Working for yourself or for your kids? Childcare expansion policy in Uzbekistan

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Introduction

Motivation

Developed and industrial countries expanded child care programs.

→ Motivation: free up time of women to join the workforce.

Recently lower-income countries are also implementing this policy

But in many lower-income countries informal childcare opportunities are not the constraint.

→ Many women per household.

→ Basically none of them work.

Research question: Do these programs still have an effect on women employment in lower income countries? And if so, why?

Introduction

Distribution of households

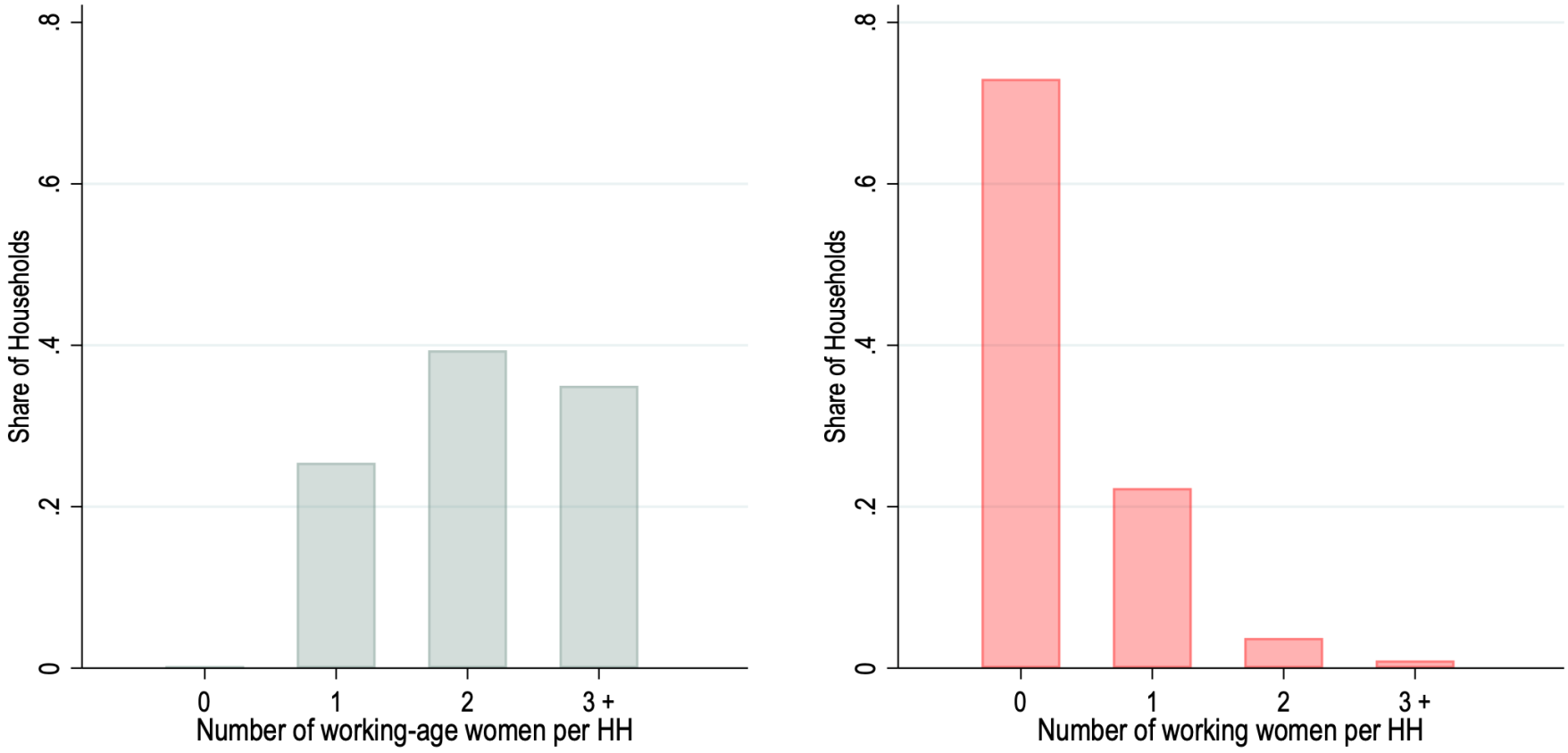


Figure: Distribution of households

Introduction

Overview of results

Research question: What is the effect of childcare expansion policy on female labor supply? What is the potential mechanisms behind?

Data: Public Childcare Expansion Policy in Uzbekistan, Listening to Citizens of Uzbekistan- panel survey data

