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# TACKLING CHILDCARE: The Business Case for Employer-Supported Childcare in Fiji

May 2019

AN INITIATIVE OF THE FIJI PARTNERSHIP





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The report was written by Sarah Twigg, IFC Gender Operations Officer, Lilika Fusimalohi, IFC Gender Program Coordinator Fiji, and Nhung Nguyen IFC Monitoring and Evaluation Consultant, under the leadership of Amy Luinstra, IFC Gender Lead in East Asia and the Pacific, with contributions from Rudaba Nasir, Ellen Maynes and Shabnam Hammeed.

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## Executive Summary

This study demonstrates the need and appetite for affordable, accessible and quality childcare services among working parents in Fiji. Each year, businesses and the public sector in Fiji are losing an average of 12.7 workdays per employee due to the responsibilities of working parents. Absenteeism, lateness, low productivity, distraction, exhaustion and stress – this is the struggle of juggling work and being a parent in a country where childcare options for children aged zero to five are limited, unregulated and inaccessible to most of the population.

As the population in urban centres rise, so too does the need for better support for parents. Increasingly distanced from traditional village and family support structures, working parents are seeking reliable alternatives to entrust with their child's care. Despite one in 10 Fijians being under the age of five, only a small minority of working parents in Fiji currently use a childcare service and services that do exist are largely unregulated. The lack of available and affordable childcare services is failing to meet the growing demands of families and this also has consequences for employers.

The aim of this study was to assess the childcare needs of workers across Fiji's private and public sectors and to determine the extent to which childcare responsibilities impact their ability to stay employed, come to work regularly, and work to their full potential. Based on those findings, and on global evidence on the business case for employer-supported childcare, the study provides recommendations for Fijian businesses and the Fijian Government for how to better support the needs of working parents.

Childcare is a development priority for the International Finance Corporation (IFC) given the many benefits it can generate for children, working parents and business. This work is part of a global initiative on employer-supported childcare that grew out of IFC's 2017 report *Tackling Childcare: the Business Case for Employer Supported Childcare*. That report demonstrated, through global evidence and case studies from ten countries, the benefits that can accrue to businesses when they support the childcare needs of their workforce.

IFC undertook a study of employees from both the private and public sectors. Seven private sector companies participated in the survey, representing Fiji's key industries. Collectively these seven companies employed 4461 employees as of December 2018. The study also covered all Government Ministries, representing 33,776 employees. A total of 2777 staff from the private sector (1775 survey respondents) and public sector (1002 survey respondents) completed the staff survey.

This study clearly demonstrates that childcare responsibilities are having significant impacts on mothers and fathers and their ability to consistently perform at work and focus on their job. The challenge of working and raising children in Fiji affects the choices they make about the type of work they do; the career goals they aspire to achieve; the hours they work and whether they stay in the workforce at all. Impacts are significantly higher for women who are often the primary caregiver for children. This poses a key constraint on women's participation and re-entry into the workforce, which is already a challenge in Fiji with just 37 percent of women formally employed in Fiji, compared to 72 percent of men<sup>1</sup>.



**Employers are losing 12.7 workdays per employee each year due to childcare responsibilities**

<sup>1</sup> <https://tradingeconomics.com/fiji/employment-to-population-ratio-15-plus--female-percent-wb-data.html>

## KEY FINDINGS FROM THE STUDY INCLUDE:

- Only eight percent of parents with pre-school age children included in this study use a childcare service. The majority rely on spouses or partners, other family members or unqualified babysitters to care for children while they attend paid work.
- IFC estimates suggest that across the seven private sector businesses, an average of 4.6 percent of work days are lost every four weeks due to staff being late, absent or distracted due to childcare responsibilities. This equates to 11.1 lost workdays per employee every year.
- The cost to business associated with this lost staff time ranges from \$89,000 Fijian dollars (USD\$41,000) to \$844,000 Fijian dollars (USD\$390,000) per year, depending on average staff salaries and the company's size. On average, lost staff time due to childcare responsibilities is costing employers as much as \$550,000 Fijian dollars (USD\$254,000) a year in total or \$1,000 Fijian dollars (USD\$460) per employee<sup>2</sup>.
- Impacts in the public sector are significantly higher than in the private sector, with an average of 6.4 percent of work days lost every four weeks, or the equivalent of 15.4 work days lost per employee each year due to childcare responsibilities.
- The challenges of juggling paid employment and childcare are particularly acute for new mothers when they return to the workforce after having a child. One hundred and thirty women from across the seven companies went on maternity leave during the 12 months preceding the survey, with an average of 21 percent leaving their employment within twelve months of returning. This reflects a significant loss to those businesses as well as to the women and their families.
- These findings come at a significant cost to employers – both public and private sector - in terms of lost productivity, high rates of absenteeism and turnover and challenges in recruiting skilled employees. Ultimately, it impacts their bottom line.

- Almost three-quarters of parents in the private sector and over half of those in the public sector said they would make use of a childcare center if one was available, provided it was of a high quality, affordable, and accessible.
- Parents identified potential benefits of having access to childcare services ranging from increased ability to concentrate at work and reduced stress and anxiety, through to better education, nutrition and health outcomes for their children.
- Formal childcare options are limited in Fiji. There are currently no regulations covering the provision of services to children below age five and there is limited oversight or monitoring of the childcare services currently available.

Based on these findings, this study demonstrates the business case for employer-supported childcare and outlines a range of possible actions for employers, the government and other stakeholders to support working parents in Fiji.

- *For employers* this includes having a range of options available that parents can access to best suit their needs. This can range from flexible work options and making appropriate workplace adjustments, through to an on-site childcare center if employee demand and business need warrants it.
- *For the government* an important first step will be to establish a coherent policy and regulatory framework to ensure all childcare services in Fiji are safe, of a high standard and accessible to everyday Fijians.
- *Collaboration is key.* Options for the public and the private sector to work together to increase the provision of childcare services should be explored to ensure sustainability and quality of services.

