

Tackling Childcare Pakistan: Creating Family-Friendly Workplaces

A market study on the benefits and
challenges of employer-supported childcare

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The Tackling Childcare Pakistan initiative is implemented in partnership with the government of Canada.



Abbreviations and Acronyms

CCTV	Closed-Circuit Television
COVID-19	Coronavirus Disease 2019
CPR	Cardiopulmonary Resuscitation
ECCE	Early Childhood Care and Education
ECD	Early Childhood Development
ECE	Early Childhood Education
EYFS	Early Years Foundation Stage
FGD	Focus Group Discussion
FLFP	Female Labor Force Participation
FMCGs	Fast-Moving Consumer Goods
GDP	Gross Domestic Product
HBW	Home-Based Work
ICT	Islamabad Capital Territory
IFC	International Finance Corporation
ILO	International Labor Organization
NCSW	National Commission on the Status of Women
NGO	Non-Governmental Organization
PBC	Pakistan Business Council
PBS	Pakistan Bureau of Statistics
PDCF	Punjab Daycare Fund Society
PKR	Pakistani Rupees
TRC	Teachers' Resource Center

IFC Foreword



Increasing female labor force participation is one of Pakistan's national development goals. In 2020, less than 23 percent of Pakistani women of working age participated in the workforce (ILO, 2020), the lowest rate in the region and one of the lowest in the world. Raising it to 45 percent, as per the country's Vision 2025, will require cross-sector collaboration and multiple approaches.

Lack of access to quality, affordable childcare is a known barrier to greater women's participation in formal employment around the world. In Pakistan, women do more than 90 percent of unpaid care work (ILO, 2019). Ensuring women can reconcile maternity with paid work is key to maximize the return on a country's human capital and boost growth. According to a 2018 IMF study, closing the gender gap in the Pakistani economy could boost its GDP by 30 percent.

Research conducted by IFC and other organizations show that by supporting childcare solutions for their workers, employers can improve their ability to attract and retain a diverse workforce, improve employee relations, increase productivity and enhance corporate reputation. To better understand the specific opportunities associated with employer-supported childcare and other family-friendly policies, as well as the challenges companies in Pakistan face to implement it, IFC and Pakistan Business Council partnered to conduct research on the topic.

This report shares the findings from this research and proposes priority actions the private and public sector, childcare providers, development partners and other stakeholders can take to make Pakistani workplaces more family-friendly, with a focus on employer-supported childcare. While this research was conducted pre-COVID-19, the pandemic has only made the need for reliable childcare and consequently women's retention in the workforce more visible. It is our hope that the evidence and the recommendations presented here will help inform the dialogue on this important topic going forward.

On behalf of IFC, I would like to thank our partners Pakistan Business Council and AASA Consulting, who helped us conduct IFC's Tackling Childcare initiative in Pakistan. I would also like to extend our appreciation to the participants of the survey, focus group discussions, and interviews, who generously shared their time and knowledge with us. This childcare research in Pakistan is implemented in partnership with the government of Canada.

Shabana Khawar

A handwritten signature in blue ink, reading "Shabana Khawar".

Regional Head of Operations/Principal Country Officer
International Finance Corporation Pakistan

PBC Foreword



The Pakistan Business Council (PBC) is a pan-industry advocacy group composed of the country's largest businesses including multinationals that have significant investment in and a long-term commitment to Pakistan. It is not a trade body nor does it advocate for any specific business sector. Members' turnover represents 11 percent of Pakistan's GDP and they contribute 25 percent of the taxes and 40 percent of exports. Our key advocacy thrust is on easing barriers for Pakistani businesses in the wake of progressive regional and global free trade, as well as improving national investment flows to match target GDP growth rates.

The Centre of Excellence in Responsible Business (CERB) is the first of PBC's outreach initiatives to build capacity and capability of businesses in Pakistan to world-class standards. CERB's vision is to assist Pakistani businesses to pursue long term sustainability and value creation, and its mission is to contribute towards inclusive social development. As part of its strategic objectives, CERB engages with businesses and industry leaders to provide a clear direction towards conducting responsible business. It leverages private sector growth as a means for development and poverty reduction, taking guidance from the United Nations Sustainable Development Goals framework. CERB's aim is to identify and impart good practices from within the PBC member companies and work towards changing the mind-set of the many businesses that are not members of PBC but contribute equally to Pakistan's economy.

Economies will thrive if businesses invest more in supporting their employees as parents and families through family-friendly policies. Policies such as flexible working hours, safe transportation, maternal and paternal leaves and access to quality and affordable childcare options are not yet a reality for many parents and families around the world and especially in Pakistan. Research has indicated that provision of such policies has yielded benefits for businesses across various indicators such as improved employee productivity, health, engagement, morale, talent recruitment and retention.

A growing number of forward-looking companies in Pakistan have first-hand experienced the business case for family friendly policies including offering childcare services to its employees. To expand on this critical goal of ours, PBC is privileged to have partnered with the International Finance Corporation (IFC) over the past year and as part of our collaborative efforts carried out a landscape analysis with the help of AASA Consulting, to analyze the current state of employer-supported childcare and family friendly policies in the private sector. The recommendations highlighted are promising and we aim for this research to act as the needed catalyst for both policy makers and Pakistan's business sector to make informed decisions about advancing gender equality in the workplace. On behalf of the PBC, I would like to thank our partners IFC, AASA consulting and PBC member companies in assisting us in undertaking this research and putting forth their good practices throughout this brief.

Ehsan Malik

A handwritten signature in black ink, appearing to read 'Ehsan Malik'.

CEO
The Pakistan Business Council



Executive Summary



Tackling Childcare Pakistan is a landscape analysis of family-friendly workplace policies and practices, including employer-supported childcare,¹ commissioned by the International Finance Corporation (IFC) and Pakistan Business Council (PBC) in 2019-2020. The objective of the research is to better understand the state of family-friendly workplaces and the various childcare options available to employees in formal employment in Pakistan.

Women's participation in the economy is critical for the growth and development of nations. Pakistan's human capital is its greatest asset and one of the key factors in realizing its vision for joining the league of Upper Middle-Income countries by 2025. However, female labor force participation is low in Pakistan, at 23 percent (vs. 82 percent for men) (ILO, 2020), the lowest in South Asia and among the lowest in the world. At the same time, Pakistani women do more than 90 percent of unpaid care work (ILO, 2019). According to the UN Women's report *Progress of the World's Women 2019-2020*, for every one hour a man spends on unpaid care and domestic work, Pakistani women spend 11 hours doing the same. Because lack of availability of affordable, quality childcare can be an important barrier to women's paid employment, understanding the demand for and supply of childcare services available to women and families in a region becomes critical.

Because public provision of childcare is often insufficient, services are unaffordable for many families, and given the existence of a strong business case for companies to support the childcare needs of their employees, this study focuses on employer-supported childcare and other family-friendly policies that support the employment of women and parents.

This study used a mix of qualitative and quantitative data collection techniques to map and analyze the demand, supply, and policy landscape of childcare services in the country. The study included an e-survey completed by 140 employers from multiple sectors, focus group discussions (FGDs) with more than 70 working parents, visits to 22 public and private childcare centers, and interviews with 21 policy stakeholders, supported by a desk review of relevant national and provincial policies and acts. While the online survey was open to employers around the country, the other components of the study focused on Islamabad Capital Territory (ICT) and four provinces: Balochistan, Khyber Pakhtunkhwa, Punjab, and Sindh. Although the sample used for the study is not representative of its population, the research leads to key insights about the state of employer-supported childcare in Pakistan's major cities.

The toll COVID-19 has had on working women, employers and childcare services intensified the need for durable childcare solutions. Globally, women's jobs were 1.8 times more vulnerable to the pandemic than men's jobs (McKinsey & Company, 2020). Because of COVID-19, families lost access overnight to childcare facilities while many were still required to work remotely or in person.

¹ Employer-Supported Childcare: defined for the purpose of this study as good quality, affordable childhood care and education services provided or supported by employers for their employees' children who are of preschool age (6 months-5 years)



Courtesy of Interloop Limited

Employers who provided childcare support to employees needed to suspend services for health and safety reasons and had to increase their flexibility because of reduced employee availability to work due to unmet childcare needs. Employers for whom childcare support might not have been on the radar, quickly learned the importance of reliable childcare for their employees' wellbeing and their business continuity.

COVID-19 became a 'national' crisis in Pakistan in the second half of March 2020. Because data for the study was collected between November 2019 and April 2020, the pandemic's effect on childcare services was not directly captured in the study. Nevertheless, findings remain relevant and can serve as a baseline for future studies, while recommendations take into consideration the even more pressing need for sustainable childcare that is affordable, reliable, and of good quality.

Major Findings



Employer Demand – Insights from Online Survey: 27 percent of total surveyed organizations reported providing a childcare solution to their employees. Out of all respondent organizations, 58 percent stated that currently, they are not offering any childcare support: 14 percent said they are in the process of planning childcare assistance but have not initiated it yet, and 44 percent responded that they do not plan to offer a childcare solution. The remaining 15 percent did not provide an

answer or provided no evidence to sustain their answer. Combined, the 140 companies that participated in the study employ more than 300,000 workers, of which 85 percent are male and 15 percent are female. Of all employees estimated to have children in the 0-5 age range, 93 percent are male, and 7 percent are female, confirming the popular notion that women with young children are staying out of the workforce in Pakistan.

All surveyed organizations with childcare assistance policies in place noted positive impacts of implementing childcare services. Benefits cited included higher employee retention, better employee work-life integration, strengthened talent acquisition, and organization's positioning/branding as an "employer of choice." Also, nearly one quarter (24 percent) reported an increase in organizational profitability associated with implementing childcare assistance policies.

Organizations planning to offer childcare support stated several regulatory/legal, organizational, financial and provision-related challenges, which were affecting their decisions and actions to support childcare. These companies cited consultations with other employers already providing childcare solutions as the most helpful resource in their employer-supported childcare journey. Among organizations not planning to provide childcare support, 48 percent stated that they did not see the need and/or benefits of doing so.

