

# Executive Summary

## Workplace solutions for childcare

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For parents in paid work or who would like paid work, childcare is an almost universal problem. Some working parents can rely on family support to look after children while they work. However, many workers, in both industrialized and developing countries, must rely on care by persons from outside the family. For these workers and their employers, the availability of quality, affordable non-family child care for pre-schoolers and school-age children is essential.

Yet, evidence suggests that existing childcare services often fall far short of workers' and employers' needs in most countries. For parents with children under the age of three, there is a serious lack of quality childcare nearly everywhere, and full-time care of a young child can cost more than university. Pre-primary schooling (three- to five-year-olds) is becoming more common in many countries but daily hours are often limited and coverage is far from complete. For school age children, out-of-school care is neither developed nor affordable in most countries. This lack of adequate childcare has important implications for women's labour force participation and gender equality, as well as for workplace productivity, economic development, child development and the well-being of families and society as a whole.

This book reviews the key childcare concerns and challenges facing working parents and employers, how these concerns are addressed by different national approaches, public policies and services, and why and how different actors have stepped in to develop childcare solutions at the workplace. The book provides a broad overview of the key national issues and approaches to childcare from the viewpoint of working parents and their employers, as well as perspectives from workplace actors, and workplace solutions that have been formulated. Case studies from ten countries have been selected to reflect a variety of national contexts: four industrialized countries (France, Hungary, United Kingdom and the United States) and six developing countries (Brazil, Chile, India, Kenya, South Africa and Thailand). For each country, a national overview is presented on policies and facilities for childcare and the implications for working parents, followed by case studies of specific workplace initiatives, examining the reasons why each childcare initiative was established, how it is funded and managed, how various partners are involved and the perspectives of workers and employers on the support provided.

## **Childcare in national contexts**

The extent to which the childcare needs of working parents and employers are recognized and addressed by policies and services is heavily shaped by national and local contexts, with wide variation in government approaches to childcare. In a few countries, childcare is viewed as a public entitlement for all and a government responsibility. In others, government involvement is minimal, and parents are left to pay for non-family care from private providers, which can be nannies, home-based childminders or local childcare centres. Most countries fall between these two situations, with very different approaches to the questions of whether and how to finance and provide childcare. The motivations for government involvement in childcare also differ, and can stem from such diverse concerns as child development, education, health, women's labour force participation and gender equality. Childcare policies and programmes can sometimes be spread across a multitude of government ministries with different mandates and objectives related to childcare.

In countries where public policy stems from concerns regarding employment growth, women's labour force participation and gender equality, public support for childcare tends to be more closely aligned to the needs of working parents and employers. Indeed, childcare and other work-family policies have moved up on the policy agendas of many countries as a result of concern for economic development and women's labour force participation, and in response to the decreasing availability of family support for childcare. Ministries of Labour, employers' organizations and trade unions have key roles to play in meeting the needs of working parents and businesses for affordable, quality childcare during working hours, and in many countries, there is significant scope for these roles to be strengthened.

The shortfalls in childcare, even in industrialized countries, create considerable difficulties for working parents and their employers, with implications for workers' labour force participation and for workplace productivity. Some employers around the world are successfully stepping in to fill the gaps, in some countries with encouragement and incentives from government, and in others with no government involvement. Trade unions have been putting childcare on the agenda for collective bargaining and have been able to negotiate various forms of childcare support.

Where childcare support is voluntary, carefully planned and in line with business interests, employers report benefits including increased productivity, reduced turnover and absenteeism, better retention and higher morale and commitment. Other workplace partners – trade unions, NGOs, specialized childcare providers, and national and local government agencies – are also taking initiatives to find practical solutions. These workplace partners are finding innovative ways to work in partnership to leverage existing financial and non-financial resources and to mobilize additional resources for childcare.

## **Workplace solutions**

Throughout the case studies detailed in *Workplace solutions for childcare*, a common theme in parents' reactions to childcare programmes is their concern about the quality of the care that their children are receiving. Since this quality is highly dependent on

the childcare workers involved, it is important to ensure that efforts to make childcare affordable for working parents do not cause the earnings of childcare workers to suffer. Ensuring standards while maintaining affordability for parents is difficult and at least for low-income parents whose capacity to pay is lower, some form of government financial support is needed.

Employers are sometimes reticent about childcare because of the perceived costs of providing support. In many of the examples, however, workers are paying a considerable proportion of the costs of childcare. Moreover, the benefits of childcare support for workplace outcomes are often perceived by employers to justify the costs. Partnering with other actors for financial contributions and technical support are also common ways of sharing the costs of childcare support. The examples highlight the potential of leveraging resources through employers and other workplace actors to help expand the availability of childcare. However, the findings also show that passing the responsibility entirely to employers by obliging them to provide childcare is not likely to be an efficient solution for a country.

A number of types of childcare assistance can be found at workplaces. Different solutions are appropriate for different needs and contexts, and offer different advantages and disadvantages for employers and workers in terms of costs, choice, benefits and administrative requirements.

**Company or on-site facilities** A childcare facility at or near the workplace for the pre-school children of workers (variously called a crèche, nursery, day care, kindergarten or childcare centre) is probably the best known form of workplace support. Such facilities have been set up usually by employers, but sometimes also by trade unions, employers' organizations or organizations specialized in childcare.

**Linking with facilities in the community** Because workers may prefer childcare that is close to home, workplace actors have helped forge links with community facilities (where they exist), by negotiating discounts for workers, reserving places for workers' children, and providing support to improve the quality of childcare in the community. Where facilities exist, such support can extend to pre-school children and/or school children.

**Financial support** Workplace actors can also develop financial supports for working parents to choose their own provider. Governments may facilitate this by allowing tax sheltering of care expenses, as in some industrialized countries. Employers have designed a variety of systems to provide financial support to workers. The actual financial contribution of the employer can be virtually nothing as in the case of tax sheltering of salary used for care expenses, or can be considerable as with payroll contributions to a childcare fund, which typically operates as an independent organization, subsidizing the care used by the employees of participating employers.

Most systems have built-in methods to ensure that the financial support is in fact used for childcare of approved quality rather than just giving an allowance to employees with young children. Examples include vouchers, reimbursements based on receipts or direct payments to the provider.

**Advice and referral services** Advice and referral services linked to the workplace have become quite common in industrialized countries and help workers to find appropriate childcare. By providing basic information on available services and by helping workers link with them, employees' valuable time is saved, as they may not have been familiar with the care services that exist in their locality.

**Backup care** It is becoming increasingly common, particularly in industrialized countries, to help parents to access emergency "back-up" care which can be used when the regular childcare arrangement breaks down. Like other kinds of childcare, emergency care can be at the child's home, at a childminder's home or in a centre.

## Conclusions

Access to childcare is a major problem for many working parents and employers and finding solutions constitutes a major challenge for governments, employers and workers. This book shows how helpful workplace initiatives have been in addressing the problems of some workers. However, governments need to take the lead by integrating workers' needs into childcare policies and programmes and providing the enabling frameworks and technical support for collaboration with workplace initiatives. The very existence of workplace solutions for childcare points to the urgent need for more action and better policies and measures that take greater account of the needs of working parents. By looking at how workplace actors have engaged at policy and workplace levels, and by showing how partnerships and support for childcare have been organized and funded, as well as the limitations and challenges they face, this book should be helpful to policy-makers and workplace partners who are concerned with finding practical solutions for childcare.

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