

► ILO Brief

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Childcare leave and services from a women's entrepreneurship development perspective¹

An introduction to childcare and women's entrepreneurship

Women are overwhelmingly responsible for *care work*¹ globally. They carry out on average three times more *unpaid care work*² than their male counterparts and represent the majority (65 per cent) of the global care workforce (ILO, 2018). The amount of time women spend on unpaid care work increases significantly when there are young children in a household, and these childcare responsibilities can represent a constraint for women to participate in the labour market, either as workers or as entrepreneurs. In fact, there are less mothers in employment compared to women without children, and on average, they tend to earn less.

On one hand, this “motherhood employment penalty” directly impacts women's ability to start and grow a sustainable business. In many countries, this is compounded by the fact that women entrepreneurs are excluded from childcare-related leave policies or struggle to access affordable and quality childcare services. On the other hand, the childcare sector also represents a significant untapped opportunity for women entrepreneurs to venture into and create employment for themselves and others, while also providing much needed options for childcare.

In addition to its importance for women's labour force participation, childcare is a right. Increasingly, countries are introducing policies and initiatives to expand the provision of childcare services. However, there are significant gaps,

both in terms of policies that seek to extend the access to childcare services, as well as in the models for making childcare services affordable, accessible and of quality. This brief provides an overview of current gaps in terms of care policies and provision of care services primarily for women entrepreneurs and highlights existing intervention models to expand provision and contribute to job and enterprise growth in the sector within the framework of the ILO's approach to care leave and care provision. For that, it primarily draws from relevant and recent ILO and Donor Committee for Enterprise Development publications.³



Textile workers in Kisumu, Kenya.

¹ According to the ILO, care work can be defined as “consisting of activities and relations involved in meeting the physical, psychological and emotional needs of adults and children, old and young, frail and able-bodied” (ILO 2018).

² According to the ILO, “unpaid care work is caring for persons or undertaking housework without any explicit monetary compensation. The majority of unpaid care work in nearly all societies takes place within households, most often provided by women and girls” (ILO 2018).

³ See “References”.

▶ **Box 1. Childcare as a right: International instruments and ILO conventions**

Childcare services and maternity rights are enshrined in the United Nation's Universal Declaration of Human Rights (1948), the International Covenant on Economic, Social and Cultural Rights (1966), the Convention on the Elimination of All Forms of Discrimination against Women (1979), and the Convention on the Rights of the Child (1989).

International Labour Standards also have dedicated instruments, including:

- ▶ **[Maternity Protection Convention, 2000 \(No. 183\)](#)**: Establishes that women should be entitled to a period of maternity leave of not less than 14 weeks and that the level of maternity leave cash benefits should allow for the mother and her child to stay "in proper conditions of health and with a suitable standard of living". These cash benefits should be no less than two-thirds of the woman's previous earnings provided through compulsory social insurance or public funds and should cover women in atypical forms of dependent work.
- ▶ **[Workers with Family Responsibilities Convention, 1981 \(No. 156\)](#)** and its accompanying **[Recommendation](#)**: Call for the development and promotion of "community services, public or private, such as child-care and family services and facilities" and for childcare services that are adequate, appropriate, and offered free of charge or at a reasonable charge in accordance with workers' ability to pay.
- ▶ **[Transition from the Informal to the Formal Economy Recommendation, 2015 \(No. 204\)](#)**: This instrument also calls for maternity protection to women in the informal economy. Calls on ILO Member States to "encourage the provision of and access to affordable quality childcare and other care services in order to promote gender equality in entrepreneurship and employment opportunities and to enable the transition to the formal economy".
- ▶ **[Domestic Workers Convention, 2011 \(No. 189\)](#)**: recognizes the "significant contribution of domestic workers to the global economy" and offers specific protection to them. It lays down basic rights and principles, and requires States to take a series of measures with a view to making decent work a reality for domestic workers.

▶ **Box 2. Decent work deficits in the childcare sector**

Decent work can be defined as the aspiration that all women and men are able to work in conditions of freedom, equality, security and human dignity. However, the following are the main decent work deficits affecting workers in the childcare sector:

- ▶ Inadequate earnings and working conditions
- ▶ Lack of training and professionalization
- ▶ Lack of voice through workers representation
- ▶ Lack of social protection

In addition, the inability to combine work, family and personal life is also considered a decent work deficit, meaning that parents who do not have viable childcare options experience decent work deficits regardless of the sector in which they work.