Provision of childcare varied significantly among different economic sectors in the sample, with 57 percent of respondents in the textile/synthetics sector offering support but only 20 percent of sampled financial companies doing so.



Courtesy of Artistic Milliners

Employee Demand – Insights from FGDs: Blue- and white-collar working parents confirmed a strong need for employer-supported childcare services. Parents stated that assistance for children in the 0-5 years (childcare) as well as in the 6-12 years of age groups (after-school programs) would be helpful.

Adherence to health, safety, and early childhood education standards is regarded as an essential factor determining the quality of childcare and affecting parents' decision to enroll their children in daycare programs. Most parents also believe that childcare costs should be shared between employers and employees, with blue-collar workers often highlighting the importance of free or low-cost childcare options for their ability to remain in the workforce.

Childcare Services at Daycare Centers Visited: For this study, childcare services offered at public and private daycare centers were gauged based on four parameters:

1. Quality of care and caregivers
2. Affordability/cost of daycare services
3. Availability of daycare services
4. Accessibility in terms of the location and proximity of daycare centers.

While several good practices for keeping children safe seemed to be in place in the centers visited (although they could not be independently verified by researchers), in general the sampled centers lacked qualified staff and more structured early learning programs for children.

Professional teachers have been hired in just a few high-end facilities in urban centers and coherent learning programs were rarely followed. Education materials were available but guidelines on how to use them appropriately for children's development was lacking. These are areas in early childhood education and care that require improvement to increase the quality of service and build trust among families and employers.

Government Regulations Promoting Family-friendly Workplaces: Pakistan does not have national regulation on employer-supported childcare nor other family-friendly policies such as maternity and paternity leave because of devolution of power to provinces in 2010. Nevertheless, at the provincial level, adaptations of the national (pre-devolution) 1934 Factories Act and 1969 West Pakistan Shops and Establishments Ordinance often mandate employers to provide childcare support to their employees, usually after reaching a threshold of female employees. As part of the study, policymakers and stakeholders were interviewed and highlighted various challenges to the implementation of existing legislation. Major obstacles include limited knowledge of existing family-friendly/childcare work provisions among policy enforcement agencies and implementers, inadequate financial allocations to government departments responsible for raising policy awareness, providing support to employers, and monitoring implementation, and a low level of priority to the topic.

Recommendations



While in the sample only 27 percent of employers stated they offer this support, when all of Pakistan is considered this number is likely to be significantly lower, despite a series of provincial laws mandating it. Companies that do offer this support report important benefits to the business, but among employers not planning to provide childcare support, nearly half say they do not see the need or benefit of it, pointing to low awareness levels of the business case for employer-supported childcare and family-friendly policies.

Based on the study's findings in Pakistan, on best practices identified through IFC's global Tackling Childcare program, and on similar regional studies, the following priority actions are recommended for private sector employers, the government, childcare providers, development partners, and other stakeholders in Pakistan.

Priority Actions for Private Sector Employers

- Assess employees' needs, preferences, and expectations on childcare and other family-friendly policies.
- Understand the costs and business benefits of providing childcare support to employees and estimate the resources needed to design and implement the initiative.
- Become familiar with local regulations on childcare and family-friendly policies.
- Consider all options available for childcare and family-friendly support, from low, to medium, to high resource intensity.
- Implement childcare options, preferably with support from experts in the field.
- Regularly monitor and evaluate results, refining solutions as needed.

Priority Actions for the Public Sector

- Prioritize and promote enforcement of existing laws, especially related to maternity leave and protections; consider making the laws pertaining to childcare gender neutral and not based on the number of women employees.
- Ensure provision of basic facilities for women in the workplace, such as separate toilets for male and female employees and basic protections for pregnant employees.
- Consider introduction of new legislation and support mechanisms for family-friendly policies.

Priority Actions for Childcare Providers

- Help raise employers' awareness about the benefits of employer-supported childcare.
- Consider building childcare facilities in safe and easily accessible areas.
- Consider remaining flexible to meet needs of employers and employees.
- Analyze the market and establish a sustainable business model.

Priority Actions for Development Partners and All Stakeholders Interested in Childcare Provision in Pakistan

- Work together to improve the quality of childcare services, with a focus on:
 - Minimum standards of quality, including learning and operations for childcare centers.
 - Implementation of health, safety, and hygiene requirements.
 - Training for childcare administrators and staff.
 - Expansion of after-school programs for older children.
 - Replicable low-cost childcare models leveraging public-private partnerships to meet the needs of low-income, home-based, and informal workers.
- Establish an online hub/platform on family-friendly workplaces.



1. The Business Case for Childcare in Pakistan

Good quality childcare is good for:

- women's employment,
- children's development, and
- business outcomes.

Women are more likely to join and remain in the labor force if families have access to quality, affordable childcare options. Children who attend quality programs receive age-appropriate stimuli that can have lasting impact on learning, well-being, and productivity. Businesses that invest in employer-supported childcare can increase their ability to attract and retain a diverse workforce, reduce employee turnover and absenteeism, and improve productivity, with a higher chance of becoming an “employer of choice.”

In Pakistan, employers are often mandated to offer a childcare solution to their employees. While no national law exists in the country, most provinces have acts that require employers that meet certain basic criteria (for example, number of employees, number of female employees) to provide childcare support.

1.1 Good for Women's Employment







With a population of over 208 million people, Pakistan accounts for the ninth largest labor force in the world (PBS, 2020). Pakistan's human capital is its greatest asset and one of the key factors in realizing its vision for joining the league of Upper Middle-Income countries by 2025, and ten largest economies of the world by 2047.

However, dedicated investments are required to strengthen the country's human capital, particularly in the domain of empowering women. Female labor force participation in Pakistan is the lowest in the region, at less than 23 percent (vs. 82 percent for men) (ILO, 2020) and among the lowest in the world (Figure 1). Less than 10 percent of urban Pakistani women with secondary schooling, and one-third of those with post-secondary schooling, are in the labor force (World Bank, 2019). However, in focus group discussions with 92 educated women in Karachi, Lahore, Peshawar and Quetta a majority of employed women, and women not currently working for pay, expressed the desire to work for economic

gain. According to this 2019 World Bank study, they are driven by personal, financial and social motivations, and career aspirations.

A 2018 IMF study states that closing the gender gap in the Pakistani economy could boost the country's GDP by 30 percent, and is, therefore, one of the critical areas of focus in Pakistan Vision 2025, a national development roadmap and strategy document (IMF, 2018).

Figure 1: Regional Comparison of Female Labor Force Participation

Countries	Female Participation (percent)
 Sri Lanka	36
 Bangladesh	36
 India	27
 Pakistan	23

Source: IFC: Tackling Childcare in Sri Lanka (2018), Bangladesh (2019) and India (2017); International Labor Organization, ILOSTAT (retrieved June 2020).

Figure 2: Normative Barriers to Women Working for Pay in Pakistan



Source: World Bank (2019), Labor Force Aspirations, Experiences and Challenges for Urban Educated Pakistani Women.

Since the 1990s, Pakistan has made significant progress in promoting gender equality across various areas of development; the Female Labor Force Participation (FLFP) has almost doubled between the 1990s and 2018.

Contrary to the popular notion, female labor force participation is even lower in the country's urban areas when compared with its rural areas (PBS, 2018). In 2019, the World Bank conducted a study with Pakistani women in urban areas to understand the main factors barring their aspirations and opportunities to work for pay. Figure 2 depicts a range of social and normative barriers that were raised by women in the study (World Bank, 2019). The "double burden of balancing full-time jobs with full-time caregiving and household responsibilities" was cited as one of the major reasons that pushes women out of the formal labor force.

Figure 3: What Women Say They Need for Successful Labor Force Participation and Employment



Source: World Bank (2019), Labor Force Aspirations, Experiences and Challenges for Urban Education Pakistani Women.

Within this context, Pakistani women highlighted that they need high-quality childcare and flexible work hours, along with other provisions, as illustrated in Figure 3, to facilitate their joining of the labor force, working for pay, and advancing in their jobs. The government's Pakistan Vision 2025 document also recognizes that daycare services are needed to enable women's employment. The vision



Courtesy of Interloop Limited

states: “day-cares will be provided at offices to facilitate women and enable them to work even after marriage.”

The need for childcare is well-documented, with population increases exacerbating the situation, and not enough daycare facilities available in the country (The News, 2019). Good quality, affordable, and conveniently located daycare services are required in Pakistan if it is to meet the childcare needs of families and enable women’s entry and stay in the labor force.

1.2 Good for Children



The importance of Early Childhood Development (ECD) and Early Childhood Education (ECE) is recognized globally. Quality ECE promotes the development of physical, cognitive, socio-emotional and linguistic skills of young children until they enter primary schools. The first three years of a child’s life are particularly critical to his or her development.

There is substantial global evidence that quality ECD interventions yield benefits in the short, medium, and long terms for individuals and countries (World Bank, 2016). Investing early, investing smartly, and investing for all is advocated by many organizations around the world (World Bank, 2011). The World Bank’s Pakistan@100 initiative identifies early childhood development programs as one of three priority areas of immediate interventions required for Pakistan to make the best use of its human capital (World Bank, 2019). The introduction of good

quality pre-schools and ECD programs targeting young children from birth to primary school entry characterize a key area under the initiative critical for long-term growth of the country (World Bank, 2019).

Pakistan has made an effort to provide pre-school education to its young children, with ICT and provinces such as Punjab and Sindh making provisions for implementation of pre-primary education for children under 5 years of age. The province of Sindh, for example, has adapted and formulated provincial ECCE policies to support ECCE implementation. The policies articulate free and compulsory two years of pre-primary education in all government schools. However, despite the efforts, in practice millions of children of pre-primary school age remain out of school nationally, according to the National Education Statistics of 2016-2017.²

1.3 Good for Business



Around the world, companies are increasingly playing an important role in meeting the childcare needs of their employees. Many start this journey by first realizing the benefits of gender diversity to their organizations. In 2018, as part of an IFC and PBC initiative, 22 companies made

² In recent years, the total enrolment of children at the pre-primary education level in Pakistan was around 9.75 million: 49 percent in the private sector and 51 percent in the public sector. Ministry of Federal Education and Professional Training, Government of Pakistan (2018). Pakistan Education Statistics 2016-17

commitments to increase workforce gender diversity and create better jobs for women by implementing policies and programs in the areas of sexual harassment, family-friendly workplaces, equal opportunity recruitment, women in leadership and non-traditional roles (IFC, 2019).

