



An Overview of Formal Childcare Programs: What Works to Improve Maternal and Child-related Outcomes?

BACKGROUND

For women, participating in the workforce has the potential to improve their economic status and social standing. Beyond enhancing women's wellbeing, evidence suggests that women's wage work also increases investments in children and provides role models for girls and boys, leading to a virtuous cycle of women's empowerment across generations.^{1,2} While women's access to the labor market has increased dramatically in the US and Europe, this progress has not been uniform around the world, and especially in many low-and-middle income countries (LMICs).

Globally, the female labor force participation rate still lags behind the male participation rate by 24.4 percentage points. Concerningly, in Sub-Saharan Africa (SSA) and the Middle East and North Africa (MENA) regions, the gender gap in labor market engagement has even widened slightly between 2013 and 2023.³ These inequities reflect deep-rooted systemic challenges that need to be addressed to support women in their pursuit of formal employment.

One key barrier that women face in accessing employment is how childcare responsibilities disproportionately impact them—a gender

disparity that has been further exacerbated by the pandemic.⁴ The expansion of accessible, affordable and developmentally appropriate childcare can have multiple potential advantages: freeing up a mother's time commitments, providing more options for her and potentially improving quality time with her children, boosting her agency and advancing gender equality; providing high-quality and age-appropriate early education for the child; and improving household economic security. This can be particularly valuable for resource-constrained families from disadvantaged backgrounds in LMICs and help combat poverty and inequality.

This brief focuses on what is currently known about how the provision of childcare affects young mothers' decisions and child outcomes in LMICs.

KEY INSIGHTS

1. PROVISION OF FORMAL CHILDCARE MAY INCREASE FEMALE LABOR SUPPLY, BUT THE EXTENT DEPENDS ON PRE-EXISTING INFORMAL CHILDCARE ARRANGEMENTS

In settings with limited use of alternative care arrangements, studies indicate that formal affordable childcare can increase maternal employment.^{5,6} Conversely, in contexts where

informal care is commonly available (e.g. provided by grandparents or older siblings), formal care may be less effective in increasing maternal labor supply.⁷

2. THE EMPLOYMENT-RELATED EFFECTS OF FORMAL CHILDCARE CAN VARY BASED ON HOUSEHOLD STRUCTURE

In multi-generational households or families with multiple children (where the youngest child requires childcare), formal programs can substitute for the informal care provided by household members other than the mother. They can help increase the labor market engagement of grandparents or older siblings, particularly daughters, who previously undertook childcare responsibilities while the mother worked and may now work or return to education.^{7,8} In nuclear families with multiple children, where some aren't yet old enough to receive external childcare, the provision of formal care programs may fail to effectively reduce the time mothers spend on caregiving, thereby potentially limiting the impact on their economic pursuits.^{9,10} Effects on maternal employment may also vary based on the marital status of the mother. In Kenya, for instance, research indicates that married mothers significantly increased their labor supply in response to childcare subsidies, while single mothers who already had high employment rates at baseline shifted to higher-paying formal jobs, allowing them to reduce their working hours without facing any negative impact on their household income, thereby potentially helping combat time poverty.⁵

3. RESTRICTIVE GENDER NORMS MAY LIMIT THE EFFECTIVENESS OF FORMAL CARE IN ENABLING MOTHERS TO TRANSITION TO PAID WORK AND IN ENHANCING THEIR SOCIOECONOMIC EMPOWERMENT

Social norms relating to gender responsibilities can prevent young mothers from pursuing work outside the home. Formal care in such contexts may lead young mothers to increase participation in informal work inside or around the house, instead of taking up or switching to paid work.^{11,12} Furthermore, the prevalence of stringent gender norms may in turn limit the potential impacts on other outcomes such as mother's leisure time, bargaining power, and mental well-being.

Studying the interaction of formal childcare programs with norms and informal/formal employment is particularly important because young mothers who take up paid work following the provision of formal care can serve as role models, thereby challenging restrictive gender norms, helping other women find paid work outside the informal economy and advancing women's empowerment. Attention to social norms is thus paramount to understanding the impact of childcare on maternal outcomes.