What childcare leave rights and services are available to women entrepreneurs around the world?

The amount of time most entrepreneurs can dedicate to their business directly impacts their profits and income, and as seen above, childcare responsibilities in general limit the amount of time that women can spend working. For women entrepreneurs, these time constraints can be even more significant, as they are largely excluded from childcare-related leave policies that guarantee or facilitate access to childcare services. The gaps in childcare policies and services are particularly salient for parents with young children that have not yet started primary education.

Self-employed women around the world are largely excluded from childcare-related leave

The number of self-employed women⁴ (namely women entrepreneurs who run a business with or without employees) in total employment has increased in the past twenty years, and in 2020 self-employed women represented 30 per cent of women's employment (ILO, 2022). The number of self-employed women is significant, yet they are not benefitting from care leave policies, including maternity protection, parental leave and long-term and emergency leave to the same extent as regular wage and salaried workers.

When it comes to **maternity protection**, only 13.8 per cent of self-employed women globally live in a country that provides mandatory coverage of maternity leave in the form of cash-benefits for self-employed workers. As a result of these legal gaps, when women entrepreneurs become mothers, they must make the difficult choice between dedicating limited time to performing unpaid care work or making an income. For women who have given birth, the challenge is compounded by the time and effort required to recover from pregnancy, which is estimated to take at least between 6 to 8 weeks.

► Box 3. In numbers: Childcare-related leave gaps

- 202 million self-employed women reside in one of the 19 countries where they can only affiliate to social protection on a voluntary basis, limiting their coverage from maternity leave cash benefits.
- 496 million self-employed women live in countries where there is a lack of coverage of maternity leave cash benefits for self-employed workers

“Even in countries where they have the right to parental leave cash benefits, the self-employed tend to use fewer days than wage-earners. This is explained by the ceiling in earning replacement, and the nature of self-employment work itself, which makes absence from work very costly”

► ILO, 2022

When it comes to **parental leave**, only 46 countries offer paid parental leave, and only 36 extend this right to self-employed parents. **This means that only 3 per cent of self-employed workers around the world live in countries where they can access parental leave cash benefits.** Most countries that provide parental leave cash benefits are in Europe and Central Asia. Among exceptions, Canada has a special regime that allows self-employed workers to voluntarily contribute to the social protection system to gain access to cash benefits.

The self-employed are also largely excluded from other types of childcare-related leave policies, such as long-term care leave and emergency leave. Only 33 countries have legal instruments to ensure the right to long-term care leave, and rarely do these instruments cover the self-employed. Meanwhile, the source of funding for paid emergency leave is the employer in most countries that provide it (90 out of 101). As a result, self-employed workers remain largely excluded from paid emergency leave policies and have an entitlement to emergency leave cash benefits only in ten countries across the world.

⁴ As per statistical definitions used in the ILO report -which may differ from definitions of self-employed in national legislations-, self-employed persons include employers, contributing family workers and own account workers. This definition for “self-employment” is the one that will be used in this brief. Although contributing family workers do not fall under the definition of women entrepreneurs, the information provided here remains relevant to understand women's entrepreneurs lack of access to care leave policies and services.



Woman street vendor and her child in Potosi, Bolivia.

► **Box 4. Men also stand to lose from childcare policy and service gaps**

In 2021, only 115 countries offered some form of paternity leave, accounting for only four in ten potential fathers (ILO, 2022). Globally, the average length of paternity leave is of 3.3 days, and only 102 countries have mandatory paid paternity leave.

Interventions aiming to improve women’s labour market outcomes thus need to advocate for men and men entrepreneurs’ access to paternity leave, as well as to equal parental leave and other types of leave such as adoptive leave, emergency leave or leave for fathers in same-sex couples.

There are significant gaps in childcare policies and services available for parents with young children

As demonstrated in the section above, women entrepreneurs are largely excluded from childcare-related leave. However, child-care related leave policies are only one part of the picture. Early childhood care and education (ECCE) services, which are designed for children prior to the start of primary education, are also crucial to freeing up parents’ time and reducing their burden of care.