There is no 'one size fits all' approach to childcare but collaboration between government and private sector can and have yielded sustainable results and a range of benefits in other countries and Fiji has the potential to achieve the same.

<sup>2</sup> Average loss calculated from data provided by four participating companies



This study was carried out with Government Ministries and across seven private sector companies in key sectors in Fiji.

*Our thanks to the Government of Fiji and these participating companies*



Fiji National Provident Fund



Grand Pacific Hotel



Magi Enterprises Fiji



Mindpearl Fiji



RCL Services



Vinod Patel Group



Westpac Bank Fiji





# 1. Introduction

By improving private sector working conditions in developing countries such as Fiji, IFC can help countries support a skilled workforce, drive gender diversity and increase labor force participation among women. This in turn helps increase overall business growth. To achieve sustainable growth, we must take a holistic approach to identify the key constraints and opportunities that exist in these markets.

Childcare is a development priority for the IFC because of the many benefits it can generate. IFC's work globally on employer-supported childcare has shown that childcare can be a win-win solution for employees, companies and economies. It has also highlighted lessons for helping companies and employees get the most out of any childcare intervention.

In August 2018, IFC launched an initiative to explore how employer-supported childcare solutions could benefit employers and employees in Fiji. This initiative grew out of IFC's 2017 *Tackling Childcare: the Business Case for Employer-Supported Childcare*<sup>3</sup> report, which demonstrated, through global research and case studies from ten countries, that a lack of quality and affordable childcare for employees can translate into higher turnover, absenteeism, and lower productivity. It can also lead to difficulties in recruiting skilled employees.

IFC's 2018 *The Business Case for Employer-Supported Childcare in Sri Lanka*<sup>4</sup> report further demonstrated the benefits of supporting the childcare needs of staff across 10 companies in Sri Lanka. The study found that childcare and early childhood programs are critical to economic development going forward.

This report presents the findings and recommendations of this initiative undertaken in Fiji and provides a compelling case for employer-supported childcare as a catalyst for many benefits to business, government, families and the broader economy.

Global evidence shows that poor access to quality childcare poses a key constraint on labor force participation of parents. Limited access to reliable childcare options affects the choices parents make,

their ability to participate in the workforce, their productivity at work and their career progression. This is particularly true for women as they are more likely than men to take on most childcare responsibilities. Reducing women's care responsibilities through increasing access to quality childcare services could be a major driver for women's participation in paid employment in Fiji.

Currently very few employers in Fiji offer any type of childcare support. Nor do they have access to information on what they can do to support parents or how their company might benefit from doing so. By offering a range of childcare supports, employers can expect to experience a range of benefits. These include reduced absenteeism and turnover among workers with young children, enhanced employee concentration, motivation and productivity, improved ability to recruit, and improved outcomes for children. Employers should view the issue of caregiving through the lens of talent management, rather than as another potentially expensive benefit.

It is worth noting that children also stand to benefit from greater access to quality childcare. Evidence suggests that a child's first three years are fundamental to their optimal health, growth and brain development. Early stimulation and interaction with parents and qualified caregivers can be the first step towards a lifetime of learning and developing into productive adults.

For the Fiji Government there are also strong motivators for action. As the largest employer in Fiji, the public sector stands to reap significant gains in productivity and staff morale through the provision of childcare services for its workforce. Having made recent strides in supporting working parents, through increasing paid maternity leave from 84 to 98 days, introducing five days paid paternity Leave, and five days of paid Family Leave<sup>5</sup>, the time is right to modernize their policy framework to set the standard of childcare service and safety that parents will be comfortable with.

There are also important gains for the human and economic development of Fiji as a whole. Policies, programmes and other support that enables parents and caregivers to provide the best

<sup>3</sup> IFC's 2017, *Tackling Childcare: the Business Case for Employer-Supported Childcare*

<sup>4</sup> IFC 2018. *The business Case for Employer-supported Childcare in Sri Lanka*

<sup>5</sup> Pursuant to the Employment Relations (Budget Amendment) Act 2018

start in life for their children pay off in healthier, better educated children, a better equipped workforce and more sustainable growth<sup>6</sup>.

This report demonstrates that there is a strong business rationale for employers in Fiji to provide support to working parents. The report examines the types of childcare support working parents in Fiji's private and public sectors currently use, with a focus on pre-school age children (i.e. age five and below). The report demonstrates how these current arrangements impact parents' attendance and performance at work, and the impact this has on productivity. Finally, the report identifies opportunities for increasing the supply of formal childcare services in Fiji and identifies a range of potential responses available to employers to help support the childcare needs of their workforce.

## A child's first three years are fundamental to their optimal health, growth and brain development.

<sup>6</sup> [https://www.unicef.org/earlychildhood/index\\_100863.html](https://www.unicef.org/earlychildhood/index_100863.html)

## Study Methodology

### Private Sector

Seven companies, collectively employing 4461 workers, participated in the study. Participating companies were Fiji National Provident Fund; Grand Pacific Hotel; Magi Fiji; Manufacturer for Kookai; Mindpearl Fiji; Recoveries Corporation Limited; Vinod Patel; and Westpac Bank Fiji. These companies were selected based on their commitment to supporting working parents and their willingness to contribute staff time to participate in the study. A deliberate attempt was also made to ensure most of Fiji's key sectors were represented, including banking and finance; back office processing; garment manufacturing; hotels; and retail.

The private sector study employed a mixed method approach, using the following three data sources:

1. Human-resources data from each of the seven companies relating to employee demographics, absenteeism, turnover, and uptake of parental leave;
2. Employee survey completed by 1775 employees across the seven companies. The survey was conducted during November and December 2018; and
3. Focus group discussions with mothers and fathers at each of the seven companies. A total of 28 focus group discussions were held across the seven companies, with 154 women and 81 men.

