



# POLICY BRIEF



Photo: IDRC/Tommy Trenchard

## Can Subsidized Early Child Care Promote Women's Employment? Evidence from Kenya.

Women's disproportionate child care responsibilities significantly impede their labor force participation. Subsidizing child care for women in poor urban settings can be a powerful mechanism to improve women's employment outcomes and reduce gender inequalities in Africa.

### WHAT'S AT STAKE?

Studies from North America, Europe, and Latin America show that child care responsibilities restrict women's labor force participation, and demonstrate a strong negative association between child care costs and maternal employment. Yet, some have questioned whether similar barriers exist in sub-Saharan Africa, where women may receive extensive kin support and primarily work in the informal sector, where they can often combine child care with their work.

To test whether child care obligations limit African women from engaging in paid work, researchers from McGill University and the African Population and Health Research Center (APHRC) conducted a randomized study that provided subsidized early child care (ECC) to selected mothers living in a slum area of Nairobi, Kenya. Around 45% of Kenyan women aged 15 to 49 years currently have at least one child under the age of five. This brief presents some of the key findings and policy insights gleaned from the study.

### KEY RESULTS

- Mothers were eager to send their children to early child care centers.
- Mothers who received subsidized child care were 17% more likely to be employed than mothers who did not.
- Working mothers who received subsidized child care were able to work on average five fewer hours per week than those who did not, without any loss to their earnings.
- Subsidizing child care helped mothers to both find and maintain employment.
- Cost, more so than concerns over quality, is the main barrier to women accessing center-based child care.

## RESEARCH APPROACH

In this study, researchers tested whether access to affordable and improved-quality day care influenced women's labor market engagement in Korogocho slum in Nairobi, through the evaluation of a randomized control trial (RCT) with three study arms. Mothers in two of the study arms were given vouchers for subsidized center-based ECC for one year. To examine whether the quality of child care centers affected women's use of ECC services, about half of the day cares participating in the voucher program were randomly selected to receive additional provider training and materials such as mattresses, potties, toys, and hand-washing stations.

A baseline survey, which was conducted between August and October 2015, interviewed a total of 849 mothers who were not using an ECC center about their current childcare arrangements, economic activity, child health and well-being, and other socio-demographic characteristics. One year later, an endline survey was conducted with 738 (87%) of these mothers to assess whether they used the ECC facilities and, if so, how it impacted 1) maternal employment, 2) number of hours worked, and 3) maternal income.

## KEY FINDINGS

### Mothers were eager to send their children to child care centers

Study findings reveal a very high demand for ECC services. More than half of mothers in the control group (57.7%) started using day care, and uptake among mothers who were given subsidized day care was more than 80%. These findings demonstrate that center-based child care is an important and acceptable means of child care for mothers living in urban slum areas.



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### Mothers who received subsidized child care were more likely to be employed than mothers who did not

Mothers who were given vouchers for day care were 8.5 percentage points (or 17%) more likely to be employed than mothers who were not given vouchers. For mothers who actually used day care services, this effect rose to over 20 percentage points. These findings counter common perceptions that mothers' child care responsibilities in sub-Saharan Africa do not impede their labor force participation either because they can easily combine child care and work or because there is a "surplus" of female kin available for free child care.

### Working mothers who received subsidized child care were able to work fewer hours than those who did not, without any loss to their earnings

Among women who were working, those given subsidized child care worked on average five fewer hours per week compared to mothers who did not receive a voucher. Yet they earned the same amount of income. Mothers given vouchers appear to be especially less likely to work more than 60 hours a week, giving them more time to spend on their leisure, child care, or other domestic and social activities.

### Subsidizing child care helped mothers to both find and maintain employment

Mothers who received vouchers were four percentage points more likely to become employed if they were unemployed. They were also five percentage points less likely to become unemployed if they were already employed compared to mothers in the control group. Mothers in the control group experienced a relatively higher loss of jobs during the study period compared to those who received vouchers, particularly among mothers engaged in cleaning services and selling goods and food. In contrast, slightly more women who were given vouchers established their own businesses during this period.

### Cost, more so than concerns over quality, is the main barrier to women accessing child care

Some studies have questioned whether concerns about the quality of center-based care discourages mothers from using these services. Findings from this study demonstrate this is not the case, as the effects on maternal employment were sometimes larger but never significant for mothers given vouchers for the quality-improved centers. This does not suggest that quality of care is unimportant. In fact, both mothers and care providers in the study repeatedly stressed the importance of safety, health, and educational training. Rather, it suggests that in this context, cost is the larger barrier to accessing child care. Subsidizing child care is associated with a 25 percentage point increase in ECC use.

## POLICY INSIGHTS

Existing research on ECC and maternal employment in sub-Saharan Africa is sparse and draws mixed conclusions. Furthermore, no previous studies have examined the relationship between quality of ECC and maternal employment. The findings from this study are among the first to demonstrate to governments and practitioners:

### **There is a high demand for subsidized ECC programs in urban Africa**

The perception that African women primarily engage in "child-compatible" informal work and have access to extensive kin support is challenged by the results of this study, which demonstrate that center-based child care is an important and acceptable means of child care for mothers, especially those living in urban slum areas. The rapid increase in non-agricultural jobs coupled with the stalling decline in fertility rates in Africa, mean that demand for subsidized ECC can be expected to rise as many women will face a growing conflict between child care and paid work responsibilities. Public investment in ECC will be vital to meeting this demand.

### **Subsidizing ECC is an effective strategy for encouraging African women's labor outcomes and reducing gender inequalities**

Study results corroborate the findings of other research which indicates that day care costs act as a "wage tax" for women in low- and middle-income countries, who calculate their potential income as earnings minus child care costs. Men rarely make similar deductions when considering their potential earnings. Greater provision of affordable ECC can therefore encourage maternal employment and reduce gender inequalities in African labor force participation.

### **To promote maternal employment, governments should focus on reducing cost of ECC in addition to improving their quality**

To date African government spending on ECC has focused on improving the quality of registered care facilities by establishing guidelines and developing training programs for caregivers. Yet this study finds that cost, more than concerns around quality of care, is the main barrier to women accessing ECC. While center-based child care programs are relatively inexpensive (about \$5 USD per month in Kenya), this amount can be prohibitive. Removing this barrier can improve women's access to and use of child care facilities. Moreover, the gains to the nation's GDP through increased female labor force participation are likely to far outweigh the costs of these subsidies.

*This brief was authored by Clark, S., Kabiru, C., Laszlo, S. and S. Muthuri, and designed by K. Grantham. It draws on key findings of their working paper, "[Can Subsidized Early Child Care Promote Women's Employment?: Evidence from a Slum Settlement in Africa.](#)"*

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Peterson Hall, 3460 McTavish St.  
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