Empirical strategy: Staggered difference in differences methodology

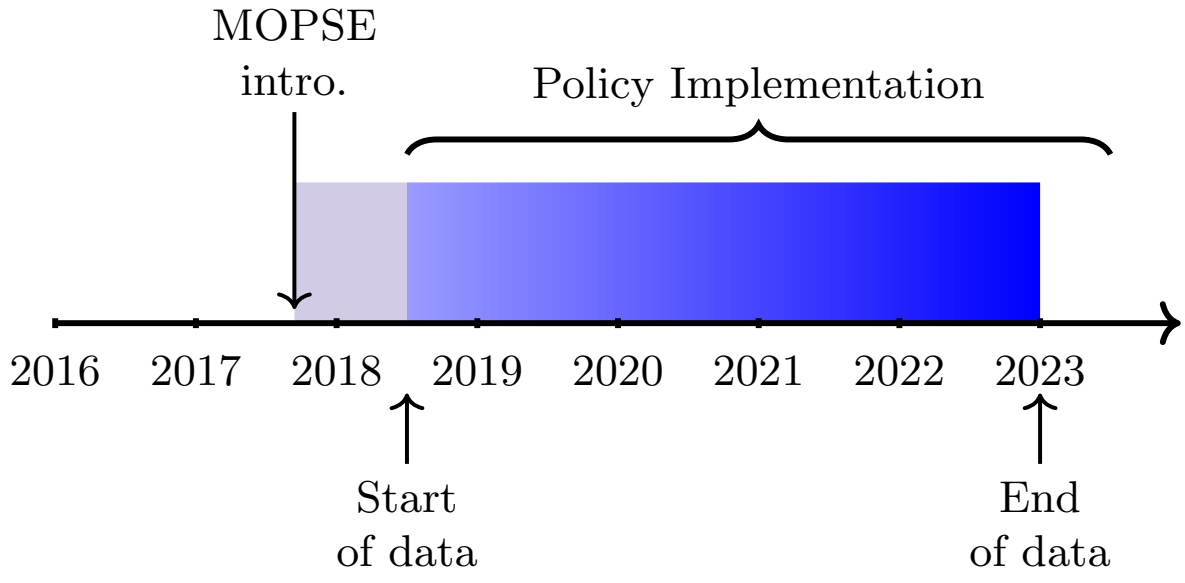
Result: Female labor supply ↑

- Households *valuing* more child's education and *middle-income* HHs responded stronger
- Informal care availability *does not diminish* the effect

Background information

Context

Preschool Expansion Policy reform



Policy program:

- Increase public preschool facilites
- Increase private and PPP preschool facilities
- Cost of preschool is quite costly

Data
Methodology

Data

Survey data:

→ *Listening to Citizens of Uzbekistan*- monthly panel survey data among 1500 households conducted since September 2018 ▸ ltcu

→ *Household Baseline Survey* - yearly pooled cross-sectional data, among 10000 households, from 2015-2022

Administrative data:

→ *Uzbekistan Statistics Agency* : yearly available preschool provisions of each district, from 2011-2022

→ *Ministry of Preschool website*: locations of all preschool provisions of each district in 2023 ▸ map

The empirical strategy

Generalized difference-in-differences:

(Muller and Wrohlich, 2020)

$$Y_{idt} = \alpha^{DD} Policy_{dt} + District_d + Time_t + X'_{idt}\beta_k + u_{idt}$$

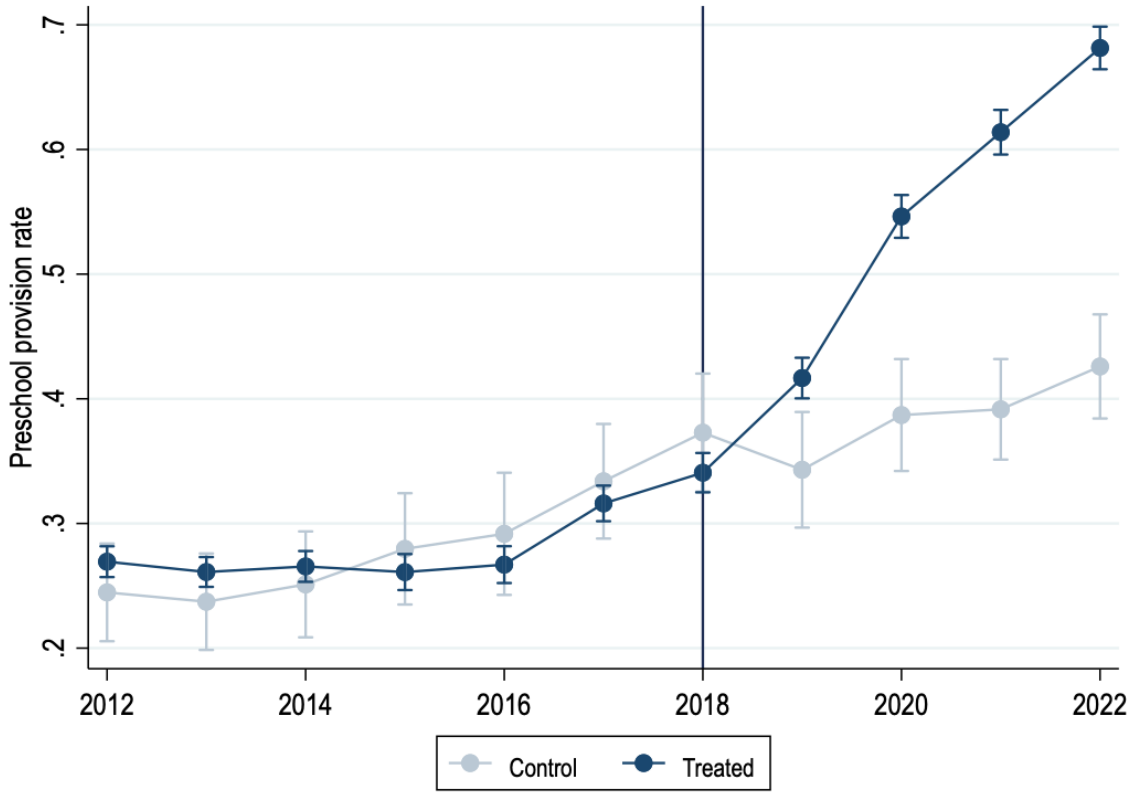
Y_{idt} is employment status and the number of working women

$Policy_{dt}$ is measured in two different ways:

- → Coverage rate equals to children's preschool participation rate relative to 2018 in each district
- → *Treated* equals to 1 when district coverage rate increases above medium and 0 otherwise.