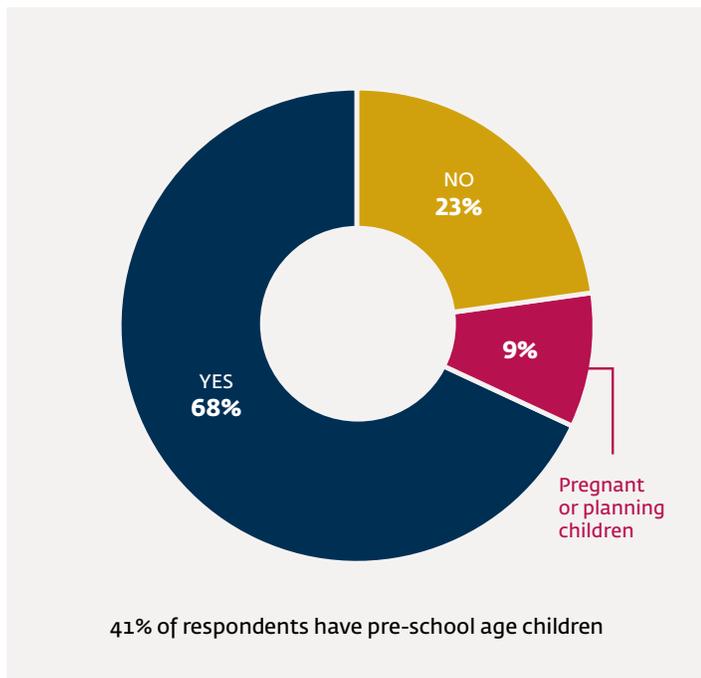
Figure 1 - Share of Female and Male Respondents (private sector)



Of the 1775 private sector survey respondents, 63 percent were female and 36 percent male (Figure 1). This is slightly higher than the average female / male population across the companies – of the total 4461 employees, 54 percent are female and 46 percent male. This is also different to Fiji’s general population, which is approximately 49 percent women and 51 percent men<sup>7</sup>. Most respondents were aged between 25 – 34 (46 percent), followed by 35 – 44 years old (25 percent) and 18 – 24 years old (15 percent).

Two-thirds of survey respondents (68 percent) have dependent children and 41 percent of all respondents have pre-school age children (Figure 2). This equates to 728 survey respondents with pre-school age children (aged zero to five). The results presented in this report reflect responses from this group of employees, as they are presumed to be the most impacted by childcare responsibilities.

**Figure 2 - Share of private sector survey respondents with dependent children**

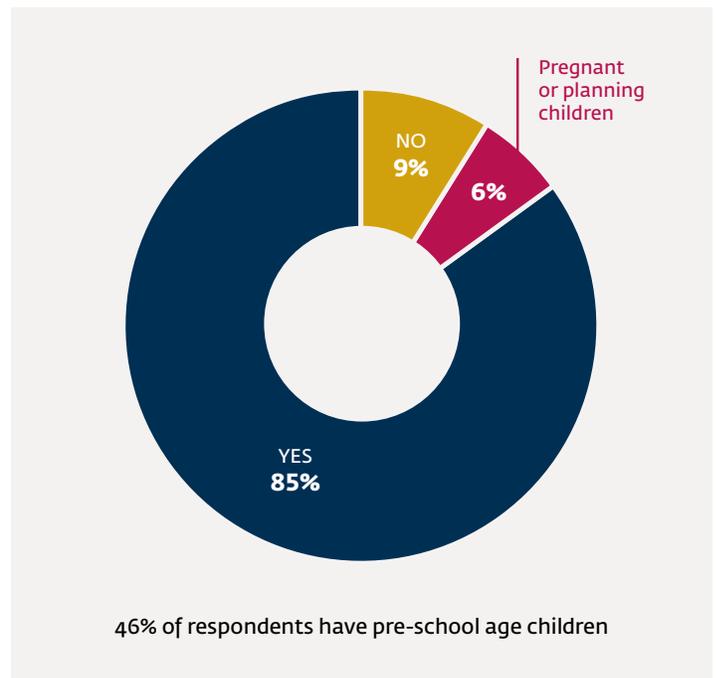


**Public Sector**

The same staff survey that was conducted across the seven private sector companies was also made available to all public sector employees with access to a government email address (approximately 7,500 employees out of a total employee base of 33,776). Focus groups were not conducted with public sector employees.

One thousand and two (1002) public sector employees responded to the survey between December 2018 and March 2019. Of those who responded, 69 percent were female and 31 percent male. More than 90 percent of respondents have dependent children or are planning children in the near future, and 46 percent of all respondents have pre-school age children (Figure 11). On average respondents in the public sector survey have more children than those in the private sector – with 2.6 children per respondent compared to 2.1 children among private sector respondents.

**Figure 3 - Share of public sector respondents with dependent children**



<sup>7</sup> Fiji Bureau of Statistics, 2017 Census Results



“ I haven't progressed in my career path since I had kids, because there is so much time I have to devote to my kids' safety and development ”