Case studies featuring companies that introduced family-friendly policies as part of the initiative above showed significant improvement in the recruitment and retention of women, higher maternity return rates, better market access and reputation, and overall higher employee satisfaction (PBC, 2018). Employer-supported childcare was a key element of several of these companies' policies. Findings from market research studies on employer-supported childcare led by IFC in other countries in the region, such as Bangladesh and India, also support a strong business-case for companies to offer childcare and family-friendly policies to their employees. Surveyed employers in India and Bangladesh often reported positive business impacts of providing childcare solutions, such as greater employee retention, lower absenteeism and improved employee productivity. Childcare support also plays an important role in enabling women to return to work after giving birth and continuing to advance their careers, with positive outcomes for families, businesses, and economies.

Employer-supported childcare, for the purposes of this research, is defined as good quality, affordable childhood care and education services provided or supported by employers for their employees' children who are in the pre-school age group (6 months to 5 years). While legislation in certain countries and provinces sometimes are more precise about what is mandated of employers in terms of childcare support – and employers are strongly advised to always carefully review specific legislation applicable to them – for the purpose of this study employer-supported childcare goes beyond an on-site room for childcare located in the employer's premises. Figure 4 presents a summary of the organizational benefits of employer-supported childcare.

Figure 4: The Business Case for Employer-Supported Childcare



Source: IFC (2017)

Similar studies conducted by organizations such as the European Bank for Reconstruction and Development (EBRD, 2010), offer empirical evidence that family-friendly policies benefit both employees and employers. According to one study, on-site childcare facilities can lead to optimal utilization of spaces on site, improvement in the morale and commitment of employees, garnering of goodwill among national and international stakeholders, among other benefits. The EBRD report also presented cases where provision of flexible work hours led to increases in productivity.

1.4 Legislative Context



Currently, laws to govern the implementation of family-friendly policies in the provinces and territory of Sindh, Punjab, Baluchistan, KPK and ICT, such as paid maternity and paternity leave, protection for pregnant employees, and employer-supported childcare, are the responsibility of provinces, not the national government.



Courtesy of Catco Kids and Pakistan State Oil

However, prior to the devolution of authority on a variety of subjects to provincial governments following the 18th Amendment to Pakistan's constitution, the country had in place important national legislation related to family-friendly workplaces (provincial governments also could develop labor legislation at the time, concurrently with the national government) (Alam, 2020).

The Factories Act of 1934 was the first national legal reference for the establishment of employer-supported family-friendly workplaces, inherited by the country following independence in 1947. It remained in effect as a federal act until 2010, after which legislation in this area was devolved to provinces. **The West Pakistan Shops and Establishments Ordinance of 1969** extended family-friendly provisions to employers beyond manufacturing and was also devolved to provinces in 2010. In these acts, employers were mandated to provide childcare support to their employees based on a certain number of female employees.

After the devolution, most provinces adopted a version of the 1934 Factories Act and the West Pakistan Shops and Establishments Ordinance of 1969, often borrowing or adapting language from the original acts. The provincial factories acts emphasize the provision of a suitable facility for the use of employees' children under six years of age if there is a certain threshold of female employment in factories (Figure 5). Similar to the provincial factories acts, legislation applicable to industrial and commercial establishments also require employers to offer childcare facilities based on the number of (female) employees.

Figure 5: Female Employee Threshold for Providing Childcare Services, Provincial Factories Acts

Province	Female Employee Threshold
Sindh	Irrespective of number of female employees*
KPK	More than 20
Balochistan	More than 50
Punjab	More than 50

Source: Provincial Factories Acts

*According to the Sindh Maternity Benefits Act (2018), it is mandatory for organizations with 10 percent or more female employees to have a daycare room.

With the devolution of authority to provincial governments, some policy overlaps and lack of clarity ensued. In some cases, conflicting information (for example, on the threshold that triggers mandated childcare support) exists in different pieces of legislation in the same province. In other cases, existing legislation is not completely clear and leaves room for interpretation (for example, laws mandating employers to offer facilities for childcare purposes could mean an on-site childcare center but could also include support through off-site centers, childcare allowances or other arrangements that might better meet the need of employees).

Beyond employer-supported childcare, the provision of paid maternity leave is mandatory in all provinces of the country covered by this study. The federal law of

West Pakistan Maternity Benefits Ordinance, 1958, was adopted in the provinces after the 18th Amendment. The provincial acts mandate government, private, and semi-government employers/industrial and commercial establishments to provide paid maternity benefits/leave to working women. See Figure 6 for the duration of leave across provinces covered by this research.

Figure 6: Mandatory Paid Maternity Benefits/Leave

Province	Duration of Paid Leave/Benefits	Mandated by
Sindh	16 weeks	Sindh Maternity Benefits Act, 2018
Punjab	12 weeks	Punjab Maternity Benefit Ordinance, 1958
Balochistan	12 weeks	West Pakistan Maternity Benefit Ordinance, 1958
Khyber Pakhtunkhwa	12 weeks	Khyber Pakhtunkhwa Maternity Benefits Act, 2013
ICT/Federal Capital	3 months*	Gazette of Pakistan

*The Maternity and Paternity Bill, 2020 will update this to 24 weeks for the first child, 16 weeks for the second child, 12 weeks for the third child

Employees in the federal capital are soon expected to benefit from the Maternity and Paternity Leave Bill (2020) recently approved by Pakistan's Senate and National Assembly. Employees of public and private establishments³ under administrative control of the Federal Government will be covered. According to the new legislation, for example, working fathers shall be entitled to paid paternity leave of one month across government and non-government institutions in the federal capital.

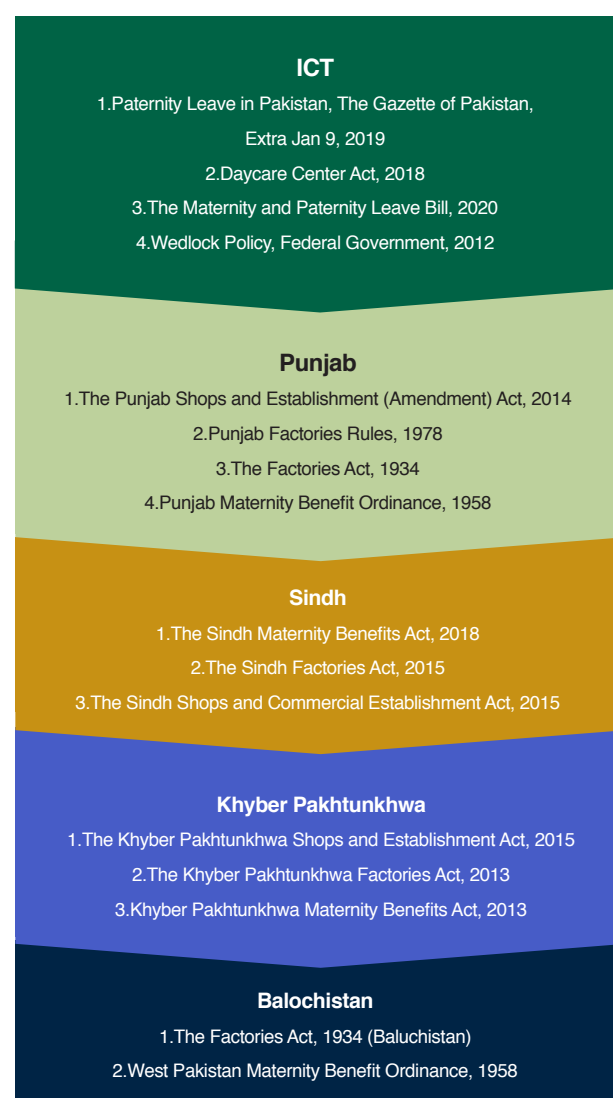
³ "Establishment" means any ministry, division, attached department, subordinate office, executive department, public and private organization, firm, corporation, autonomous or semi-autonomous body, body corporate, enterprise, company, industry, factory or such other office or institution, by whatever name called for and under administrative control of the Federal Government. (Maternity and Paternity Bill, 2020)

A summary of federal and provincial family-friendly legislation is provided below for ICT and four provinces.

Original National Acts – Now Devolved to Provinces

Factories Act, 1934, West Pakistan Shops and Establishments Ordinance, 1969 & West Pakistan Maternity Benefits Ordinance, 1958

Main Provincial Acts Related to Childcare & Family-Friendly Policies





Courtesy of Interloop Limited

1.5 Employer-supported Childcare



Employer-supported childcare typically includes:

- An on-site daycare center operated by the employer or an external daycare provider/ non-governmental organization (NGO)
- A near-site center in partnership with an established private or public daycare provider (tie-up)
- Community-based arrangements near employees' homes
- Partnerships with other employers for a shared daycare center arrangement (consortium)
- A childcare voucher to be used at the employee's discretion (for example, in a childcare of the employee's choice)
- Public-private partnership for the provision of childcare
- A childcare subsidy or allowance provided to employees

- Back-up or emergency childcare services
- After-school programs and/or programs during school holidays
- Extended hours care (early, late, nights, and/ or weekends)
- Childcare resource and referral service for parents

Employer-supported childcare is often complemented by a range of family-friendly workplace support offerings, such as:



Paid parental leave
(including maternity
and paternity leave)



Breastfeeding and
lactation support



Safe
transport



Flexible work
arrangements



2. Study Overview and Methodology

The following methodology was used for this study:

- An online survey with 140 employers
- 9 focus group discussions (FGDs) with 70+ employees in three cities (blue- and white-collar workers)
- Interviews with 21 policy makers and influencers
- Visits and interviews with 22 childcare providers in 5 cities

The goal of the study was to better understand demand for care services from employers and employees, identify key characteristics of the supply of childcare services, and develop an overview of government regulations and policy issues associated with family-friendly workplaces, with a focus on employer-supported childcare.