► **Box 5. ECCE and ECED services and programmes**

“Early childhood care and education (ECCE) services and programmes are broadly classified into two types: (i) early childhood educational development (ECED) programmes designed for children in the age range of 0–2 years; and (ii) pre-primary education programmes designed for children from 3 years of age to the start of primary education. Services available to parents can be either regular centre-based ECCE, licensed homebased ECCE or in-home services (domestic workers).” (ILO, 2022)

Childcare services for children aged 0–2 years

Across the world, there are still 121 countries, accounting for more than 3 billion people, where there is no entitlement to a national childcare service system. The majority of these countries are in Asia and the Pacific, the Arab States and Africa, as universal childcare does not exist in these regions. In 2021, only two in ten potential parents lived in countries with a statutory provision, and even then, only 21 countries (accounting for 8.9 per cent of potential parents) guarantee universal access to free and affordable childcare services. In 28 countries, legal provisions around childcare for young children are targeted, meaning that government support is provided conditionally, or to specific population groups depending on the resources of the parents.

This lack of policies and limitations of those that are in place mean that many parents with children between the ages of 0 and 2 are unable to dedicate time to income-generating activities, and they must find alternative ways to access childcare services. For many, family care – which often is unpaid and provided by women – is the norm. Other parents resort to services provided by employers, religious organisations, cooperatives and NGOs, though coverage of these services is limited.

► In Asia and the Pacific, the Arab States and Africa, only 8% of parents have access to statutory childcare for children aged 0-2 years for at least 40 hours per week.

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A minority of working parents who have the means to do so are able to rely on paid private childcare facilities or independent domestic workers. However, as self-employed parents receive less adequate care leave cash benefits, they may be less able to cover the costs associated with early childcare.

Workers in the childcare sector are, in their majority, women and they often experience several decent work deficits. For example Domestic workers undertaking care work are frequently irregular migrants working for low pay under informal working arrangements (ILO 2018a).

► Box 6. Percentage of potential parents living in countries with a national childcare system

- Europe: 77.7 per cent (38/50 countries)
- Americas: 51.1 per cent (12 countries)
- Asia and the Pacific: 4.3 per cent (7 out of 33 countries)
- Africa and the Arab States: no national childcare service systems

Childcare services for children aged 3 years up to the start of primary school

To ensure the continuum of care, childcare services for children aged 3 years to the start of primary school are also needed. Globally there is a better coverage of pre-primary education services (for children between 3 years of age and primary school) compared to that of early child education development (for children of between 0 and 2 years of age), as 54 per cent of potential parents live in countries that provide statutory pre-primary education services (105 countries out of 178). However, there are still 1.7 billion potential parents living in countries that do not grant access to such publicly organized pre-primary education systems. In addition, only 63 of the 105 countries that provide statutory pre-primary education services do so on a universal basis. In the remaining 42 countries, access to those services either is directed towards certain segments of the population, based on means, or requires a fee to be paid.

In addition to questions related to whether or not statutory pre-primary education services exist, there are questions around the ages covered by these services. For example, 25 countries providing pre-primary education services do so only for children aged above 4 or 5, making it hard for

parents with children between the ages of 2 and 3 to access childcare options. In addition, while 63 countries offer universal and free pre-primary education services, only 33 of them provide these services for at least 40 hours per week, meaning that parents still need to make compromises and find alternative childcare solutions if they are to work full-time.



Mother and home-based worker in The Philippines.

To conclude, **childcare deficits are prevalent everywhere**. Currently, only nine countries are providing adequately paid parental leave that can help parents to juggle work and childcare during the period when the child is aged 0-5 years. Although parents need a continuum of childcare-related leave and services to be able to access or remain in the labour market, the average global **childcare policy gap** is 4.2 years, which means that, on average, new parents will lack access to leave and child-care services for a 4.2 year period.

Expanding access to childcare and driving job-creation through childcare service-provision: The role of women entrepreneurs

The extent of the global childcare policy and services gap makes it clear that creative solutions are needed to ensure that childcare services meet the overwhelming global need. The ILO's 5R Framework for Decent Care Work provides guidance on the type of recommendations and measures that are needed to achieve the high road to care work: **recognize, reduce and redistribute** unpaid care work; **reward** paid care work by promoting more and decent work for care workers; and guarantee care workers' **representation**, social dialogue and collective bargaining.