Artika Lal - mother of two  
*Credit Assistant*  
*Westpac Bank Fiji*

## 2. Impacts of Child Care Responsibilities on Private Sector Employees

### Findings

#### Existing Childcare Arrangements

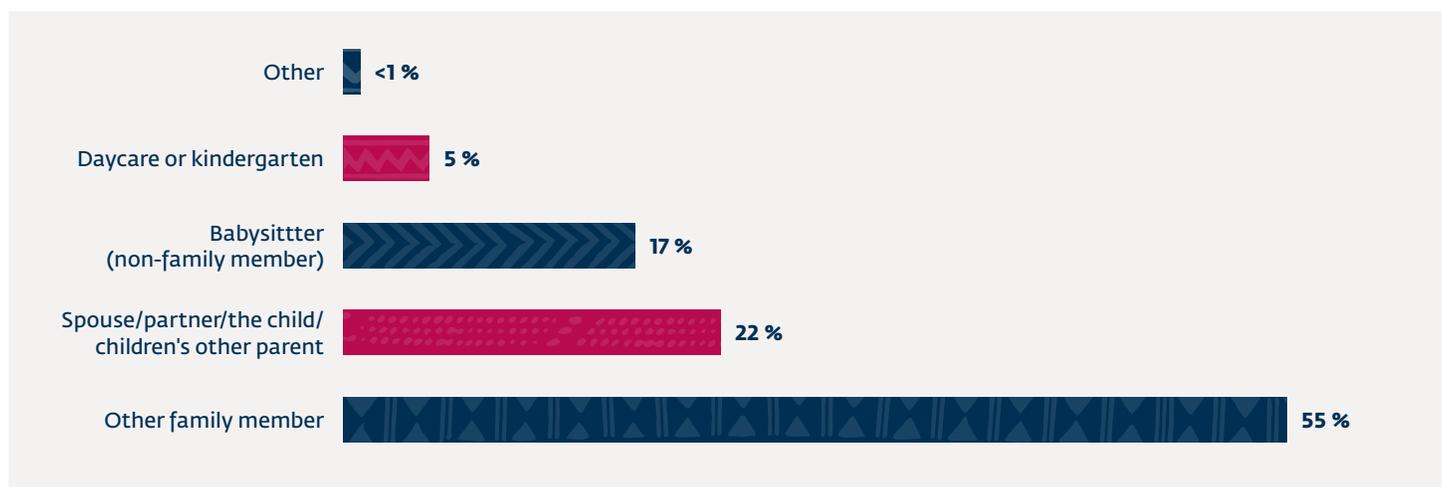
Few families (5 percent) report using formal childcare services for their pre-school aged children while they are at work. Most children (75 percent) are looked after in their own home. One-fifth (22 percent) of pre-school aged children are looked after by a spouse, partner or the children's other parent and over half (55 percent) by another family member (Figure 3).

When asked why so few parents use formal childcare services, parents expressed a wide range of reasons. These included:

- **Too expensive.** One worker noted "childcare centers are a choice for the rich." By contrast many reported they don't pay their family caregiver or, if they do, it's in the form of groceries or other in-kind forms of payment.
- **Quality of care.** Many parents raised concerns about the quality of care offered in formal daycare centers. This included concerns that staff do not have adequate training, high children to staff ratio, the buildings, facilities and programs are very poor quality, and childcare centers not following adequate hygiene, safety or nutritional practices.
- **Accessibility and availability.** Several parents noted that there are no childcare centers near their home or work, or that the centers which exist do not operate during hours which align with work hours. Others noted that some centers have restrictive entrance criteria, which excludes children younger than 2 or those who can't 'walk and talk'.
- **Lack of awareness.** Among some parents there was low awareness of what kinds of service a childcare center provides or whether any were available in their area.
- **Lack of trust.** Related to the concerns around quality of care and low awareness of what childcare centers offer, parents expressed a lack of trust in having a 'stranger' care for their children and a widespread perception that children are safer at home with family members. This perception is perpetuated through word of mouth from colleagues who have had negative experiences using a childcare center.
- **Disability.** Parents also noted that for children with a disability, it can be particularly difficult to find any form of specialized care or support.

One hundred and thirty (130) women from across the seven companies went on maternity leave during the 12 months preceding the survey. At the time this study was conducted, employers

Figure 4 - Current care arrangements for pre-school children (private sector)



were required to provide 84 days of maternity leave. Most of the companies provided the statutory minimum only. On average 21 percent of women who went on maternity leave left employment within twelve months of returning – ranging from none at one company, to almost half (43 percent) at another. This suggests that many women find it difficult to balance the competing demands of work and childcare, particularly in the early years of a child’s life.