Employers that participated in the research came primarily from these sectors: manufacturing (textile/synthetics and other manufacturing), financial services, fast moving consumer goods (FMCG), and other services. Most survey responses came from Karachi (52 percent), followed by Lahore and Islamabad.

2.1. Study Overview



Tackling Childcare Pakistan is a diagnostic study launched by IFC and PBC in 2019 to conduct a landscape analysis of family-friendly policies, including childcare, in Pakistan. The study includes the survey of 140 organizations, 70+ working parents, 22 childcare centers, and 21 policy stakeholders providing insights on the benefits and challenges of expanding employer-supported childcare in Pakistan. This study is in line with similar research conducted by IFC in South Asia (Bangladesh, India and Sri Lanka) and in other countries such as Cambodia, Fiji, Myanmar, and Vietnam.

IFC and PBC worked with AASA Consulting, a management consulting firm in Pakistan, to carry out the research study in the country. The non-profit organization Teachers' Resource Center (TRC) also contributed to the study, especially in the assessment of childcare providers.

Study Overview and Methodology

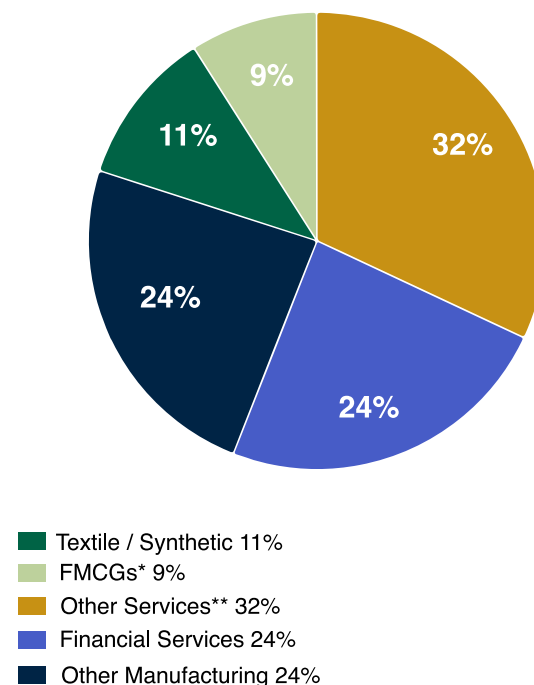
Study Overview	Study Components
Demand Side Analysis	Assess the current state of family-friendly workplaces and demand for childcare and identify potential opportunities and challenges related to employer- supported childcare in Pakistan.
Supply Side Analysis	Assess childcare services currently offered by private childcare providers, non- governmental organizations, and employers in Pakistan.
Government Regulations Review	Review government regulations and jurisprudence in Pakistan impacting employer- supported childcare, family-friendly policies, and other private childcare services in Pakistan.
Study Methodology	
Demand Side Analysis	Employer e-Survey targeting 140 companies, 9 FGDs with 70+ employees.
Supply Side Analysis	Interviews with 22 childcare centers in provincial and federal capitals.
Government Regulations Review	Interviews with 21 policy stakeholders. Review of relevant national and provincial policies and acts.

2.2 Approach and Methodology

A mix of qualitative and quantitative survey techniques was employed to map and analyze the demand, supply and policy landscape of childcare services in the country. The study targeted four stakeholder groups: employers, working parents, private and public childcare providers and policy makers/influencers, using a combination of online surveys, in-depth interviews and FGDs. The data was collected between November 2019 and April 2020.

The e-survey targeted primarily private sector employers across industries. The majority of organizations that responded to the survey were locally owned. Most were from the manufacturing sector and approximately a quarter of respondents came from the financial sector (Figure 7).

Figure 7: Employer Survey Respondents by Industry



*FMCGs stands for Fast-moving consumer goods companies

**Other services include: Education, Healthcare, Professional Services, Engineering, Technology, Communications, Transportation, Construction
Source: Employer Online Survey (Q4: Please select the primary industry of your organization), N-132

Most survey responses came from Karachi (52 percent), the country's major economic hub, followed by Lahore and Islamabad. Large companies of more than 1,000 employees represented 39 percent of respondents, with small companies of less than 100 employees making up 20 percent of the sample. Combined, the 140 companies that participated in the study employ more than 300,000 workers, of which 85 percent are male and 15 percent are female.



Courtesy of Engro Corporation

Visits to childcare centers took place in the country's federal and provincial capitals: Islamabad, Karachi, Lahore, Quetta, and Peshawar and were conducted by TRC.

Both public and private sector daycare centers were visited, with sampled centers administered by government departments, private individuals, and private employers. Interviews were held with owners or those responsible for the centers and covered four dimensions of childcare services:

- Quality of care and caregivers
- Affordability/cost of daycare services
- Availability of daycare services
- Accessibility in terms of the location and proximity of daycare centers

FGDs were conducted with working parents (mothers and fathers) with children in two age brackets: under five years old and between 5 and 15 years old. The discussions were held in Karachi, Lahore and Islamabad. Participants belonged to diverse socioeconomic strata employed in various career fields. The meetings aimed to assess employees' demand-side issues concerning childcare and the impact of childcare on their ability to work and their career.

Consultations were also held with policy makers and other policy stakeholders from the Senate, Labor Depts., Women Development Depts., Commission on Status of Women, the International Labor Organization (ILO) and the private sector. Discussions focused on challenges, opportunities, and legislation in place or in progress for providing a family-friendly workplace environment, with a focus on childcare.

The Impact of COVID – 19 on This Study and Its Subjects



Impact on Study

COVID-19 became a 'national' crisis in Pakistan in the second half of March 2020. Its direct impact on the data collection phase of this study was limited, as fieldwork started in November 2019 and ended in mid-April 2020. Therefore, the pandemic's effect on childcare and ECE services was not captured through primary research.

The pandemic, however, did affect this study's validation and release of findings. In-person stakeholder consultations to discuss and validate early findings of the research that had been planned for mid-April 2020 were canceled. Instead, a virtual consultation involving 20+ stakeholders from the private, public and nonprofit sectors took place in November 2020. The authors waited to release the findings of this study until the public health



Courtesy of Artistic Milliners

situation somewhat 'stabilized' in Pakistan and its intended audience - employers, the public sector, childcare providers and development partners, regained their operational capacity and were able to review the study's results.

Impact on women's employment, businesses, and childcare services

The impact of the COVID-19 crisis on childcare services worldwide was substantial. Families lost access overnight to childcare facilities while many were still required to work remotely or in person. Employers who provided childcare support to employees needed to suspend services for health safety reasons and had to increase their flexibility because of reduced employee availability to work due to unmet childcare needs. Employers for whom childcare support might not have been on the radar, quickly learned the importance of reliable childcare for their employees' wellbeing and their business continuity.

The childcare industry has been one of the most affected by the pandemic. Childcare providers suffered large financial losses because of lockdowns and restricted operations, from which many will not recover and have/will shut down permanently. Children lost the opportunity to engage with and learn from dedicated caregivers and friends.

The disproportionate economic impact of the pandemic on women has been captured by numerous studies. According to McKinsey & Company (2020), women's

jobs are 1.8 times more vulnerable to the COVID-19 crisis than men's jobs. At the global level, women make up 39 percent of employment but account for 54 percent of overall job losses, says the global consulting firm. One reason for this greater effect on women is that the pandemic is significantly increasing unpaid care, which is disproportionately carried out by women. According to UN Women (2020), school and daycare closures, along with the reduced availability of outside help, have led to months of additional unpaid work for women. In Pakistan, where unpaid work conducted by women is already one of the highest in the world and where female labor force participation rate is one of the lowest, exacerbation of gender inequalities is expected.

The COVID-19 crisis has made the importance of good quality, affordable, and reliable childcare evident to a larger segment of the population. While specific effects of COVID-19 on Pakistan's childcare market and its rippling effects on women's ability to work for pay will need to be explored in the future and are not the subject of this research, the authors of the study wish to acknowledge the impact of the pandemic on millions of women, families, employers, and providers.



3. Major Findings of Landscape Analysis

This study's key findings include:

- 27 percent of employers surveyed provide childcare support.
- 44 percent said they were yet to consider this type of support and 14 percent said they were planning to offer it soon.
- Employers in the textile/synthetic sector lead in childcare support, while the financial sector lags behind.
- Mixed levels of financial support towards childcare costs are common: one-third of those who provide support cover the full cost.
- Blue and white-collar workers expressed need for childcare and other family-friendly policies and support from their employers, highlighting their need for quality caregivers, safe childcare solutions, and flexible work arrangements.

Types of support offered by surveyed companies:

- Most employees consulted by their employers in the sample said they prefer an on-site childcare center.
- Most employers providing support do so through on-site childcare centers.
- Nearly all childcare centers offered “standard” operating hours; wide range of price points available.
- 86 percent of employers offer paid maternity leave (mandated by law).
- 44 percent of employers offer paid paternity leave.
- Less than a quarter of employers offered work-from-home options (pre-COVID-19).
- Nearly three-quarters of employers offered Lactation support.
- Safe transportation offered by almost 30 percent of employers.
- Employers planning to provide childcare support (14 percent of total): more than half are considering on-site childcare as top option.
- Employers not planning to provide childcare support (44 percent of total): nearly half do not see the need/benefit of providing it.

Challenges associated with providing childcare support

- Shortage of trained caregivers common in sampled childcare centers; safety protocols were mostly maintained.
- Low levels of policy awareness, financial allocation and priority make enforcement of existing regulations difficult.
- Top resources cited as useful to those not currently offering childcare support: talking to other employers who already offer it, access to best practices and financial support.

Impact of childcare support on business indicators

- Employers providing childcare support highlight employee retention, employees demand, and employee productivity among main reasons for support.

Demand for Childcare Services in Pakistan



27% of respondents said that they provide childcare support to employees.



All respondents providing childcare support reported a positive impact on the business.



29% of respondents providing childcare support reported offering safe transportation to employees and their children.



24% of respondents providing childcare support reported an increase in organizational profitability after implementing childcare support.



77% of respondents reported on-site daycare center as preferred childcare arrangement by their employees.