Women's entrepreneurship development can be an avenue for bridging the childcare policy and services gap, and in turn, bridging this gap can enable women to succeed as entrepreneurs, freeing up their time so that they have the option of engaging in paid work. The provision of childcare and the potential for women entrepreneurs to create and access decent job opportunities for themselves and others in this sector is influenced by the **existing supply of childcare services** (namely the childcare options – public, private, formal and informal, paid and unpaid – that are currently being provided) and the **demand for childcare services** (namely the met and unmet need for childcare solutions and carers' related capacity and willingness to pay for certain services), as well as by the **supporting functions and rules and regulations**.

Supporting functions can include a range of services and resources that can enable women entrepreneurs to successfully provide childcare services and may include skills for care provision, trainings on business and cooperative management, financial education and access to finance, and information on the sector. Rules and regulations can be both informal rules, such as social norms that influence how care services are provided and what groups are more likely to be accepted as carers, as well as formal rules such as public policies that can hinder or promote greater access to certain types of care services, such as statutory provision of care, or policies that incentivise and support private sector actors such as women entrepreneurs to provide care options.

The following section provides examples on how government and private sector-led initiatives can address the constraints related to the supply, demand, supporting functions and rules and regulations to support women's entrepreneurship development as an avenue for bridging childcare policy and service gaps and driving decent job creation in the sector.

Entrepreneurship development in the care sector to recognize and reward care work

Entrepreneurship promotion initiatives can work to support women and men to establish enterprises in the care sector. Many initiatives seek to help entrepreneurs acquire the skills, business acumen, and finance to establish successful businesses, while working to ensure that care services provided by entrepreneurs remain accessible and of good quality.

Example 1. Mexico: Government driving entrepreneurship development in the childcare sector and making childcare accessible

The Estancias Programme, implemented by the Government of Mexico between 2007 and 2019, worked to improve both the supply and demand of childcare by supporting private enterprise development in the childcare sector and by reducing the resource constraints that low-income women experience for accessing private childcare services (DCED, 2022). To do so, the government of Mexico **recognized** the importance of childcare options and set up a programme where childcare service provision could be financially **rewarded**.

To address challenges related to the quality of care services, the government intervened to improve the **rules and regulations** governing the sector and established minimum quality standards related to opening hours, maximum numbers of children, and meal provision. To drive entrepreneurship development in the sector and increase the **supply** of childcare service options, the government provided start-up capital for enterprises providing childcare services, with access to funds conditional to meeting the minimum quality standards. To ensure that childcare services would be accessible and that there would be a **demand** for childcare services, the programme provided means-tested subsidies for women workers (up to 90 percent of the cost) to help them access childcare from existing home and community-based childcare centres.

The Estancias Programme was successful in supporting women's entrepreneurship development in the sector and expanding access to childcare services. An impact evaluation estimated that 300,000 mothers benefited from the service, leading to a boost of 18 per cent in employment among eligible mothers, and extending social protection to women in the informal economy. The programme contributed to the creation of over 9500, largely operated by women, childcare MSEs, which created employment for 46,000 additional women.

Example 2. Kenya: Business network initiatives linking care entrepreneurs to services and markets

The Childcare Enterprises Network Initiative was established in Kenya in 2021 with the objective of driving enterprise development in the childcare service sector. The CNI was launched by Uthabiti Africa, a non-profit organisation that aims to contribute to quality childcare market growth in the country (DCED, 2022). Uthabiti Africa first identified a number of constraints to establishing a functional childcare service market in Kenya, including

insufficient investment in the sector, gaps in the policy and regulatory environment and poor workforce development.

Through the CNI, Uthabiti addresses some of these constraints, as the Network supports member childcare service providers to access **support functions** such as financial services and resources, builds capacity building on quality caregiving and business management and enables them to respond to market **demand** by using “Yaya Plus”, which is a digital service connecting childcare entrepreneurs with parents and businesses looking for childcare services.

