information at country levels (to feed into global findings)
   - Integrating childcare questions into household and other surveys (Women, Business and the Law, Poverty, LSMS, etc)
   - Supporting / funding situation assessments

6. Preparing tools for country teams and clients that could also be used as global public goods (or inputs to broader collaborations)
   - E.g. especially around safeguarding and quality standards

7. Building capacity through integrating childcare into the Early Years Fellowship program and Engaging Policymakers program

8. Continuing to partner on global and regional events and to collaborate on global public goods to push the childcare agenda
Different ways World Bank teams are working with countries on childcare

A portfolio review of WB work on ECD revealed that many teams begin working on childcare halfway through projects once constraints become clear. We want to work with teams to get ahead earlier.

ELP launched a childcare funding round in September 2019 and awarded $1.3m to 14 proposals (out of 30 applications, totalling $4.8m)
- 12 countries (50% Africa, 29% LAC, 14% Asia, 7% MENA)
- Mix of sectors including education, social protection, poverty and cross-sectoral projects

Vast majority of activities focused on building demand and evidence base for childcare and strengthening the enabling environment – reflects the limited engagement in childcare to date in countries
- Supply and demand diagnostics in Cote d’Ivoire, Honduras and St Lucia
- Skills training needs assessment for the childcare workforce in Bangladesh
- Development of quality standards to apply to both childcare and preschool services in Djibouti
- Community childcare and mobile creche models to support public works programs, employment and training programs and agricultural productivity are being piloted and evaluated in Ethiopia, DRC, Madagascar and Cameroon

We expect the grants to:
- Establish proof of concept and lead to new, quality childcare activities within World Bank operations
- Provide examples of tools for that can be shared with country teams
- Contribute to the evidence through findings from diagnostics and impact evaluations