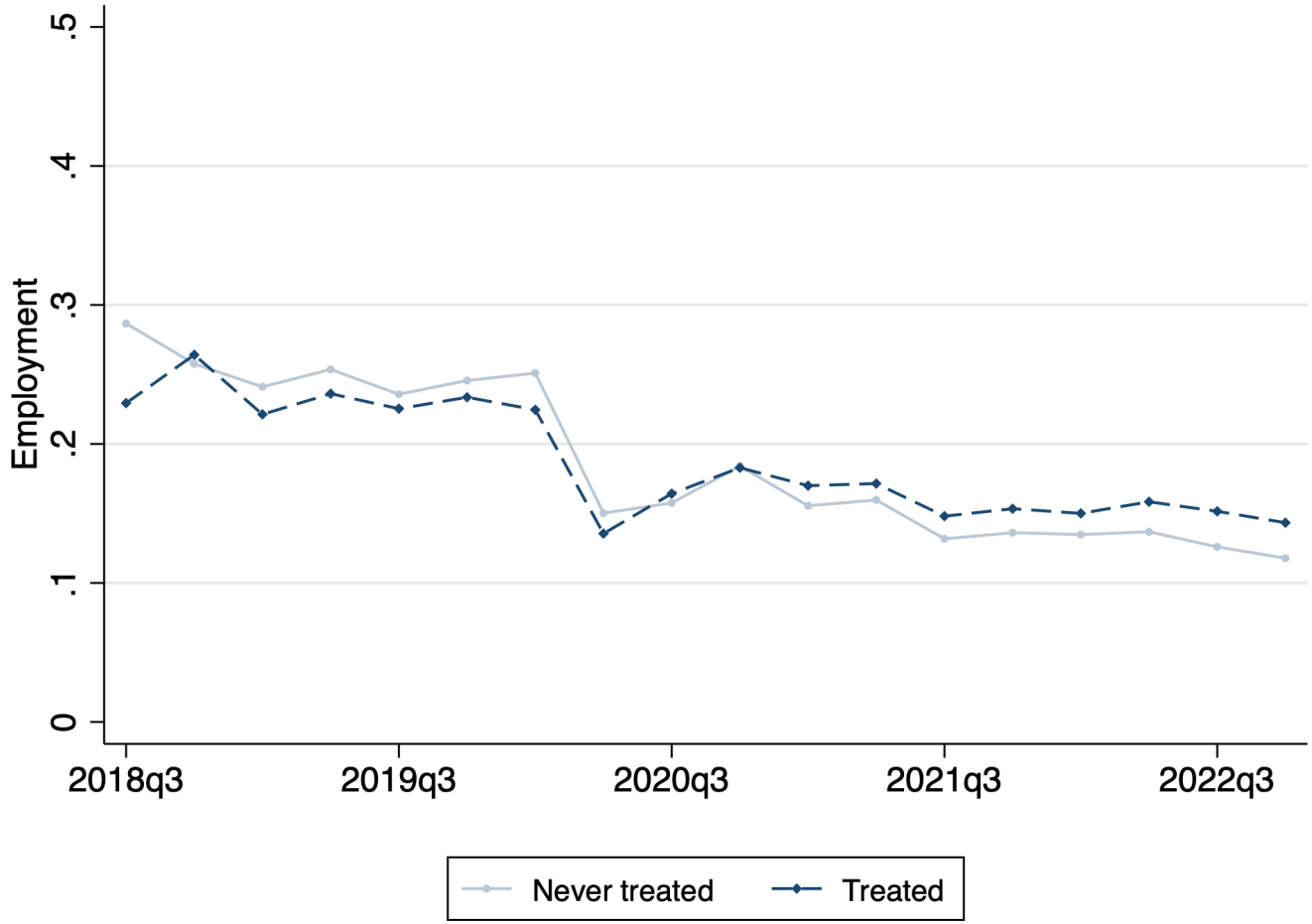
X'_{idt} is a set of all personal and household level covariates.

Coverage rate by treatment



Labor Force Participation

Women living with young children



▸ HBS data

Event study on labor supply

For women living with young children

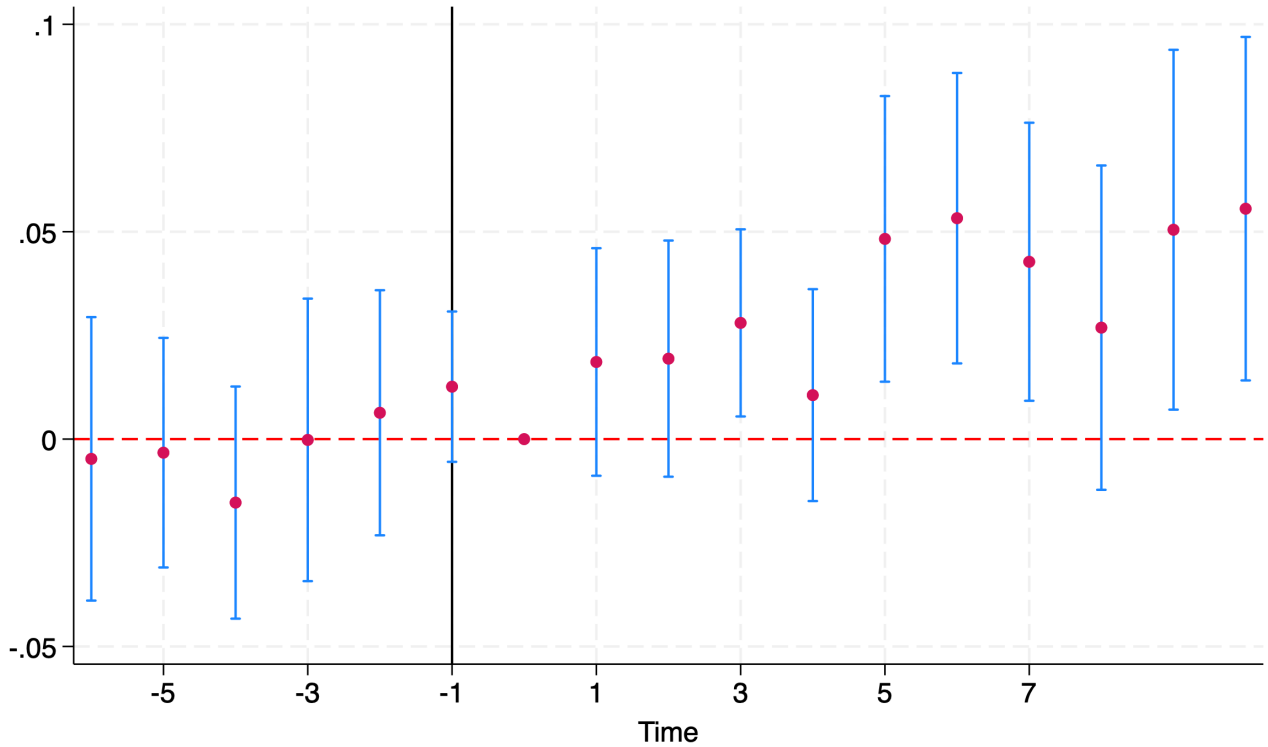


Figure: Female labor supply

▸ For others

Main Results

Result: Main estimation

Generalized difference-in-differences:

	Household level	Individual level	Only mothers	Other women
Labor Force				
Coverage rate	0.230***	0.138***	0.144***	0.136***
	(0.06)	(0.03)	(0.05)	(0.05)
Mean	0.37	0.19	0.22	0.15
Employment				
Coverage rate	0.103	0.063*	0.074*	0.053
	(0.08)	(0.04)	(0.04)	(0.05)
Mean	0.30	0.16	0.18	0.13
Individual controls		Yes	Yes	Yes
Household controls	Yes	Yes	Yes	Yes
Time District FE	Yes	Yes	Yes	Yes
Observations	12454	24517	12417	12100

Standard errors in parentheses, * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Result: Heterogeneity analyses

Household income

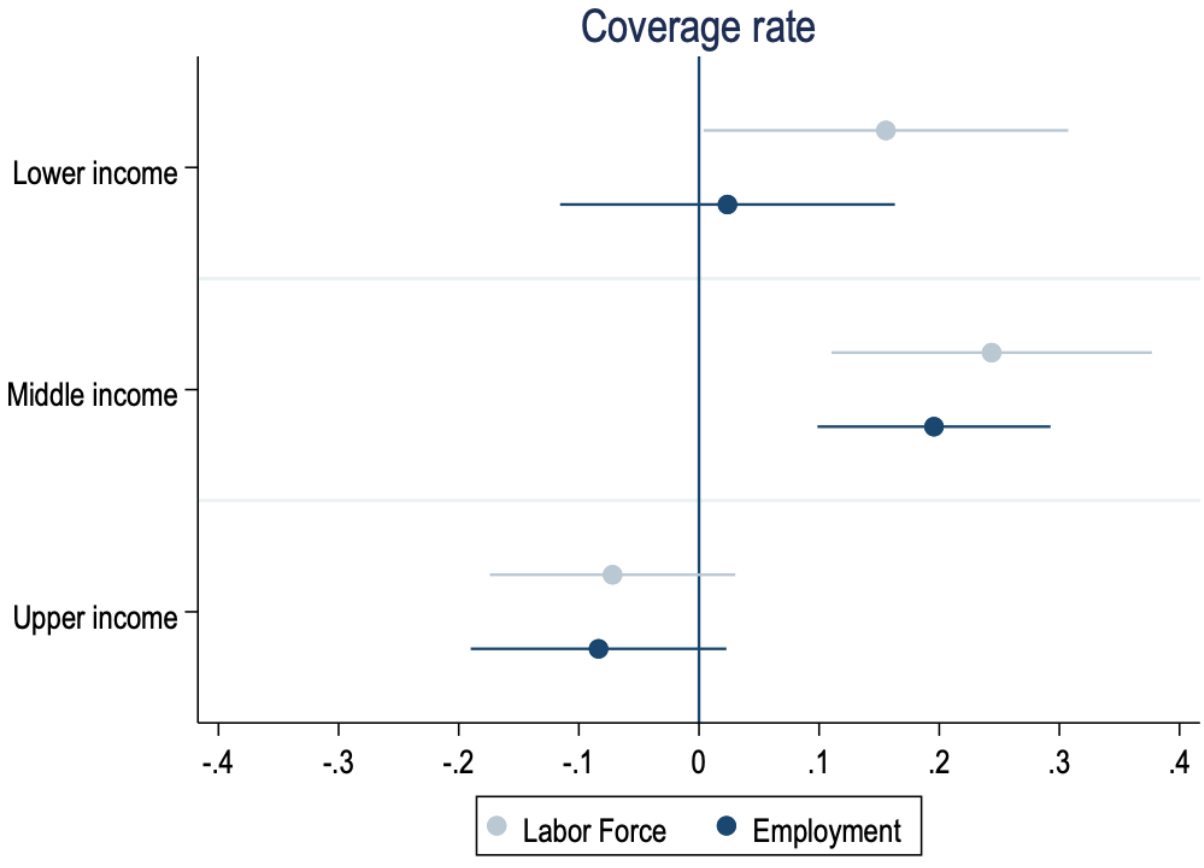


Figure: Regression estimation coefficients