In addition to supporting small-scale and informal childcare service providers to establish businesses, Uthabiti also supports improvements in the **rules and regulations** governing the childcare sector, including lack of certification and low quality. For instance, it works with local governments to develop minimum standards, guidelines and certification for the childcare workforce. In addition, it also supports the generation, documentation and sharing of evidence with stakeholders in the childcare sector to improve policy and practice.

Representation of women entrepreneurs to recognize and redistribute care work

While childcare policies and services are increasingly seen as important by public and private sector actors, the fact remains that they continue to be insufficient and inadequate to address parents' needs. Establishing the importance of childcare in decision-making platforms is key to developing better responses, and, in many cases, it is women's representation that can ensure that this.

Example 3. Georgia: Responding to women's collective calls for childcare services

In Georgia, the government established a law on gender equality, which created the space for the Alliances Caucasus Programme (ACP) to operationalize the law in the livestock sector under the framework of its interventions following a market-systems development approach. Through a market-systems analysis, the ACP uncovered constraints to women's economic empowerment, which included low representation in local decision-making processes, and a lack of childcare services (DCED, 2022). The Programme supported the creation of spaces for women to gather with their children and voice their concerns, while training local village representatives to improve their inclusion of women in local decision-making processes.

In parallel, the ACP worked with the government to create a set of gender guidelines (including “a code of conduct for

village representatives and a meeting checklist, addressing mobility and agency constraints limiting women's participation”). The increased female participation and **representation** in village meetings (up by 30 to 40%) meant that childcare services were consistently raised. This in turn resulted in changes in **rules and regulations**, as childcare services became a greater priority and budget lines were allocated towards the provision of appropriate childcare services. As a result, seventy kindergartens were opened between 2014 and 2018.

Cooperative models to support women entrepreneurs to reduce and redistribute care responsibilities

Cooperatives can be a way for their members, including women entrepreneurs, to organize and pull their resources in order to address mismatches between the supply and demand for childcare. They can be particularly effective at meeting the childcare needs of low-income and informal entrepreneurs, though financing can remain a challenge.

Example 4. Ghana: Women entrepreneurs collectively bridging an emerging gap in childcare service provision

While in general the availability of childcare services has followed a positive growth trend, sometimes this trend is reversed, and instead of narrowing, childcare service gaps widen. In Accra, the government ran a childcare centre for market vendors in the Makola Market that primarily enabled informal women entrepreneurs selling goods at the market to access childcare services during market hours. However, when a new government took power, the centre faced dwindling funding. In light of this, informal women entrepreneurs came together to find a solution to continue having access to childcare services.

Alongside the centre's workers and representatives from the Ghana Union Traders Association, the women entrepreneurs established a parent-teacher association, which took responsibility for the centre's operation. In other words, women entrepreneurs had a **demand** for childcare services that would no longer be met by public funding. Instead, they came together collectively to establish a **supply** of care services. Parents took responsibility for the centre's operating costs and put in place a flexible payment system to ensure that even if they could not afford a monthly fee, women entrepreneurs could continue accessing childcare services. While financing continues to be a significant challenge, the centre has been able to provide cooperative childcare for 140 children in total, and continues to advocate for support from the government to

improve public childcare provision in every market of the country and to establish a more conducive **regulatory environment**.

Example 5. India: Cooperative models ensuring affordable and accountable care options for informal women entrepreneurs

In India, the Self-Employed Women's Association (SEWA) mobilized itself to complement the childcare services developed by the government under the Integrated Child Development Services (ICDS) scheme. While the ICDS scheme had the objective of expanding childcare services, it was not designed to meet the needs or reflect the realities of informal women entrepreneurs. The ICDS only provided childcare services for three to four hours per day, meaning that for the remaining period, women entrepreneurs lacked affordable and accessible childcare options. In other words, there was a mismatch between childcare service **supply** and the childcare service **demand**.

As a response, SEWA created in the Sangini Child Care Workers' Cooperative (SCCWC) in 1986 in Ahmedabad. The cooperative is co-owned and co-run by the women entrepreneurs who use its services and the childcare workers who work to run the cooperative. This is a model that aims to ensuring mutual accountability from both carers and parents, and a high quality of care for children. The cooperative runs 11 childcare centres in the city, providing day-care from 9 a.m. to 5 p.m. to around 300 children. SEWA members can enrol their children at a centre at a low cost (about \$4 a month), and operating costs are mainly covered by other SEWA revenues, funds from donors, public subsidies and private donations.