Types of childcare solutions offered by respondents

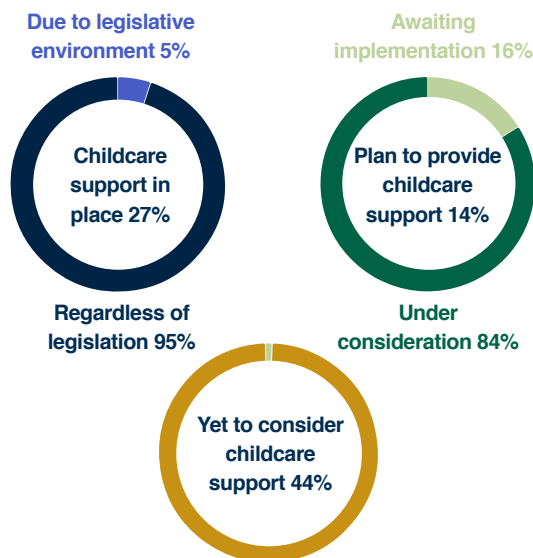
On-site daycare center, childcare subsidy, near-site center in partnership with an established daycare provider, and community-based arrangement near employees' homes.

3.1 Employer Demand: Insights from Online Survey



Out of 140 organizations responding to the employer survey, 27 percent reported providing a childcare solution for their employees. Fifty-eight percent of the organizations stated that currently they are not offering any childcare support: 14 percent said they are in the process of planning childcare assistance but have not initiated it yet (they are either awaiting implementation or have childcare support under consideration) and 44 percent responded that they do not plan to offer a childcare solution at all. The remaining 15 percent of respondents either claimed to provide childcare support but did not answer any other questions about their support (9 percent of all survey respondents; these were not included among employers providing support) or did not answer this question (6 percent of all survey respondents).

Figure 8: Employer Status on Childcare Support Provision*



*9 percent claimed to provide childcare support with no substantial evidence in their responses. 6 percent of respondents provided no answer. Source: Employer Online Survey (Q25: What is the status of your organization's childcare support provision?), N=140

Childcare support offered by surveyed organizations mainly entails on-site daycare centers operated by their management (61 percent) with services subsidized for employees. Near-site centers (in partnership with an established daycare provider) are found in a smaller number of companies. Most employers that said they provide support (61 percent) offer childcare that is available during "standard" days and hours only (8:00am-6:00pm on weekdays).

Both female and male employees are often offered employer-supported childcare in the sample: 53 percent of employers who offer a childcare solution say services are available to children of both male and female employees, while about a quarter (24 percent) said their childcare support is to female employees only. Nevertheless, respondents say female employees use this benefit much more than men, in a 4:1 ratio.

Employers offer mixed levels of financial support towards childcare costs: One-third say they cover the full cost of childcare fees for employees.

Childcare Support per Sector

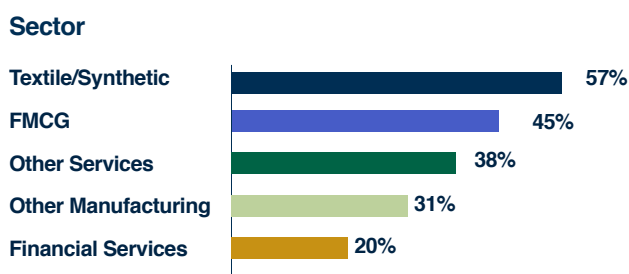
According to the sample, employers in the textile/synthetics sector offer more childcare support to their employees than those in other sectors. Financial sector employers lag behind those in other industries in the support provided to their employees (Figure 9).

While investigating potential reasons behind this finding was outside the scope of this research, during consultations with stakeholders to share the study's findings and recommendations, the possibility that export-oriented industries faced greater incentives (for example, pressure or requirement from buyers, need to demonstrate a good reputation) was raised.



Courtesy of Interloop Limited

Figure 9: Employers Providing Childcare Support by Sector



Other services include: Education, Healthcare, Professional Services, Engineering, Technology, Communications, Transportation, Construction
Source: Employer Online Survey (Q-4: Please select the primary industry of your organization, Q-25: What is the status of your organization's childcare support provision?), N=43

Broader Family-Friendly Policies Offered

In addition, a range of family-friendly policies is offered by companies. The most common and widely offered facility is the provision of paid maternity leave, which is required by law and was reported by 86 percent of respondent companies. Conversely, this means that 14 percent of respondents, or 1 in 7, does not offer paid maternity leave, despite their legal obligation to do so. On the other hand, 44 percent of respondents stated they offer paid paternity leave.

More than half of the surveyed companies (58 percent) did not offer an option for telecommuting when they answered the survey and stated that they had no plans to offer it in the next 12 months. This situation is likely to have changed recently because of the COVID-19 pandemic, which forced many employers around the country and the world to reconsider their practices and priorities, whether they planned and prepared for it or not.

Top 5 family-friendly policies currently offered by survey respondents

- Paid maternity leave
- Recruitment and promotion panels focused on making gender-balanced personnel decisions
- Transportation for female employees
- Employee training on how to better manage work/life challenges
- Performance appraisal system taking into account that employee was on parental leave

Top 5 family-friendly policies planned to be offered over the next year by survey respondents

- Women employees' resource group
- Manager sensitivity training for returning mothers/ parents
- Paid paternity leave
- Employee training on how to better manage work/life issues
- Support programs for parenting, work/life balance, return to work/new parents, care of elderly parents, or other special interests

Source: Employer Online Survey (Q20: Please identify which family-friendly policies, programs or supports your organization currently offers, or plans to offer in the next 12 months), N=116

Childcare solutions preferred by employees

Nearly half (49 percent) of survey respondents said they do not ask employees about their childcare needs. From those that do (34 percent of respondents), the majority (77 percent) said their employees prefer on-site daycare centers, often because they do not trust outside childcare providers. Focus group discussions conducted with working parents confirm these preferences in the study's sample. Near-site daycare centers were also among employees' preferred options and some stated a preference for identifying solutions near their home.

Employers stated that more than 40 percent of their employees commute for over one hour each way, which makes discussions about provision of quality, affordable childcare support closer to employees' home and/or provision of safe transportation to employees and children relevant. Similarly, 44 percent of respondents said their employees work "non-standard hours" (evening shifts, overnight shifts, rotating shifts, weekend shifts and extended-hour shifts),⁴ which indicates a need for childcare services that are flexible and open extensive hours. These findings point to the importance of individual employers assessing the specific needs and preferences of their employees to design a solution that is feasible for the employer and desirable for employees, therefore more likely to be effective and produce the desired results.

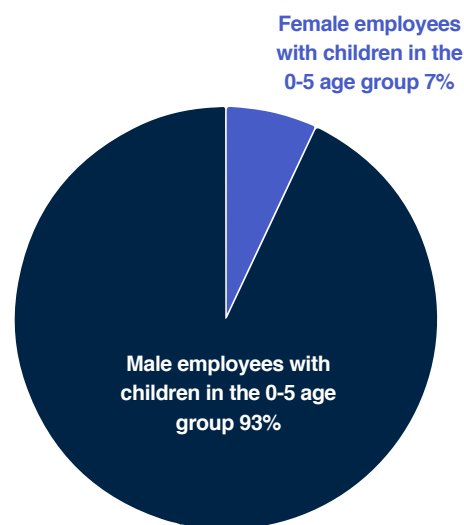
According to employers that asked employees this question, the main attributes sought by parents in childcare centers was safety and cleanliness, cited 48 percent of parents. Affordability and highly trained caretakers were each mentioned as a key attribute by 36 percent of employees consulted by their employers. Convenient, flexible hours and a focus on learning and education were each mentioned by a third of employees.

⁴ In certain provinces, Pakistani female employees may be restricted in working non-standard hours like night shifts. The Factories Act, 1934 mandated that transportation be provided by the employer as detailed in Section 45 (read in conjunction with Section 36) for female employees who need to work overtime.

Of those employers providing childcare support to their employees, nearly three-quarters (74 percent) said they provide lactation facilities to their employees; 29 percent said they offer transportation to working employees and their children.

Based on the study's sample, female employees with young children (0-5 age group) were underrepresented. While employers stated that 15 percent of their employees were female (an already low figure), of the employees estimated to have young children only 7 percent were women (Figure 10).

Figure 10: Gender gap among employees with children in the 0–5 age group



Source: Employer Online Survey (Q10: Please enter the approximate number of employees that are working parents with children in the 0 to 5 age group), N=56

This finding points out that women with young children are mostly staying out of the workforce. While identifying the reasons behind women's low participation in the workforce in Pakistan falls mostly outside the scope of this study, a variety of barriers have been repeatedly highlighted in the literature. Traditional social norms that emphasize women's caregiving role is one of them and often affects



Courtesy of Standard Chartered Bank Pakistan

the type of childcare that is deemed acceptable to families. Investments in women's and families' preferred childcare arrangements would likely lead to an increase in the number of women joining and staying in the workforce in Pakistan.

Employers are encouraged to get to better know their workforce and their needs, and to build a strategy that includes family-friendly policies such as childcare to boost women's participation in their workplace. It is well documented that a diverse workforce is increasingly important for business success, and such measures could also contribute to companies becoming "Employers of Choice" in their fields.

Impact of childcare support facilities on business indicators

All surveyed employers with childcare policies in place cited the positive influence of supporting childcare solutions (Figure 11). This result corroborates findings from other studies globally and may serve as inspiration for business leaders not yet offering childcare support to their employees.

Figure 11: Benefits Cited by Employers Offering Childcare Support Associated with Provision of Such Support



* Workplace culture: More satisfied, engaged and loyal working parents.
Source: Employer Online Survey (Q36: Has offering support to meet the childcare needs of your employees positively impacted your organization in the following areas?), N=38

Challenges associated with providing childcare support

Out of the organizations that are currently not providing childcare assistance but that are planning to do so (14 percent of total respondents), 84 percent are considering policies in this area but have not made a decision on it yet. Respondents in this group of companies cited a series of factors affecting their decision-making process. Among the most commonly cited challenges are:



Source: Employer Online Survey (Q45 – 48: Which of the following financial, legal/regulatory, provision-related, and organizational challenges, have you encountered as you explore, plan for and/or develop a solution to help meet the childcare needs of your employees?), N=47-52

Employers in this category felt that to overcome these challenges, it would be helpful to a) talk with other employers that are already providing childcare solutions; b) access international guidelines and resources to support implementation; and c) connect with childcare providers.