4. THE QUALITY OF CARE IS A KEY DETERMINANT OF CHILD DEVELOPMENT

Given the vital importance of the early formative years in brain development, it is imperative to provide high-quality stimulating environments for children. Individual attention is particularly valuable for very young children (those below three years old), but can be especially challenging to provide through a formal care program in low-income settings, which in turn can compromise the goal of promoting children's development adequately.¹³ Evidence suggests that well-designed programs — with emphasis on child development, including a well-implemented, culturally-adapted curriculum, providing structured learning with lower child-teacher ratios, and promoting active child-teacher and child-parent engagement — tend to be the most effective in advancing child outcomes, especially when the home environment is insufficiently stimulating for the child. For example, a high-quality preschool expansion initiative in rural Mozambique significantly increased children's literacy skills, math skills, and fine motor skills.⁸ Other studies have found similarly promising effects on children's socio-emotional and cognitive skills,¹⁴ height,¹⁵ and primary school attendance.¹⁶



Credit: Yale Inclusion Economics

5. IDENTIFYING CLEAR OUTCOMES OF INTEREST IS KEY FOR POLICY EVALUATION

The literature suggests that even when childcare provision may improve overall employment rates, it may fail to positively impact other dimensions related to work, such as total hours worked or total income. Policymakers should thus be careful to identify and define specific outcomes of interest from the outset to evaluate program success holistically and to avoid missing important effects of the program on other household members beyond the mother and/or the enrolled child. By taking a broader view, driven by the theory of the household, impact evaluations and cost-effectiveness analyses can provide a more comprehensive and nuanced understanding of the overall program effects.

POLICY LESSONS

1. INVEST IN ACCESSIBLE, AFFORDABLE AND HIGH-QUALITY FORMAL CHILDCARE PROGRAMS TO IMPROVE MATERNAL, CHILD AND HOUSEHOLD OUTCOMES

Providing high-quality childcare with attention to its developmental impact is a winning strategy that can improve household welfare through several channels, particularly in deprived rural areas and urban slums. Depending on social norms and other factors discussed above, formal care may increase female wage employment, leading to increased earnings and possibly to improved female well-being and empowerment, and at the same time it can improve child development which is at risk in environments exposed to poverty. And even if women's wage work is prevented by social norms, child attendance in well-designed centers can be beneficial to the children. Community-based childcare provision emphasizing developmentally appropriate early education, government subsidies and initiatives involving partnerships with private care providers that implement accredited and evidence-based effective early childhood education (such as the Reach Up and Learn Program) can be leveraged to expand affordable access to formal childcare, which can be particularly valuable for low-income households.¹⁷ Badly designed childcare programs may fail to enhance children's development and could even harm it. Policymakers should thus engage child development specialists to implement successful approaches to child development and to monitor fidelity and quality over time.



2. PRIORITIZE TACKLING RESTRICTIVE GENDER-RELATED SOCIAL NORMS

The impacts of formal care on women's socioeconomic empowerment can be constrained by prevailing gender norms. At the same time one might hope that childcare interventions that enable female labor supply may provide just the right impetus for advancing norm change by creating a few pioneering female role models who actively engage in formal paid work. Research is needed to understand how social norms and perceptions can be shifted, a subject where the current evidence base is limited.

3. CONDUCT NEEDS AND FEASIBILITY ASSESSMENTS, COMBINED WITH RIGOROUS EVALUATION, TO BEST ENSURE IMPACT ON TARGET GROUPS AND OUTCOMES

Given the heterogeneity in observed impacts by household structure and age of children, among other factors, it is crucial to conduct in-depth needs and feasibility assessments as a first step for designing effective programs targeted to the appropriate groups. Such assessments should be followed by a pilot phase, designed to allow rigorous evaluation, by leveraging approaches such as randomizing the roll out of the policy to credibly identify program impacts. Governance and monitoring structures should then be put in place to ensure sustaining the quality of programs when scaled up.

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