

A mother and her young child from Korogocho, the study community in Nairobi

# Subsidized Daycare as a Pathway to Increasing Women's Economic Empowerment



African Population and Health Research Center

## By the Numbers

- Annual income per capita in Kenya: US\$1,380<sup>1</sup>
- Poverty line in Kenya: Ksh 195/day (US\$1.95)<sup>2</sup>
- % Kenyans living below poverty line: 34<sup>2</sup>
- % unemployment: 39<sup>2</sup>
- % Nairobi slum female unemployment rate: 51<sup>3</sup>
- % Nairobi population living in slums: 60%<sup>3</sup>

### References:

<sup>1</sup>World Bank, 2016: <http://data.worldbank.org/country/kenya?view=chart>; <sup>2</sup>United Nations Development Programme, 2017: 2016 Human Development Index Report; <sup>3</sup>APHRC, 2014: Nairobi Cross-sectional Slums Survey Report.

## 1. The Problem

For women with young children, employment and involvement in income-generating activities often depends on availability of affordable child care. This is particularly true for Kenyan mothers living in resource-limited urban areas, who may lack kin support for child care, and who rely on low-paying jobs in the informal sector.

Most efforts to improve women's capacity to generate income focus on expanding schooling, vocational or entrepreneurial training, and access to credit. However, these strategies do not address the daily care requirements of young children for women engaged in informal and casual jobs, which do not allow them to concurrently care for their young children.

Promotion of inclusive and productive employment for all takes on critical importance in Kenya, considering that labor force participation among women is 62%, compared to 72% in men, and that women earn only 62% of what men make for similar work in the country, as reported by the International Labor Organization.

## 2. The Context

To learn whether access to subsidized daycare would enhance women's engagement in economic activities, the African Population and Health Research Center (APHRC) and McGill University, with funding from the Growth and Economic Opportunities for Women (GrOW) funding consortium, implemented a randomized intervention of subsidized and quality enhanced daycare in one informal settlement in Nairobi, Kenya's capital city. They investigated the types of child care arrangements that women in the Korogocho slum were using, how daycare use changed when women were offered vouchers to take their children to daycare centers within the community, and the economic impact of receiving these vouchers on women's engagement in economic activities.

As part of the project's knowledge sharing strategy, APHRC and McGill University co-hosted a policy conference in Nairobi in May 2017, to share evidence on expanding women's labor force participation through improved child care options, with the aim of discussing how the findings can inform decision-making and investment to improve women's economic engagement through the provision of affordable and quality early child care. About 50 stakeholders representing the private sector, non-governmental and community-based organizations, philanthropy, as well as national and Nairobi county government representatives attended and deliberated on options for moving evidence to action to improve women's and young children's well-being.

### 3. Evidence Informing Solutions

Researchers studying the effects of free or affordable quality daycare on mothers' engagement in paid work in similar resource-poor settings in Kenya and India shared their findings. Key findings from these studies, which are summarized below, show that access to child care is a universal need for working mothers:

- Preliminary findings from the **influence of affordable daycare on women's economic empowerment in India** study, which compared women's labor force participation in hamlets participating in a daycare program (intervention hamlets) run by a local non-governmental organization (Seva Mandir) to non-participating (comparison) hamlets, showed that 42% of mothers in the intervention hamlets were using daycare less than one year after they were established. Women in the intervention hamlets were also more likely to be engaged in paid employment (12%) than mothers in control hamlets (7%). (Institute of Financial Management and Research & McGill University, 2017).

- Women participating in the **daycare services and women's participation in informal employment in Mukuru kwa Njenga** study reported that their increasing involvement in paid work in this urban slum in Nairobi had required a shift in their child care arrangements. Women with access to daycare reported increased mobility, productivity, and peace of mind at work. However, various barriers to daycare use were also noted, including poor supervision of the children, health concerns, poor cleanliness, limited caregiver capacity, high cost, and poor accessibility especially in the rainy season. (Ruth Muendo, Aga Khan University, 2014).
- The **balancing unpaid care work and paid work in women's economic empowerment programming in India** study, which explored whether and how state and non-state women's economic empowerment programs were taking unpaid care work into account to enhance their optimization and sustainability. They found that unpaid care work was primarily the responsibility of women in families, with limited participation of men, but that other factors including limited public resources (transport, water), seasonality of paying jobs particularly in the agricultural sector, and the physical demands of the jobs available to women, hampered women's engagement in paid work. Programs that reserved some positions for women, offered equal pay to women, or offered worksite crèches were considered responsive to the care responsibilities of women. Researchers found that incorporating more flexibility for pregnant and lactating mothers, developing standards for quality worksite crèches, and targeting specifically vulnerable women, would further enhance worksite support programs. (Institute of Social Studies Trust, 2017).