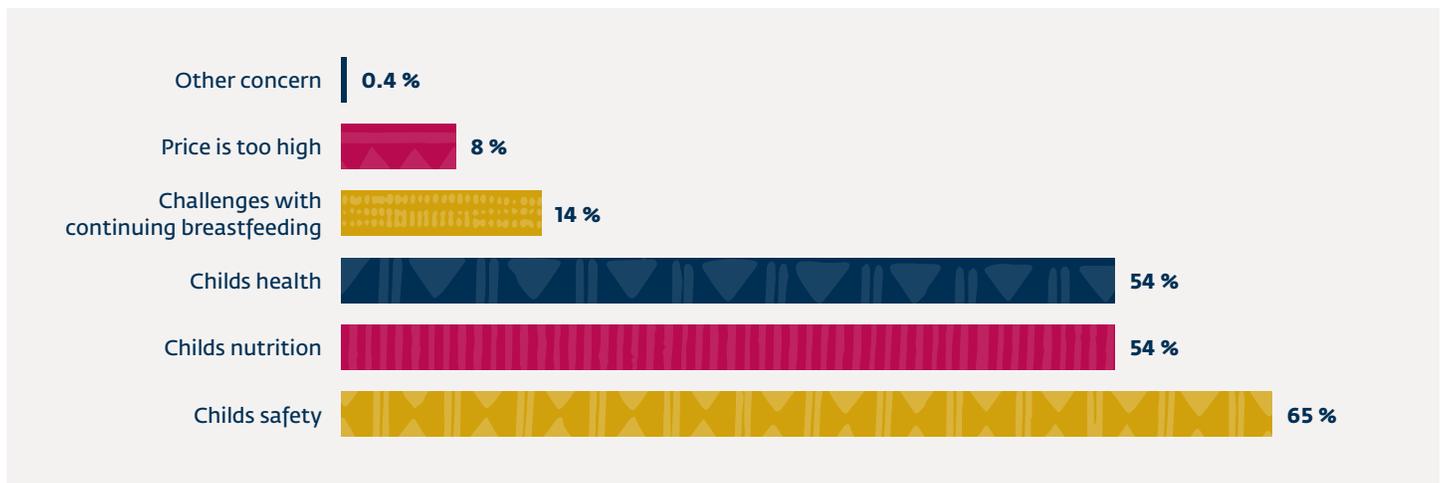
### Satisfaction with Arrangements

Forty percent of parents with pre-school age children report being very satisfied with their current childcare arrangements, while one in ten are somewhat or very dissatisfied. Just over half (53 percent) report that their children are well cared for, while 41 percent said they are well cared for only some of the time. Parents noted a range of concerns with their current arrangements. Two-thirds of parents noted concerns for their children’s safety and slightly more than half (54 percent) noted concerns about their children’s nutrition and health (Figure 5). While parents generally report being satisfied with current arrangements, most experience a range of concerns. During focus group discussions, parents elaborated further on these concerns. These include:

- Poor communication between parents and caregivers is common and leads to lack of trust.
- Family or other babysitters can be unreliable and don’t always show up regularly or on time.
- The high levels of child abuse in Fiji<sup>8</sup> affect perceptions and can lead to parents being worried about their children’s safety or doubting their current arrangement, even where there is no evidence to suggest their child is at risk.
- Many parents raised concerns about lack of knowledge related to nutrition among caregivers, noting things like “babysitter and caregiver think that baby should eat what they eat and fail to give special food to children.” This reflects a wider concern common among parents related to the low level of skills, education and training among most caregivers, including family members.
- Exposure to alcohol or drugs when children are home with relatives was also expressed as a concern.

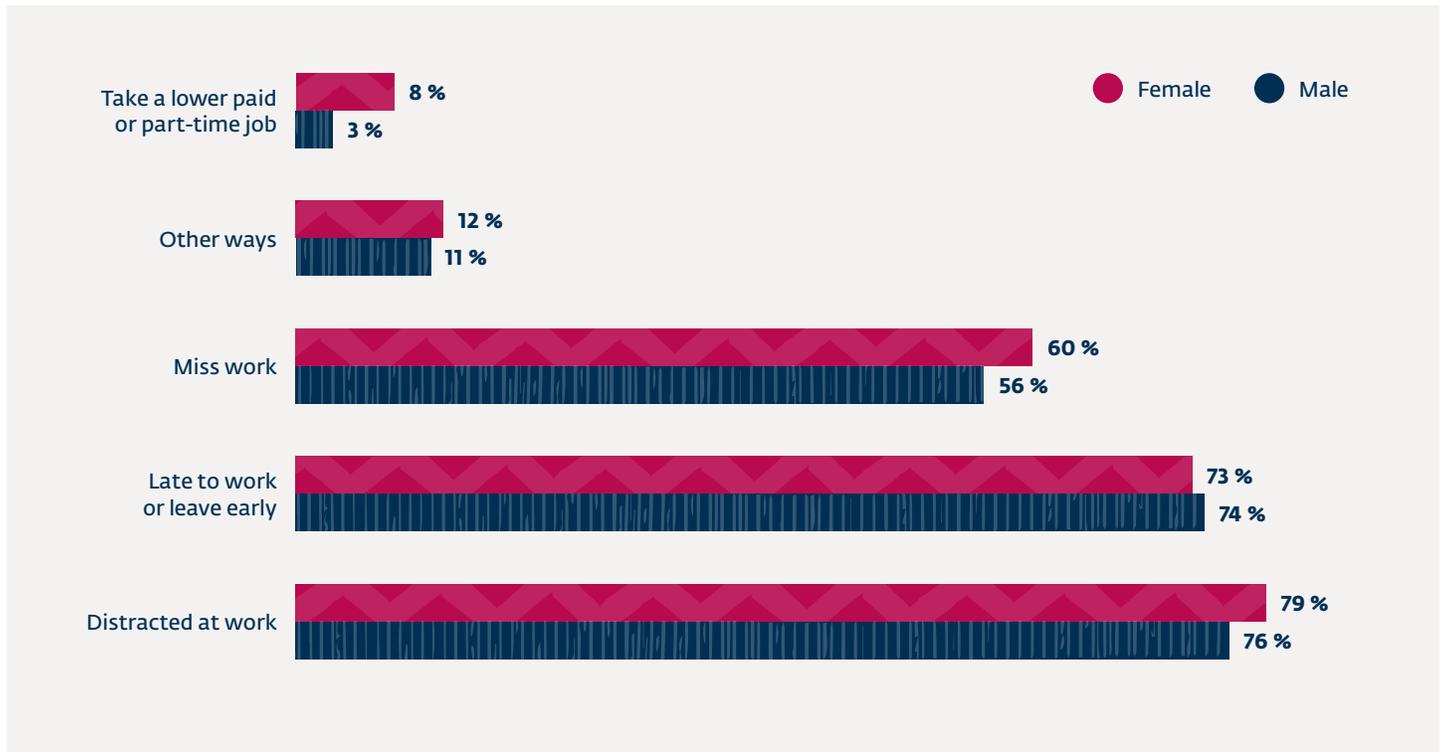
Few parents report having reliable back-up arrangements if their regular childcare falls through or if their child is sick, with little difference between women and men. This is a major contributor to care-related absenteeism. Almost half of parents (45 percent)

Figure 5 - Concerns with current childcare arrangements (private sector)



<sup>8</sup> The 2008 UNICEF Baseline Report for creating a future free from violence, abuse and exploitation of girls and boys in Fiji, found that 72 percent of respondents admit to physically hurting children in the household. The report also found that children are at risk in spaces they occupy most of the time (home and school), and around people known to them. According to UNICEF indicators, 72 percent of children age 1 – 14 experience violent discipline (either psychological aggression and/or physical discipline) each month (<https://data.unicef.org/country/fiji/>).