Result: Heterogeneity analyses

Household value of education

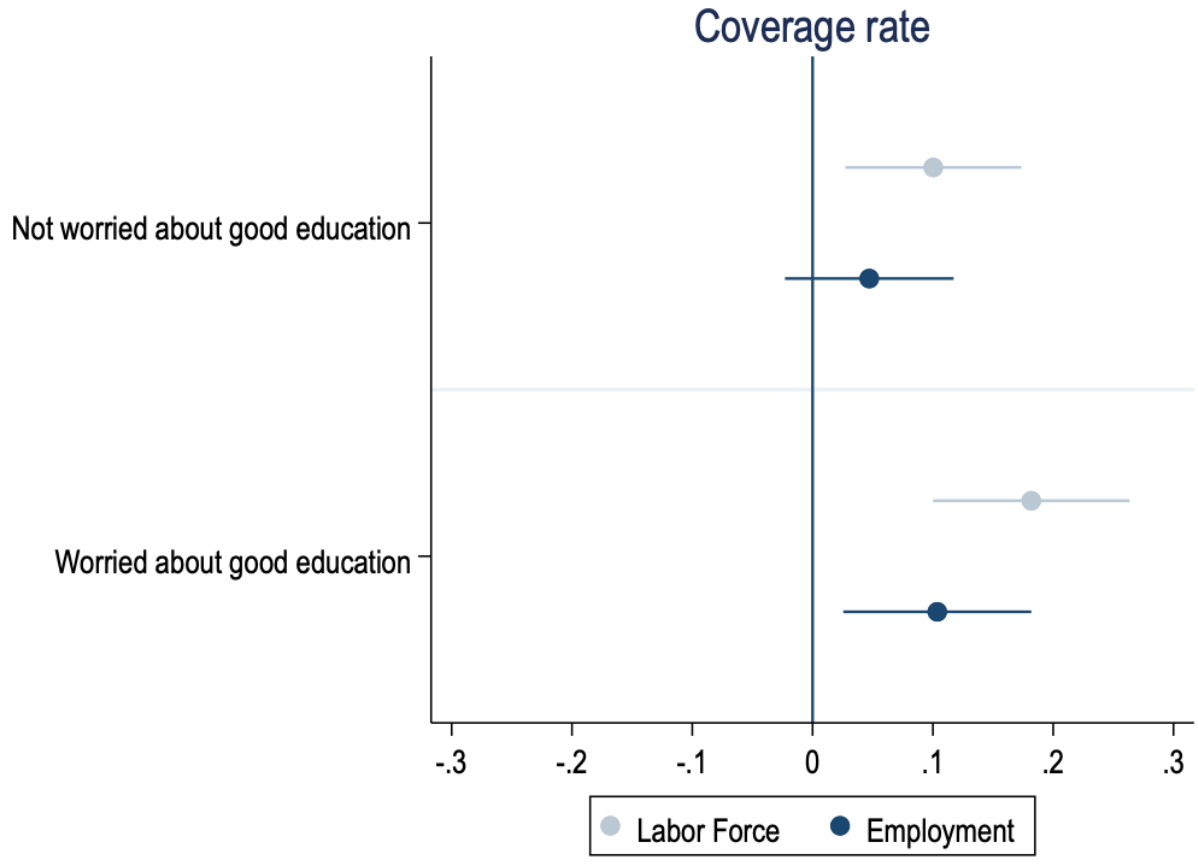


Figure: Regression estimation coefficients

Result: Heterogeneity analyses

Informal care availability

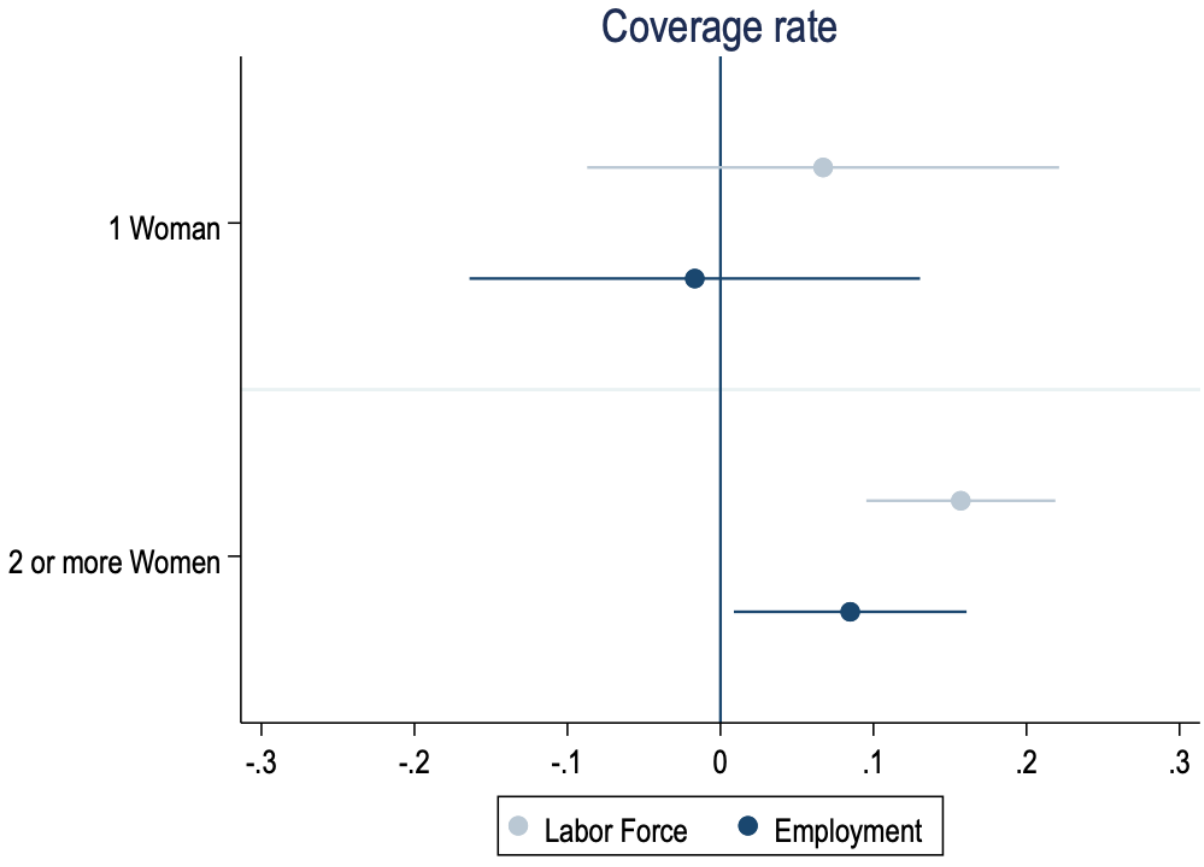


Figure: Regression estimation coefficients

Conclusion

- Expansion of preschool facilities **increased** female labor supply in Uzbekistan

  → Effect is **stronger** for women living in a household concerned about providing children with good education and for middle income households.

  → Informal childcare availability **does not diminish** the effect of the reform

Thank you

very much for your attention!