Organizations Not Planning to Provide Childcare Support – 44 percent of total survey respondents

The three main reasons reported by survey respondents that are not offering childcare support to their employees were:

Do not see the need and/or benefits of doing so (48%)

Expected financial cost of offering childcare support is too high for the organization (33%)

Do not feel we have the technical competence required to do so (22%)

Source: Employer Online Survey (Q52: What are the top reasons why your organization is not planning to provide childcare support to your employees?), N=54

Many employers not planning to provide childcare support to their employees (around 60 percent) lack knowledge about the existence of quality, affordable daycare centers near their worksite or near where their employees live. Among the top cited resources that could help organizations not offering childcare support make progress in this area are best practices for assessing workforce demand for childcare solutions and ability to project their future daycare center demand. The provision of financial support to help offset the cost of planning and setting up a daycare center or other solution was also frequently cited.

3.2 Employee Demand: Highlights from Focus Group Discussions



FGD Coverage

9

Sessions

70+

Participating Employees
(Working Mothers and Fathers)

Top Sectors Covered



Textiles/
Garments



Manufacturing



Banking and
Finance



Information
Technology



Education



Healthcare
Providers



Development



Media

FGD Findings Summary

- Employer-supported childcare in high demand by all working parents in the sample.
- In addition to full-time childcare options, there was demand for drop-in and part-time services; blue-collar workers also emphasized importance of weekend coverage.
- Cost-sharing between employers and employees cited by most parents as adequate.



Courtesy of Interloop Limited

3.3 Childcare Services at Daycare Centers Visited

Four parameters of childcare services offered at on-site and off-site daycare centers were assessed under this study:

- **Quality of care and caregivers**, including the childcare center's focus on learning and education, characteristics of indoor and outdoor environments, health and hygiene practices, provision of medical first aid and safety, and employment of professional caregivers.
- **Affordability/Cost of Daycare Services**, which involved obtaining information about the daycare center's monthly fee structure and availability of fee relaxation policies.
- **Availability**, which looked at the daycare center's current enrollment, enrollment capacity and operational hours.
- **Accessibility**, in terms of the location and proximity of the daycare center to the target population, particularly working parents.

Figure 12: Daycare Centers Visited and Interviewed

Ownership	On-site Premises	Off-site Premises	Total
Public	7	1	8
Private	4	10	14
Total	11	11	22

This study's childcare visits indicated that most daycare centers sampled lack qualified staff and structured early learning programs for children, two important factors of childcare quality and highly sought-after attributes of childcare centers mentioned by parents. By increasing the quality of their offerings, childcare providers might be able to reach a broader portion of the population interested in childcare services and would bring direct benefits to the children under their supervision.

Salient Characteristics of Surveyed Daycare Centers

Quality of Caregivers and Care

Good Practices



Majority of the centers had instituted co-curricular and extracurricular activities.



Records for child immunization/vaccine were maintained in many centers.



First aid medical kits were available and caregivers were often trained in CPR.



Signs of Child Abuse of any form are monitored and if noted are immediately reported by caregivers.



Hazardous equipment and medication were kept out of children's reach.



Most sampled centers offered a spacious indoor environment, but sunlight and ventilation could be improved.



Appropriate diaper change and sanitary disposal facility were available.



Regular disinfection of toys was also reported in many centers.

Areas of Improvement



Shortage of trained and qualified caregivers at most facilities.



Caregivers mostly comprised of domestic staff, known as "ayahs" and were informally trained.



Professional teachers were only hired in a few high-end and off-site facilities.



Educational materials such as books and toys were often available, but guidelines on how to use those materials according to age group were lacking.



Centers located in buildings often lacked an outdoor environment.



Those offering access to outdoor spaces also had child-sized playing equipment but the majority lacked access to green space.

Affordability / Cost of Children Services

Majority of public and private on-site centers operated with zero or minimal monthly fee charges.

Majority private centers operated within the monthly fee bracket of PKR 2,500-PKR 10,000.

However, high-end private daycare centers located in commercial areas cost PKR 20,000 and above per month.

Fee relaxation policies were presented for single mothers, financially struggling parents, or parents with more than one child enrolled in the facility.

Availability of Childcare Services



Operating Hours

Average of 10-12 hours/day offered 6 days/week mostly during office hours.



Average Enrollment

23 children in on-site and 31 in off-site centers.



Extra Charges for Additional Time

In some private centers only.

Accessibility of Childcare Services



Most centers were situated in accessible locations, although parents reported difficulty with pick-up and drop-off due to high traffic.



Free pick-up and drop-off was offered by only one provider visited.



4. Recommendations

Based on the findings of this study and on best practices identified by IFC through its global Tackling Childcare program and a series of regional studies, the following are recommendations for the private and public sectors, childcare providers, development partners and other stakeholders. Following action in these priority areas, Pakistani women will have better opportunities to join the labor force, employers will have a chance to realize the business benefits of childcare support, the development outcomes of children could improve, while the Pakistani economy would be strengthened from all these results.

4.1 Priority Actions for Private Sector Employers



4.1.1. Assess Employees' Needs

- Use several methods, such as surveys, focus groups, and/or interviews, to collect input on childcare and family needs, preferences, and expectations.⁵

4.1.2. Understand the costs and benefits of providing childcare support to employees

- Identify the potential business benefits of offering childcare and estimate the resources needed for the initiative. Build internal buy-in by engaging senior leadership.⁶

4.1.3. Become familiar with local regulations

- In 26 economies around the world, employers are mandated to support the childcare needs of its employees (Women, Business and the Law, 2019), while in others, like Pakistan, requirements are at the provincial level or in particular business segments (for example, Factories Act, Shop & Commercial Establishment Act). Understand legal obligations for employer-supported childcare and other family-friendly policies, such as parental leave, as well as requirements related to offering childcare. Also, some governments offer tax and non-tax incentives to employers, parents, and/or providers, so explore the opportunities available.⁷

4.1.4. Consider all options available for childcare support, from low, to medium, to high resource intensity

- Employers often have choice in how they support the childcare needs of their employees; on-site childcare is not the only option; gender-neutral policies (for example, childcare available for the children of female and male employees) are recommended.

⁵ Refer to Chapter 3, Section 3.1. on challenges associated with providing childcare support.

⁶ Refer to Chapter 3, Section 3.1. on challenges associated with providing childcare support.

⁷ Refer to Chapter 3, Section 3.4. on "barriers to the implementation of family-friendly policies at workplaces."



Courtesy of Interloop Limited

- Determine the supply of childcare available in the market and compare it to employees' demand and the company's goals.
- Consider partnering with other stakeholders, such as existing childcare providers, childcare experts, other employers and/or the government.⁸

4.1.5. Implement childcare options

- Consider starting small, by piloting preferred solutions (for example, in one plant/office).
- Provide childcare support as part of a broader family-friendly, gender diverse work environment and as part of a suite of complementary family-friendly policies. Among the most helpful are paid parental leave, breastfeeding and lactation support, flexible work arrangements, safe transport, and parent support groups.
- Ensure that the operational hours of childcare support overlap with employees' working hours.
- Understand and provide support for working parents with older children to bridge the gap between school and work hours.

⁸ Refer to Section 1.5 - Employer-supported Childcare in the Local Context, Chapter 3, Infographic on Demand for Childcare Services in Pakistan – Types of Childcare Solutions Offered by Respondents, Section 3.2 FGD Findings Summary.

- Offer telecommuting and flexible work options, during COVID-19 and beyond.⁹

Sample Childcare Solutions According to Typical Level of Resource Intensity

Low resource intensity

- Refer employees to outside childcare providers
- Reserve a number of spaces in selected childcare centers
- Establish flexible work options
- Provide parenting skills training to employees
- Create working parent employee resource groups
- Create return-to-work benefits

Medium resource intensity

- Develop family-friendly policies
- Establish or support community-based childcare centers
- Provide paternity leave

⁹ Refer to Section 1.1, Good for Women's Employment Figure 3 – What Women Say They Need for Successful Labor Force Participation and Employment.

High resource intensity

- Expand childcare benefits to employees beyond what is specified in the law
- Establish on-site or near-site childcare centers

Source: Tackling Childcare: Employer-Supported Childcare in Cambodia 2020

Changes Employers can make with their Current Operational Capacity

All employers, small, medium or large, are able to make their workplaces more family-friendly by working to improve their existing practices. From ensuring separate, clean toilet facilities for female and male employees, to providing safe transportation, to supporting the childcare needs of employees, various options requiring different levels of investment exist.

Family-friendly policies and employer-supported childcare is not something you do when your business is doing well - it is something you do so your business can do well.

4.1.6. Monitor the results

- Monitor and evaluate results regularly, refining solutions as needed; child development, employee satisfaction and business indicators (for example, absenteeism, retention, new hires, promotion) are effective indicators to measure progress and the business case.

- Talk about the business case internally and externally, inspiring others to act.

4.2 Priority Actions for the Public Sector¹⁰



4.2.1. Prioritize and promote enforcement of existing laws

- Raise awareness and capacity of key government departments about childcare and family-friendly regulations as well as introduce and mainstream childcare center standards.
- Prioritize and promote enforcement of existing laws, especially related to maternity leave and protections; consider making the laws pertaining to childcare gender neutral and not based on the number of women employees.
- Clarify portions of existing legislation that might be open to multiple interpretations, such as signaling to employers the breadth of options available to them to meet their childcare support mandate (for example, going beyond on-site childcare centers)
- Collaborate more closely with organizations like the National Commission on the Status of Women (NCSW), women caucuses in parliament, women networks, and others.
- Build monitoring of family-friendly regulations into existing processes to ensure a higher chance of implementation.
- Consider raising budget allocations for this area.

¹⁰ Refer to Chapter 3, Section 3.4 on barriers to the implementation of family-friendly policies at workplaces.