Figure 6 - Reported Impacts of Childcare Responsibilities on Work (private sector)



said they do not have any back-up arrangements, while slightly over one-quarter (28 percent) said they always have a back-up arrangement. Some parents noted they have limited options for childcare. In the words of one female employee, “babysitters tend to dictate things at home, we go with it because we need the babysitter, otherwise we can’t go to work.” Parents emphasized that it can be very difficult to find babysitters, and even harder to find someone as a back-up, if their regular caregiver is unavailable.

## Two-thirds of parents noted concerns with their current child care arrangements

### Impact of Childcare on Work

Results from the employee survey indicate that childcare responsibilities heavily impact employee’s work; 83 percent of parents of pre-school age children reported that their care responsibilities impact their work. Women report slightly higher impacts than men, but both mothers and fathers report widespread impacts on their ability to work to their fullest (Figure 6). Feedback from staff reflected that although 40 percent said they were generally happy with their regular childcare arrangements, these often fell through and parents generally did not have back up arrangements available. Parents also suggested that they didn’t have options and so tended to make the most of whatever care they had available.

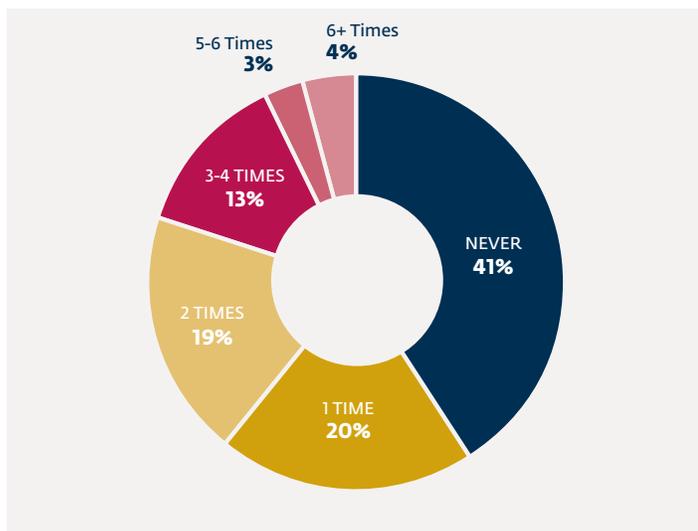
The most common ways childcare responsibilities impact work are as follows, with little difference between men and women overall:

- **parents being distracted during the day** – 78 percent of parents with pre-school age children reported this to be the case;
- **parents being late for work or causing them to leave early** - 73 percent of parents with pre-school age children reported this to be the case; and
- **parents missing work** – 59 percent of parents with pre-school age children reported this to be the case.

**ABSENTEEISM**

Almost six out of every ten parents reported being absent from work at least once in the previous four weeks, and one in five reported being absent three or more times (Figure 7). The main reasons parents gave for missing work were children being sick or babysitter not showing up. Several parents reported ‘Monday fever’ with babysitters often being absent on Mondays. Many parents also noted taking time off work at the start of the school term to buy new school uniforms and stationary.

**Figure 7 - Frequency of absence in previous 4 weeks due to childcare responsibilities (private sector)**



Focus group participants talked about the issues that being absent from work can have both at work and at home. This included:

- Participants frequently talked about feeling ashamed for having to miss work so often due to childcare responsibilities. In the words of one worker, “my absence causes work overload on my team members and I often feel bad or ashamed about it.”
- Increased workload comes from missing a day or more of work and this can lead to work overload or missing lunch to catch up.

Generally, participants noted that leave taken to care for children is deducted from annual leave or is unpaid if all annual leave has been used. Participants noted that in most cases sick leave was not available to care for sick children. Parents noted that this means they also have less annual leave to spend with their children and, as a result, face extra stress by deciding between their child’s welfare and losing their pay if they miss work. Some participants said they would feel uncomfortable calling to tell their supervisor why they will be late, so they resort to taking the full day off instead and not being paid or using up annual or sick leave. In some cases, employees were able to make up missed work on another day, however this varied by company, job type and the individual manager. The new Family Care Leave, which entitles all workers to an additional five days of paid leave, should help to reduce some of this lost time<sup>9</sup>.

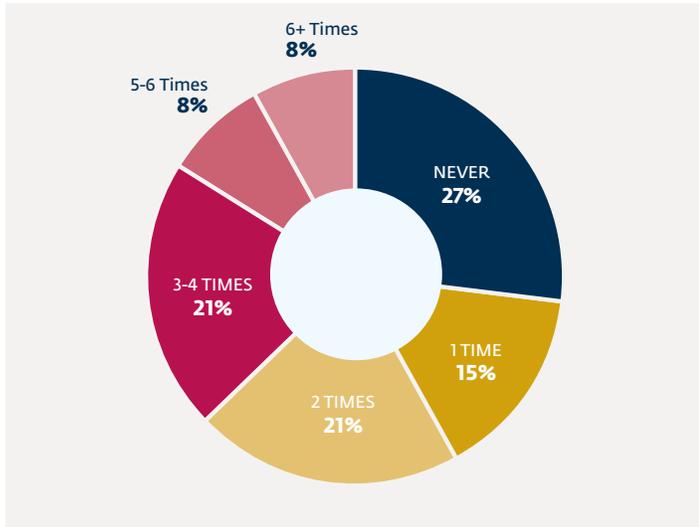
**ARRIVING LATE OR LEAVING EARLY**

High numbers of parents reported arriving late or leaving early to manage childcare responsibilities, with little difference between women and men. Almost three-quarters of parents (73 percent) reported being late or leaving early at least once in the previous four weeks, while more than one-third (37 percent) reported they were late or left early three or more times (Figure 8).