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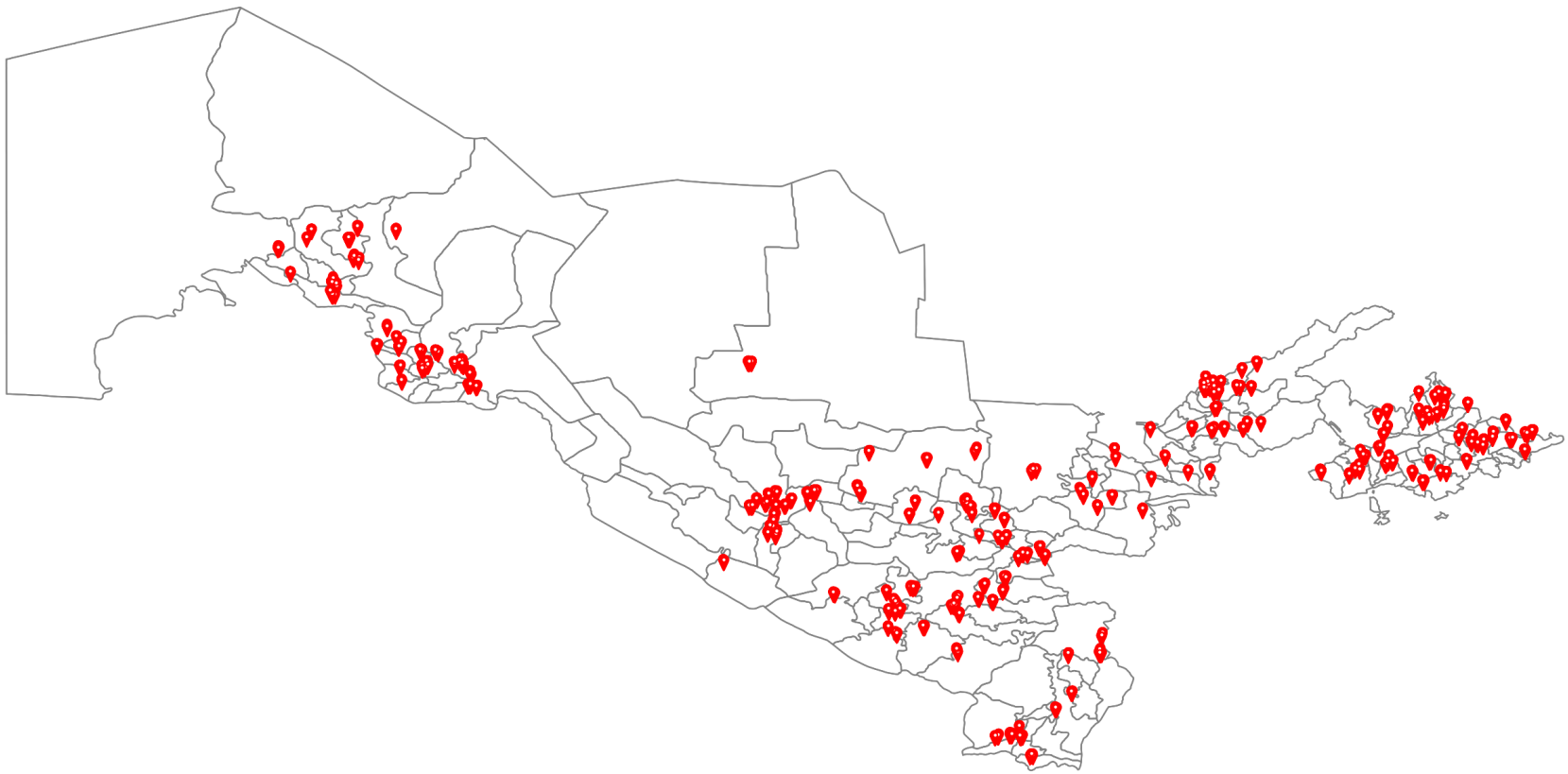
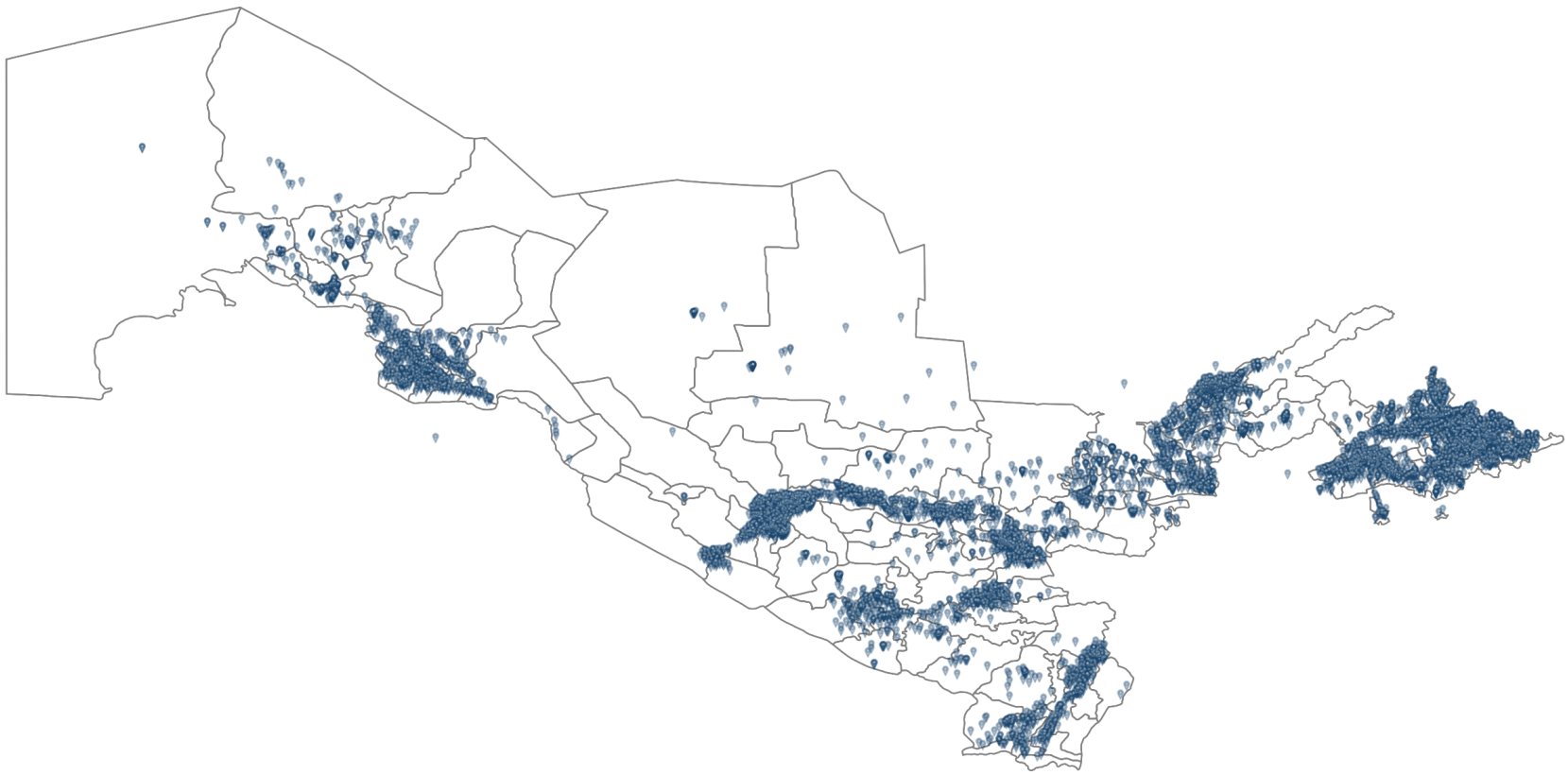
Appendix: Respondents in the survey