Courtesy of Catco Kids and Pakistan State Oil

4.2.2. Ensure provision of basic facilities for women in the workplace

- Make job protections and basic facilities for women mandatory throughout the country, such as anti-discrimination policies to protect pregnant women in the workplace and separate restrooms for male and female employees.
- Support government departments responsible for compliance with legislation.¹¹

4.2.3. Consider introduction of support mechanisms for the implementation of family-friendly policies¹²

- Consider creating a constructive discussion space on family-friendly policies and building on related legislations in parliament.
- Consider providing incentives, such as tax benefits and/or grants for employers for childcare support (see Punjab Daycare Fund Society for inspiration).
- Consult with the private sector when making new legislation.

¹¹ Refer to Chapter 3, Government Regulations Promoting Family-friendly Workplaces.

¹² Refer to Chapter 3, Government Regulations Promoting Family-friendly Workplaces.

4.3 Priority Actions for Childcare Providers



4.3.1. Help raise employers' awareness about the benefits of childcare

- Help educate employers about the benefits of employer-supported childcare for all involved; also raise awareness that quality providers exist in the region and build trust, as part of a business development strategy and as a sector strengthening action.

4.3.2. Consider building childcare facilities in convenient, safe locations that are preferred by parents

4.3.3. Consider remaining flexible to meet needs from employers and employees

- Understand the changes to hours of operations, specific quality requirements, etc. that might be needed to attract new families and employers.

4.3.4. Analyze the market and establish a sustainable business model¹³

- Consider promoting cost-sharing models involving various employers (consortium), adopting a lower cost model to reach a higher number of families while maintain key quality elements, etc.

¹³ Refer to Chapter 1, Section 1.3 Good for Business, Chapter 3 - Section 3.1 - Impact of childcare support facilities on business indicators, Chapter 3 – Section 3.2 Employee Demand: Insights from Focus Group Discussions, Preferred types of Financial Support.



Courtesy of Artistic Milliners

4.4 Priority Actions for Development Partners and All Stakeholders Interested in Childcare Provision in Pakistan

4.4.1. Work together to improve the quality of childcare services

- **Minimum standards of quality and operations for childcare centers**

- The Public Sector can establish quality and operations standards required to protect children and ensure developmentally appropriate programs with support from other partners, benefitting children and increasing trust from families and employers in the process.

- The efforts may lead to a simple certification process for childcare providers.¹⁴

- **Implementation of health, safety and hygiene requirements**

- Childcare providers should understand and implement all local requirements and recommendations related to the health, safety and hygiene of children under their care.

¹⁴ Refer to Chapter 3, Section 3.1. on challenges associated with providing childcare support.

- International references can be used when local guidance is not available or sufficient.¹⁵

- **Training for childcare administrators and staff**

- Affordable training can be offered by the Government, educational institutions, training centers, NGOs, among others. Significant resources exist online, which may be leveraged.

- The Government can consider offering pathways to formalize current childcare staff with significant experience in caretaking.

- Create support to convert custodial programs into developmentally appropriate childcare services.¹⁶

- **After-school programs for older children¹⁷**

- Different partners, such as the Government, local NGOs, employers and schools, can come together to support expansion of affordable, safe and enriching after-school programs to increase women's employment and support child development.

¹⁵ Refer to Chapter 3, Section 3.2. on factors determining quality childcare.

¹⁶ Refer to Chapter 3, Section 3.2. on factors determining quality childcare and Section 3.3. on salient characteristics of surveyed childcare centers – quality of caregivers and care

¹⁷ Refer to Chapter 3, Section 3.2. on preferred type of childcare services.

- **Replicable low-cost childcare models¹⁸**

- The Government and partners can explore establishing a replicable public-private partnership model for setting up and running childcare facilities. Examples exist from other countries and regions.

- Development partners could provide funding and technical assistance in this regard.

- **Establish an online hub for family-friendly workplaces¹⁹**

- The Government, educational institutions, NGOs and development partners can collaborate to create and run a portal with data and action-oriented information for employers on family-friendly policies and employer-supported childcare.

- The platform can address areas of concern for employers related to childcare and other family-friendly policies, such as liability and quality.

- The platform can also serve to facilitate collaboration and learning among employers, providers and NGOs.

4.5 Conclusion



This study's findings have shown that most employers surveyed – 58 percent – do not offer childcare support to their employees in Pakistan. The situation is likely worse in the country as a whole, as employers responding to the survey were mostly from large cities and of a medium to large size.

¹⁸ Refer to Chapter 3, Section 3.1. on challenges associated with providing childcare support and organizations not planning to provide childcare support.

¹⁹ Refer to Chapter 3, Section 3.1. on challenges associated with providing childcare support.

At the time of the preparation and publication of this study, COVID-19 continued to widen gender gaps and exacerbate the global care crisis. In normal times – and even more in this scenario – employers can play an important role to ensure the well-being of their employees and their families.

Investing in the well-being and productivity of working parents now can contribute to building and retaining a more resilient and skilled workforce, ensuring business sustainability, and enabling lasting recovery from the pandemic. The research showed that all employers offering childcare support and other family-friendly policies reported positive business outcomes associated with the provision of this support.

IFC published [Childcare in the COVID-19 Era: A Guide for Employers](#) in the wake of the COVID-19 crisis to help employers take action during these difficult and uncertain times. The guide outlines several ways in which employers can support parents during the pandemic and beyond. Employers can begin by better understanding and complying with government directives and guidance on childcare, parental and family leave, and other aspects during the pandemic. Employers are also advised to consult their employees and assess whether their existing workplace policies are helping them and their families. In case where gaps in support exist, employers may consider adapting existing or offering new policies.

Employers can also directly support their employees and the communities in which they operate in many ways:

- Provide childcare services to essential workers, such as those in healthcare, when allowed and feasible. For example, IFC client Artistic Milliners, a garment-manufacturing firm based in Pakistan, decided to allow children of essential services staff, including healthcare professionals and law enforcement officials, to use its childcare facility in Karachi free of charge—after agreeing to follow strict health and safety protocols. Initially, 20 children were to be accommodated at the childcare center.



- Enable home-based work (HBW) in the sectors and for the job roles where this is possible
- Offer flexible work options, even during HBW. These may include flexible hours/shifts, reduced hours, staggered start and finish times, telecommuting, and remote work from a different location, among others.
- Allow staff to take additional family leave, preferably paid, in light of school and daycare closures and family illness.
- Offer mental health support to employees as well as parent support workshops during the crisis. Keep employees up to date with latest information on the pandemic to minimize the spread of misinformation and provide guidance on accessing health information and benefits.
- Provide easy-to-use resources to help employees keep their children learning and engaged while out of school/childcare; many free resources exist online and can be converted to hard copy materials in instances where access to technology may be an issue.
- Demonstrate kindness, compassion, and flexibility while engaging with all employees, including working parents who are in many instances juggling extra childcare responsibilities along with home-based work and may require more time and effort to complete tasks.

While the COVID-19 pandemic has undoubtedly negatively impacted women, families, businesses, and childcare providers in Pakistan, it also brings opportunities associated with greater awareness of the importance of childcare solutions. This IFC-PBC research showed that demand for employer-supported childcare is strong among employees and beneficial to employers and families alike. In order to increase Pakistan's female labor force participation and bring it closer to the country's Vision 2025's goals, expanding the availability of affordable, quality childcare is essential. Building on the work of the employers and governments that already successfully support childcare and family-friendly workplaces in Pakistan, the country's private and public sectors are well positioned to advance these goals with support from other stakeholders, in a win-win situation for all.



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Annex

A. Employee Demand: Insights from Focus Group Discussions



Discussions with working parents revealed a high demand for employer-supported childcare solutions and more family-friendly workplaces in general. In an FGD in Karachi involving nine mothers of young children, two had recently quit their jobs because of family responsibilities. According to one of the mothers, “When we refuse to work extra hours/overtime, we are threatened with losing the job and asked to keep household issues separate from professional matters.” Parents cited heavy reliance on household-based childcare arrangements, having to seek care support from family members or neighbors. In some cases, participants reported having to leave their employment after giving birth due to the absence of a caregiver for the baby. The lack or limited availability of childcare centers was reported as one of the major reasons parents preferred home-based care arrangements.

Parents favored employer-supported childcare arrangements over private childcare facilities. They believe that unlike private centers, worksite daycares are more likely to be better controlled and managed (by companies), strictly follow policies governing staffing, operations and safety measures, and hold strong oversight and accountability for its offerings. Also, parents reported that knowing their child is taken care of by someone associated with the company they work for provides emotional satisfaction leading to better work performance.

Preferred type of childcare services

FDG participants with children in the 0-5 age group demonstrated a preference for on-site or near-site childcare facility support. Parents considered that such an arrangement would significantly reduce their separation anxiety with children in proximity to their worksite. They said it would reduce their stress levels and enable them to concentrate more, potentially leading to higher productivity. Mothers said that they would also be able to continue to nurse their infants.

A group of blue-collar working mothers suggested community-based childcare facilities closer to their home would work well for them, as they were reluctant to travel with their young children to factories located a long distance from their neighborhoods or placed greater trust in those close to them. “We do not trust people outside [our community or family] to look after our children,” said a mother participating in a focus group discussion in Quaidabad neighborhood of Bin Qasim Town in Karachi.

Significant demand for care services for school-aged children between 5-12 years of age was also reported. Parents explained there is a need for extended care and after-school programs for their older children. The option of community-based daycare/club was also proposed, so children could be cared for after returning from school within their neighborhood. Parents suggested that schools could also be part of the solution to provide specialized after-school extended care programs.

Factors determining quality childcare

For both mothers and fathers in the discussion groups, quality childcare guarantees children's physical safety and emotional wellbeing. Maintenance of children's health and hygiene comprises an essential part of care practices. According to a blue-collar working mother in a Karachi FGD, a good childcare center would be a place where "children feel a sense of comfort in spite of being away from home and face no torture or any form of violence." The importance of availability and provision of healthy and nutritious food was likewise underlined.