Focus group respondents reported they are often late to work or leave early because the babysitter isn’t on time or leaves during the day to attend to a personal matter, or a sick child needs to be cared for or taken to see a doctor. Participants talked about the stress this can create as work piles up when they are away from their workplace.

<sup>9</sup> As of January 2019, all employees are now entitled to an additional five days of Family Care Leave, pursuant to the Employment Relations (Budget Amendment) Act 2018.

Figure 8 - Frequency of lateness in previous 4 weeks due to childcare responsibilities (private sector)



Some participants had positive experiences with supervisors allowing them to make up the time another day or on the weekend, or swap shifts with another colleague, although this varied widely across participating businesses and was often dependent on the manager. In most cases, participants noted that their pay was deducted to reflect the reduced hours. In some instances, leave is granted but it can take a few hours for it to be approved, which parents noted can be frustrating when children need immediate attention.

**LOW PRODUCTIVITY**

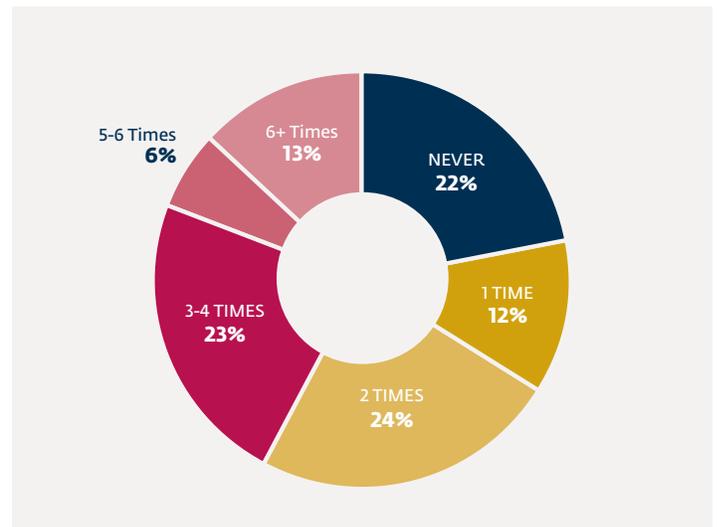
Being distracted was the most common impact on work reported, with relatively small differences between the impacts reported by women and men. This leads to reduced productivity and can also increase stress and anxiety among parents. More than three-quarters of parents reported being distracted at least once in the four weeks prior to completing the survey due to childcare responsibilities, with most having been distracted more than once. Almost one-quarter (23 percent) reported being distracted three to four times, and more than one in ten report being distracted more than six times in the preceding four weeks (Figure 9).

**what can be achieved in 3 days takes the whole week**

Parents talked about how distraction, due to childcare responsibilities, impacts their work, including:

- high levels of stress or ‘moodiness’
- not being thorough and making mistakes
- low productivity, or in the words of one office worker “what can be achieved in 3 days takes the whole week”
- poor customer service, slow at providing service, and sometimes being rude to customers
- feelings of shame that others must pick up their workload when they are not performing at their fullest

Figure 9 - Frequency of being distracted in previous 4 weeks due to childcare responsibilities (private sector)



## Estimating the cost to business

Using the self-reported data from the survey, below are estimates of the overall days lost due to parents (both with pre-school and older children) being distracted, late for work (or leaving early) or absent due to childcare responsibilities. More detail on how these productivity losses were calculated is included in Annex A.

Combining the three forms of self-reported impacts on work, we estimate that across the seven businesses, a total of 4,145 work days are lost every four weeks due to staff being late, absent or distracted due to childcare responsibilities. This equates to 4.6 percent of work days lost every four weeks across all staff, or the equivalent of 11.1 missed work days per employee every year.

Using average salary data from four companies we were also able to calculate the average cost to companies associated with lost staff time due to childcare responsibilities. These costs ranged from 89,000 Fijian dollars at one company to 844,000 Fijian dollars per year at another. On average, lost staff time due to childcare responsibilities costs companies as much as 550,000 Fijian dollars per year in total, or 1,000 Fijian dollars per employee.

## Employee Preferences for Childcare Supports

Information on what type of childcare supports would be most welcomed by parents of pre-school age children was collected through the staff survey and focus group discussions. This section highlights the most common support requested.

### CHILDCARE CENTER

There was widespread support among survey respondents for access to a high-quality formal childcare service: 72 percent of respondents with pre-school age children said they would make use of a center if one were available. Most parents (71 percent) preferred the idea of a childcare center close to work, while a large number also said they would use one close to home if it were available (60 percent). Many parents (64 percent) noted they would need transportation assistance to get children to and from any new childcare center.

Feedback during focus groups highlighted some of the benefits parents envisaged from having a childcare center, particularly one located close to work. These include:

- reduced absenteeism and lateness
- working better with the knowledge their children are well and safe in a center close to their work
- improved sense of safety for children
- easier drop off and pick up
- lactating mothers to continue breastfeeding during the day
- ability to check on children during the day to make sure they are happy and well cared for
- partner (wife or husband) to also find work, bringing in additional income for the family
- easier and quicker to attend to children if there is an emergency
- wanting care for children as young as 3 months old through to afterschool care
- better child development opportunities and education for their children

Survey results show that most parents are paying an average of 60 Fijian dollars per week for their current childcare. Feedback from focus groups suggest that this is often in the form of in-kind payments – buying groceries or paying school fees for the caregiver’s children. Parents were also asked what they would be prepared to pay to access a formal childcare service. On average, parents were willing to pay 64 Fijian dollars per week for a high-quality, accessible childcare service (Figure 10). This is an important finding, as it indicates that parents place a clear monetary value on this type of service and are willing to pay to use it.