Listening to Citizens of Uzbekistan

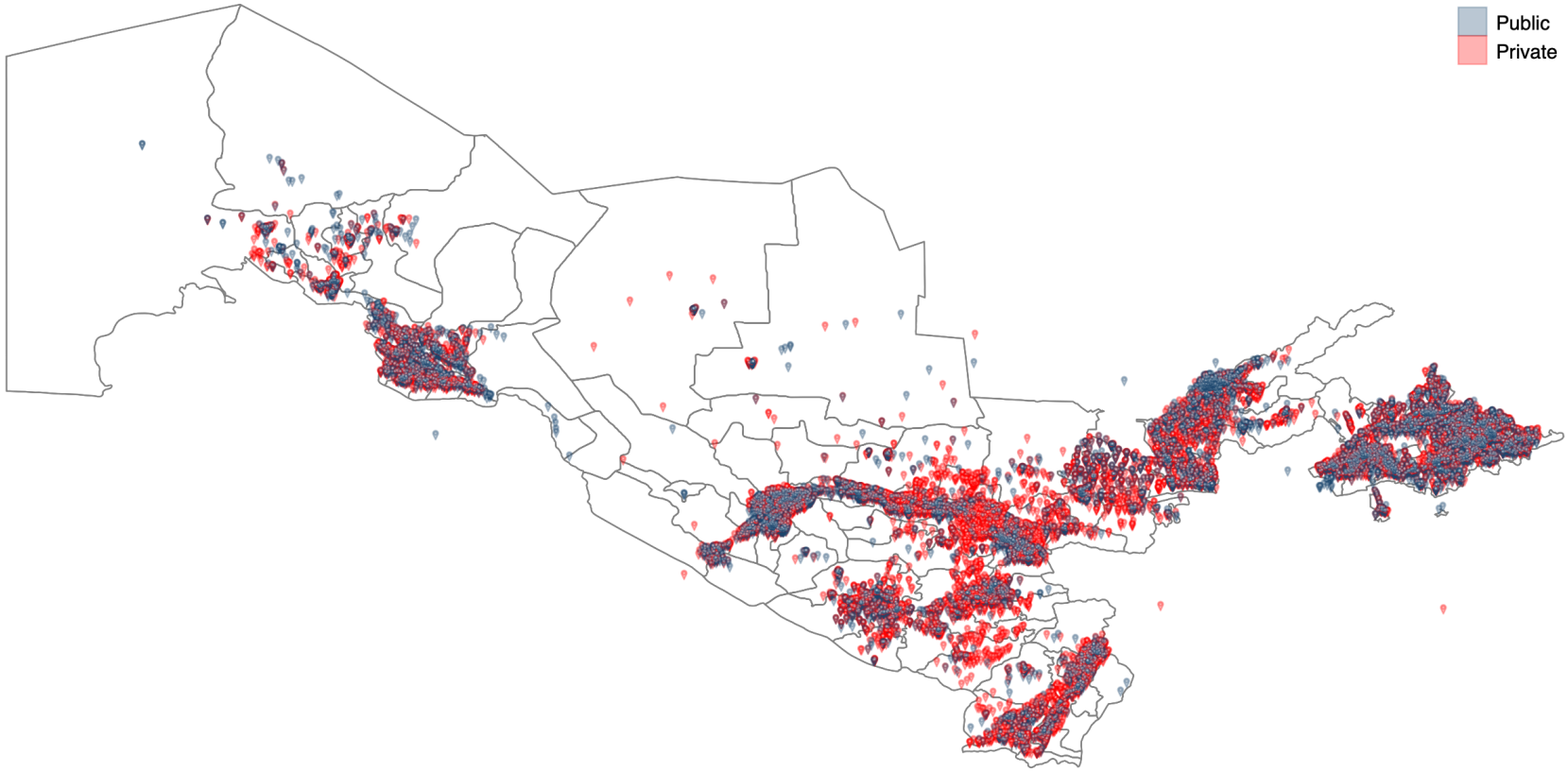


Data

Appendix: Public Preschool locations



Appendix: All Preschool locations



▸ Data

Appendix: HBS data

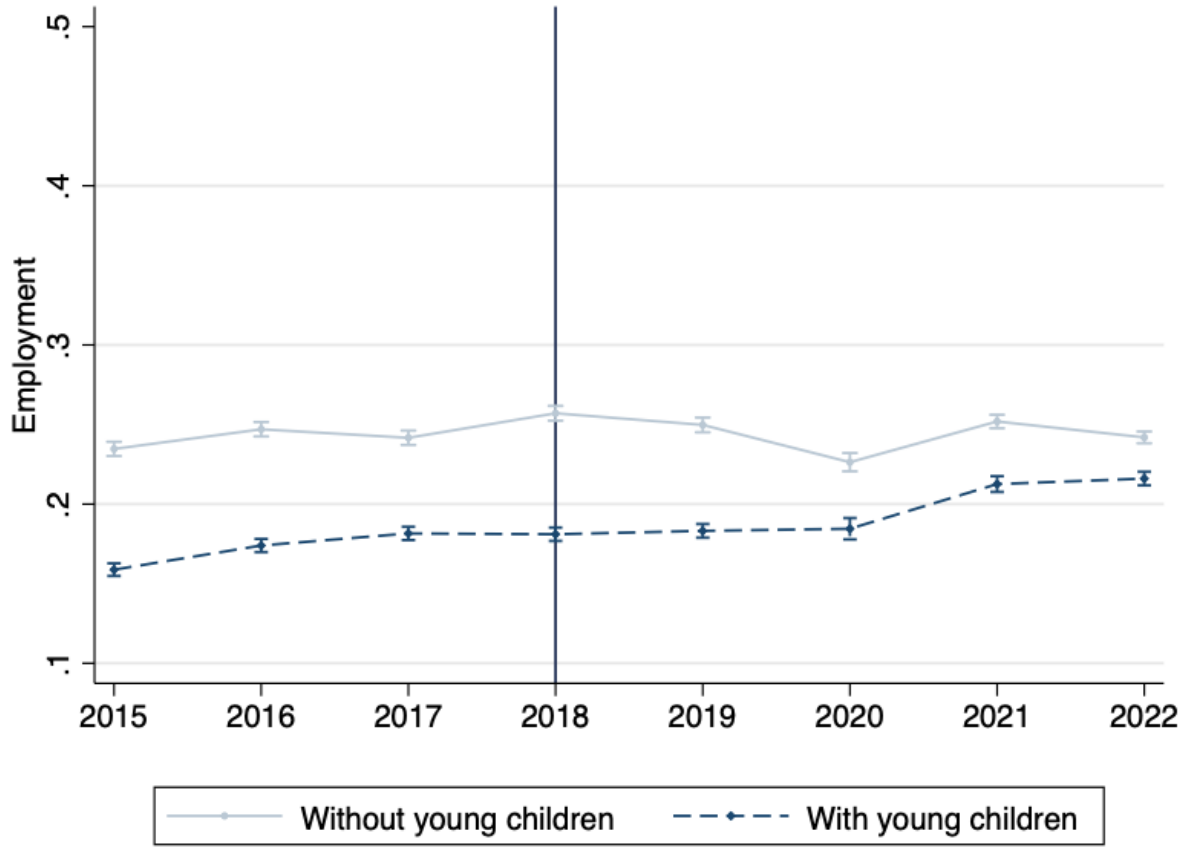