Social franchising as a way to promote entrepreneurship and ensure care work is rewarded

The social franchising model replicates the commercial franchising one, but with "the goal of maximising social impact over profit" (DCED, 2022). In the childcare sector, this model can provide an avenue to support women entrepreneurs to set up care franchises, while relying on private-sector incentives and initiatives to ensure quality and affordability.

Example 6. Kenya: Social franchise models providing support to women entrepreneurs

The social enterprise of Kidogo was founded in 2014 with the aim to address the poor quality of childcare services in Nairobi's informal settlements, where there is a strong

demand for childcare services, but where **supply** is limited, largely informal and of poor quality.

Through its social franchising model, Kidogo provides services to existing informal childcare centres in return for an affordable franchise fee, and certifies women entrepreneurs providing care services, Mamapreneurs after a three-months accelerator period. In exchange for a franchise fee ranging from \$5 to \$20 per month, Kidogo provides Mamapreneurs with trainings on child education, health and nutrition, and safety, as well as on business management, with objective of improving the quality and business viability of their operations. Kidogo also offers tailored support in financial management to the Mamapreneurs through local field officers and a mobile-based application that assist centres in tracking attendance, payments and cashflow. It also created a community of practice which allows its franchised childcare service providers to network and learn from each other.

In this way, Kidogo not only works to strengthen the supply of childcare service delivery, but it also acts as a supporting function that ensures quality of childcare services and provides a range of business development services.

Learnings for action to support women's entrepreneurship development in childcare service provision

Bridging the care policy and service gap in and of itself can free up women's time so they have the option of pursuing entrepreneurial endeavors, while at the same time women entrepreneurs can engage in the sector to bridge this gap as care providers and advocates, and as an avenue to create employment opportunities for themselves and for others.

The initiatives and models outlined above demonstrate some learnings for the promotion of women's entrepreneurship development in the care sector:

- Bridging the care policy and service gap calls for the engagement of a diversity of public and private sector actors. Governments, businesses, NGOs and other development partners can all contribute to advocating for a more conducive and enabling policy and regulatory environment and to providing services and incentives to women entrepreneurs in the care sector so that they can improve the quality and affordability of the services offer while at the same time contributing to decent job creation.

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- ▶ The policy and regulatory environment is key to creating the conditions for women entrepreneurs in the care sector to flourish. When they ratify and implement related ILO Conventions and Recommendations, and integrate care into national planning, governments signal a recognition of the importance of care and create a space for both public and private actors to engage in providing and strengthening childcare services.
- ▶ Support functions are key in enabling women entrepreneurs to establish successful care enterprises. To meet expectations and standards on quality, and to put in place good business models, women entrepreneurs need to be able to access trainings to develop their skills related to care provision, improve their business and financial management competencies, and access finance to start or upgrade their businesses.
- ▶ Quality and affordability are key concerns for childcare service provision. Initiatives to support women entrepreneurs need to take into account how to establish incentives and capacity building to ensure that care workers are able to provide quality care services, and to ensure that low-income parents are able to have access to these services. Workers in the childcare sector are, in their majority, women and they often experience several decent work deficits. Initiatives addressed in this brief such as social franchising are key to promoting women's entrepreneurship development whilst ensuring care work is rewarded.

Resources

DCED, 2022. "[Childcare Solutions for Women Micro and Small Enterprises](#)".

ILO, 2022. "[Care at work: Investing in care leave and services for a more gender equal world of work](#)".

ILO, 2020. "[Child's Play](#)"

ILO, 2018. "[Care work and care jobs for the future of decent work](#)"

ⁱ The ILO's Women's Entrepreneurship Development Programme (ILO-WED) has within its mandate to capture, store and disseminate knowledge that can help establish how best to reach and support women entrepreneurs. This brief was co-authored by Amélie Duval and Adriana Sierra Leal, technical officers of ILO-WED at the time under the overall guidance of Virginia Rose Losada, ILO-WED's Global Coordinator. ILO-WED wishes to acknowledge and sincerely thank the authors of the resources referenced as well as colleagues in GEDI, SME and COOP who provided invaluable inputs.

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