Parents also believed that educational activities offered at daycares should be guided by a set of structured guidelines or formal education curriculum. Some blue-collar employees also revealed their preference for incorporating religious teachings in addition to basic education services in daycare centers.

Participating employees deemed the hiring of qualified and trained caregivers a necessity. According to a white-collar parent in an Islamabad focus group, "House help cannot nurture [our] kids." Blue-collar mothers showed their comfort with engaging community-based caregivers, while white-collar parents said they needed private childcare centers to hold accreditation or licensing from reliable authorities to use their services.

Preferred hours for childcare services

Demand for non-traditional hours in childcare was reported, in addition to regular weekday hours. Besides full-time care, white-collar employees would like services to be available on a drop-in and part-time basis. Employees working in rotating shifts might not need care daily. Parents of older children wanted care arrangements after and before school hours.

Blue-collar employees cited that they work overtime on weekends and require weekend care for children. Also, their regular shift hours on weekdays may last 9-12 hours, so daycares needed to remain open until the evening to be useful to them.

Preferred types of financial support

Most parents sought employer-sponsored solutions, where the daycare cost is shared between parents and employers. Support through allowances for children above five years old to help parents enroll them in extra-curricular and sports activities would be welcome. Vouchers could be offered to give parents an opportunity to opt for a private daycare facility.

A few blue- and white-collar employees also proposed that the services offered be free-of-cost to working parents. Participants mentioned that parents from low-income backgrounds often cannot afford to pay for childcare, while others believed that childcare services should be provided to help incentivize employees.

Figure 13: Summary of Focused Group Discussion on Blue- and White-Collar Workers

Workers	Demand for Childcare Centers	Key Factors of Quality	Availability	Affordability	Demand for Family- Friendly Policies
Blue- and White-Collar	<ul style="list-style-type: none"> • Majority were nuclear families, both parents working. • Most prefer on-site employer-supported CCs as it allows children's proximity to parents during work. • Least preference for private facilities due to lack of trust among parents. 	<ul style="list-style-type: none"> • Maintenance of children's health and hygiene. • Availability of first aid and medical help/ assistance. • Availability of play areas and toys. • Safety & security. 	<ul style="list-style-type: none"> • Admission age range between 3 months and 6 years or until age of school entry. 		<ul style="list-style-type: none"> • Medical care benefits for family, including parents/in-laws.
Blue-Collar	<ul style="list-style-type: none"> • Parents who left children at home, unattended or under care of neighbors. • Some favored employer-supported community-based CCs. 	<ul style="list-style-type: none"> • Experienced caregivers, preferably females, polite staff or elderly women from community. • Engaging children in interactive learning activities along with Islamic teachings. 	<ul style="list-style-type: none"> • Duration of stay 9 to 12 hours preferably in sync with shift timings. 	<ul style="list-style-type: none"> • Parents with limited affordability to pay. • Some parents in Lahore requested free-of-cost childcare arrangements. • Parents in Karachi stated greater willingness to pay or preference for employer-subsidized arrangement. 	<ul style="list-style-type: none"> • Guaranteed minimum wage (both females and males) • Curb discriminatory recruiting practices, especially towards mothers. • Better benefits like paid paternity leave, transport, education & living quarters. • Awareness on prevalent laws on labor rights.
White-Collar	<ul style="list-style-type: none"> • Learning environment to support child's social and personality development. 	<ul style="list-style-type: none"> • Experienced caregivers, preferably female. • Engaging children in interactive learning activities • Licensing of centers. 	<ul style="list-style-type: none"> • Advanced care plans for children between 6-13 years. • The services should be available during the morning and evening timings. • Flexi timing to allow parents to use facility on need basis. 	<ul style="list-style-type: none"> • Most parents willing to pay depending on quality of service. • Majority of parents stated greater willingness to pay or preference for employer-subsidized arrangement. 	<ul style="list-style-type: none"> • Better benefits like earned leave, paid paternity leave, transport, education & loan facilities. • Flexible working arrangements (particularly for young mothers). • Mental health-related programs.

B. Government Regulations Promoting Family-Friendly Workplaces



Since devolution of authority to the provinces in 2010, Pakistan does not have a national law or regulation on employer-supported childcare. At the provincial level, adaptations of the (previously national) 1934 Factories Act and of the 1969 West Pakistan Shops and Establishments Ordinance are common. However, implementation challenges in this area are significant across the country.

Policy stakeholders interviewed for this study listed a variety of obstacles to the implementation of family-friendly policies in the workplace, with a focus on employer-supported childcare. Figure 14 describes some of the most common challenges cited by policy makers and influencers in this area.

Figure 14: Barriers to the Implementation of Family-Friendly Policies at Workplaces
Insights from Policy Stakeholder Interviews

Limited knowledge of existing family-friendly/childcare provisions among policy enforcement agencies and implementers.
Inadequate financial allocations to government departments responsible for raising policy awareness, providing support to employers and monitoring compliance.
Family-friendly policies are low on priority targets for law & policy enforcement institutions.
Lack of endorsement of existing legal acts from employers, associations and chambers.
Lack of awareness about the benefits of childcare for child development among different populations across various income brackets and employers.

Governments have different ways of encouraging and incentivizing employers with implementation of childcare support. Punjab offers an example of a provincial government that has taken progressive initiatives in this area. The Punjab Daycare Fund Society is one of these initiatives.

Punjab Daycare Fund Society (PDCF), Government of Punjab – Salient Features

- PDCF provides grants to public and private companies interested in establishing daycare centers.
- Grants are designed based on the principle of co-financing, with 70 percent of cost covered by PDCF and 30 percent of cost to be borne by the applicant.

- Grants are distributed under three categories based on the size of the room/building and the expected capacity of the childcare center.
- The grant can cover equipment & operational costs but cannot be used for construction.
- The grant covers one year of expenses per accepted candidate.
- Grants up to PKR 2.26 million are awarded.
- Private organizations and NGOs have to submit a financial guarantee of PKR 1 million.
- A Monitoring & Evaluation mechanism has been established; funds are only released after completion of a third-party evaluation report.
- Evaluation continues for three years after grant issuance.
- Source: PDCF Website: https://wdd.punjab.gov.pk/punjab_day_care_fund_society

C. Examples of Childcare Centers in Pakistan



During this study, the non-profit organization Teachers' Resource Center visited 22 childcare centers in nine locations (Karachi, Lahore, Islamabad, Peshawar, Quetta, Rawalpindi and Faisalabad) in Pakistan and interviewed their leadership. Below is a small sample of formal childcare centers featuring different types of administration, solely for information purposes.

1. High-End Private Childcare Facility: NigranCare, Islamabad

Established in 2014, NigranCare is a private childcare and development facility registered under Section 42 of the Companies Act. It is led by a female professional graduate of the London School of Economics in Social Policy and Planning. In November 2019, it enrolled 38 children (infants, toddlers and young children aged between 3 months to 12 years). Salient features include:

It centers on a Community Building Approach of bringing together working families, care providers, child development specialists and early childhood educationists to facilitate an enabling and fulfilling start in life for the children under its care.

- Aligned with like-minded families, the Early Years Foundation Stage (EYFS) 21 statutory framework is used to guide age appropriate literacy, learning and development, to enable the child in a holistic manner and delay the start of structured school as far as possible.
- The facility has at least three distinct learning corners equipped with creative, exploratory and learning equipment and materials, along with an outdoor and indoor space to play.
- It is an inclusive and safe space, where children with disabilities are accepted – as well as care givers from vulnerable/ disenfranchised backgrounds are enabled.
- Psychologists are periodically invited to talk with parents about children's needs and development.
- CCTV cameras are installed throughout the facility, to which parents get real-time access.
- Caregivers are provided with regular on-site training in areas such as teaching pedagogies, identifying signs of domestic child abuse, CPR, first aid and medical administration.

- The center is open 9 hours per day from Monday to Friday, and it also offers on-demand support late evenings and weekends.
- Fees are approximately PKR 15,000-20,000 per month; charges of an additional PKR 350 per hour apply for pick-ups after closing time.

2. Employer-Supported Childcare Facility: Pakistan State Oil Childcare, Karachi

Pakistan State Oil was one of the first public sector companies to establish a childcare center in 2008 for its employees (PSO, 2008). The center's administration is currently outsourced to a professional daycare management company, Catco Kids, which also provided technical assistance in the design of the facility. The center is staffed by a female professional trained and experienced in Early Childhood Development/Montessori. The administrator additionally is certified in Basic Life Saving (BLS), Basic First Aid and CPR. In November 2019, the center enrolled 30 children (infants, toddlers, and pre-school children). Salient features include:

- Follows Early Years Foundation Stage (EYFS) statutory framework to guide learning, development and care needs of children.
- Minimum of three learning corners equipped with learning materials, along with an indoor area to play.
- A dedicated health staff is employed for medical administration, particularly first aid.
- Caregivers with formal caregiving experience are employed and provided with on-site trainings in teaching pedagogies, identifying signs of domestic child abuse, CPR, first aid and medical administration.
- Hours of operations are 10-12 hours per day Monday to Friday.
- Monthly fee charges are paid by the company for its employees. However, additional fee is charged for bringing a child early or arriving late to pick up.

3. Employer-Supported Childcare Facility: Engro Daycare

Started in 2013, Engro Daycare Facility, situated in Karachi, is led by a female professional trained in Montessori with vast experience in childcare. In November 2019, the facility enrolled 19 children. Salient features include:

- Follows teaching philosophy based on the Finnish early childcare and developmental learning systems. There is a strong focus on child-led learning, early child development approaches emphasizing children's fun, play and happiness.
- Children with disabilities are accepted.
- Minimum of three learning corners equipped with a variety of developmentally appropriate toys, books, and learning material.
- Doctors are available on call in case of a health emergency and caregivers are trained in first aid, CPR and other areas of medical administration.
- Caregivers with formal caregiving experience are employed. The current childcare provider Ubuntu Care's staff includes personnel with over 7 years of international and local experience in the industry. Professional development trainings are provided to maintain staff's skills up to date.
- Hours of operation are 9.5 hours per day Monday to Friday.
- Fees are more than PKR 20,000 per month but are subsidized for all employees; there is an additional fee for early drop off or late pick up.



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