Figure: Employment of women in Treated regions

▸ Main

Appendix: Event study

For women living without young children

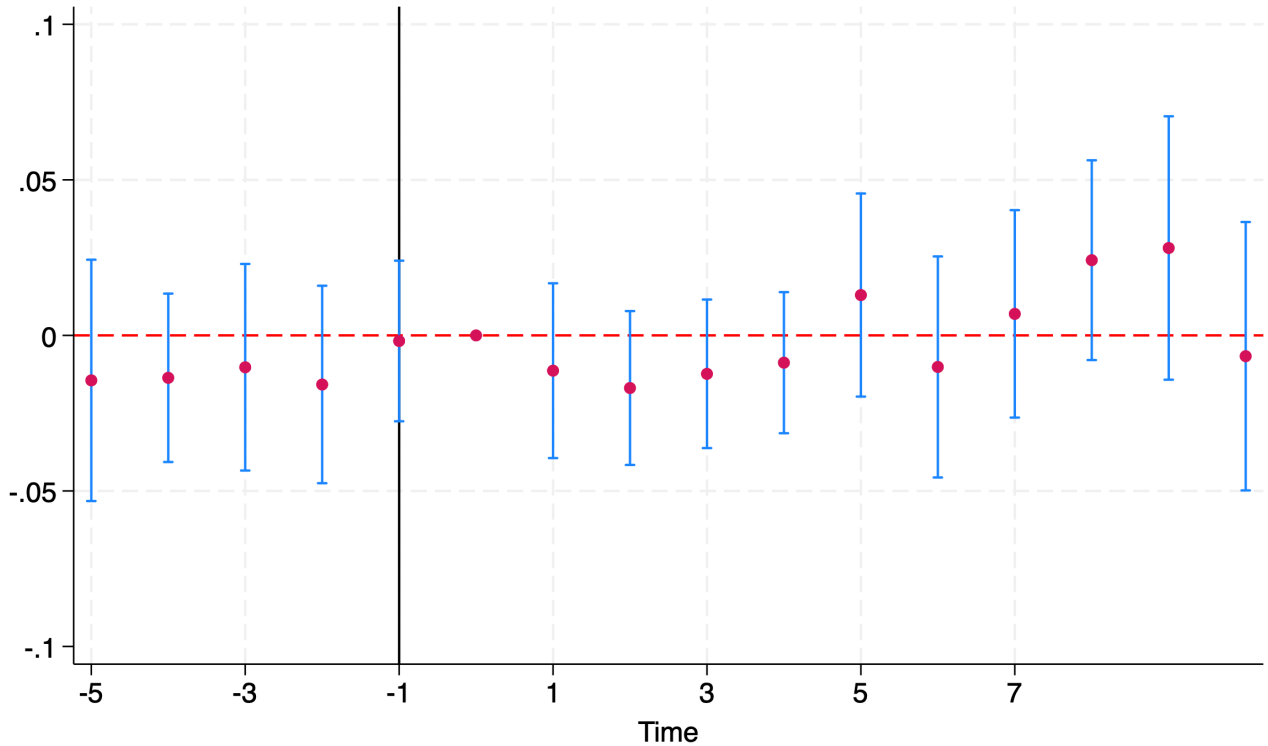


Figure: Female labor supply

▸ Result