*Policy conference participants discuss policy recommendations*

Findings from the **Improving Child Care Options to Create Better Economic Opportunities for Women in Nairobi Slums** study conducted by APHRC and McGill University in Korogocho showed that:

#### • Economic activity

Among mothers who were not using daycare at baseline, those who received vouchers for subsidized daycare were 8.5 percentage points more likely than those without vouchers to be working for pay (48.9% in the control group versus 57.4% in the intervention). Given that men are currently 10 percentage points more likely than women to be in the labor force in Kenya, this finding suggests that subsidizing daycare could almost eliminate the gender gap in labor force participation.

#### • Daycare use

Formal/paid daycare use rose by 32% in the control group, and by 50% in the intervention group. While these

daycares may be considered relatively inexpensive – at less than US\$5 per month on average – the difference in daycare use between the groups indicates that cost is an important barrier to use.

#### • Qualitative findings

As a result of the intervention, mothers reported being freer to engage in work or to look for work without worrying about child care; that their older children did not have to miss school or play-time because they had to take care of their younger siblings; and, that there were fewer children in the community left unattended and exposed to harmful sites, workplaces, and road accidents.

## 4. Policy Pathways to Empowering Women Economically

The Government of Kenya recognizes the importance of early childhood development in improving the well-being of young children and closing gaps in school readiness between income groups; however, implementation and adherence to quality standards as outlined by the government has been fragmented. Further, the potential benefit of affordable child care on women's ability to work has received little attention.

In view of the important role played by daycare service providers in resource-limited settings, conference participants discussed approaches that may create an enabling environment for low-income mothers to work and have their child care needs met. They identified three areas in which multi-sectoral approaches may best catalyze action:

### 1. Develop minimal standards for daycares, and then support existing daycares to meet these minimum standards.

- Recognize that improvements take time; thus, under-performing daycares should first be supported to meet the threshold rather than shut down.
- Because responsibility for early childhood development lies with counties under Kenya's devolved system of government, national government must take ownership for developing a

legal and policy framework, and support counties in the implementation and regulation aspects.

- Enhancing standards should include training for daycare workers using an accredited curriculum and delivered by existing district education officers.
- Reconsider the cost of business licenses, which can create a perverse environment for small businesses such as daycares to operate unregistered and without government oversight.

“...Mothers who received subsidized daycare were 8.5 percentage points more likely than those without vouchers to be working for pay. Given that men are currently 10 percentage points more likely than women to be in the labor force in Kenya, subsidizing daycare could almost eliminate the participation gap.”

## 2. Expand private sector action in providing child care support for employees.

- Incentives for increased private sector investment in child care support for employees could include government tax breaks or government subsidies to private sector entities that provide worksite crèche/daycare services, or child care allowances for their employees, particularly for low-wage earners.
- If employers are unable to set up worksite crèche/daycare centers, they may consider options such as partnering with a selection of near-by daycare centers, and offering vouchers to employees who use them.
- Public services such as free-clinics or feeding programs could also be incentivized to partner with businesses to expand services in support of families.

## 3. Increase government financial and resource support to daycare centers.

- Guaranteed supports, particularly targeting the lowest resource settings, as well as enhanced oversight on compliance with regulations and guidelines, would greatly serve to improve the quality of daycare centers offering services to all categories of individuals and in all counties.

The 2030 global agenda for sustainable development targets achieving gender equity and empowering women and girls in Sustainable Development Goal (SDG) 5, and the need to achieve full and productive employment and decent work for all women and men, and equal pay for work of equal value in SDG 8.5. Kenya and other countries intent on making meaningful progress toward these global and related national goals must comprehensively address the barriers that keep women from full and fair participation in the labor force. Provision of affordable child care is one important avenue to achieve this.

### Learn more

#### Watch

- Daycare in Slums: <https://www.youtube.com/watch?v=ceffy0q813Q&feature=youtu.be>
- Improving Child Care Options in Nairobi Slums: <https://www.youtube.com/watch?v=2HQ0v0SJqUw&feature=youtu.be>

#### Read

- Exploring the Challenges in Combining Work and Care for Young Children: Use of PhotoVoice with Mothers from an Urban Nairobi Slum: <http://aphrc.org/post/publications/exploring-challenges-combining-work-care-young-children-use-photovoice-mothers-urban-nairobi-slum>
- Daycare in a Nairobi Informal Settlement: a snap shot of Korogocho: [http://aphrc.org/wp-content/uploads/2016/01/Daycare-Fact-Sheet\\_Final.pdf](http://aphrc.org/wp-content/uploads/2016/01/Daycare-Fact-Sheet_Final.pdf)
- GrOW Research Series on women's growth and economic empowerment: <http://grow.research.mcgill.ca/>

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