### CHILDCARE SPACE AT WORK

Focus group participants with school-aged children talked about the benefits of having a child-friendly room at work where children could come and wait for their parent’s after school or where children could spend time if the babysitter doesn’t turn up. Parents noted that if their employer hired a trained caregiver to watch the children



Figure 10 - Parents reported current payments per week for childcare services and willingness to pay to access a childcare center (private sector)



in that room, they would be happy to pay when they used it. One participant noted that “most mothers would be happy to make this financial commitment to allow them less pressure and stress at work.” Many female participants noted they would like to have a lactation room or other breastfeeding support at the workplace.

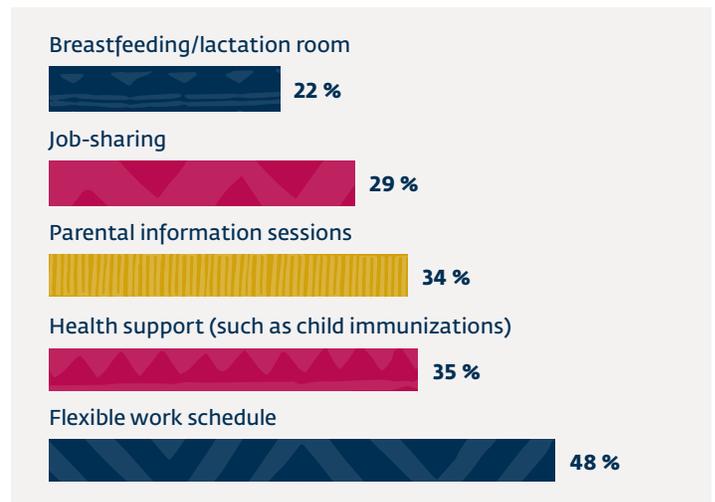
**FLEXIBILITY**

There were a range of other supports that parents identified as being useful (Figure 11), with flexibility being most sought after: almost half of parents (48 percent) indicated they would like greater flexibility in their work schedule. Almost one-third of respondents noted they would be interested in exploring job-sharing arrangements, which is one form of flexibility that could be explored by some companies. Focus group participants talked about flexibility in a variety of ways, including:

- Flexible hours, including the ability to work from home or part-time. This was particularly emphasized for nursing mothers.
- Adjusting shift times to start later or finish earlier to be able to drop children off or collect them from school or daycare.
- Allowing extra leave days at the beginning or end of school term to buy uniforms and school supplies and to attend end-of-year concerts and prize giving.

- Condensed hours, such as working 40 hours across fewer days, which would allow workers to have more time at home with children.
- For those in administrative or professional roles, provide options to work from home, including making up missed time.
- Being able to make up time on another day if leave is taken or if a staff member starts late or leaves early.

Figure 11 - Childcare-related benefits as identified by survey respondents (private sector)



## OTHER TYPES OF SUPPORT

Many focus group participants talked about having paid parental leave days or some form of special leave that could be used if a child is unwell or if care arrangements falls through. This could include being able to use a child's medical certificate as justification for taking sick leave or having special leave at the start and end of the school year. The recent introduction of five days of 'Family Care Leave' should help to alleviate some of this pressure for parents. Some focus groups expressed concern that they were not trusted by human resources or were made to feel bad when asking for time off to care for children.

One-third of parents said they would like additional support for accessing child health services. Suggestions included, having a dedicated health day for check-ups for workers and their children and provision of first aid training for workers and their care givers.

Parental information sessions were another benefit requested by one-third of respondents. Feedback from focus group discussions indicated the types of topics that would be useful, including:

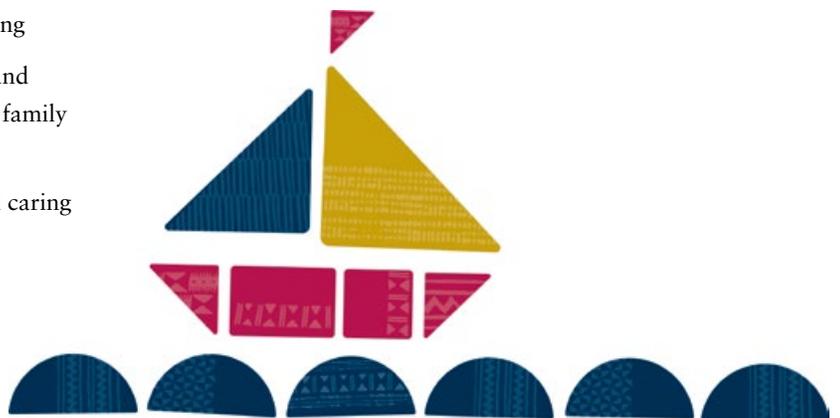
- education for new parents around how to care for a newborn as well as self-care for new mothers. This could include information around breastfeeding and hygiene related to expressing milk
- education on child nutrition and first aid
- education around early childhood development
- guidance on good parenting techniques
- mentoring by older parents for new parents (both mothers and fathers suggested this)
- career management for how to balance work and parenting
- parent's groups to share information and discuss family and social issues affecting staff and how to balance work and family life
- training on time management - how to balance work and caring responsibilities and how to manage stress.

## Employer responses

Each of the companies that participated in this study are now exploring opportunities to respond to the issues raised by their staff. These include:

- exploring options for integrating an on-site childcare center into the building plans for a new work site and looking for an external provider who could operate this. Some of the companies who are based in a similar location are exploring the options for a joint service to be operated by an external provider and shared across the businesses
- setting up an employee resource group for parents, to create a safe and supportive space for parents to share information
- exploring options for creating a space within the worksite for emergency back-up care or where children can come after school to wait for their parent to finish work
- offering educational sessions for parents and caregivers on weekends

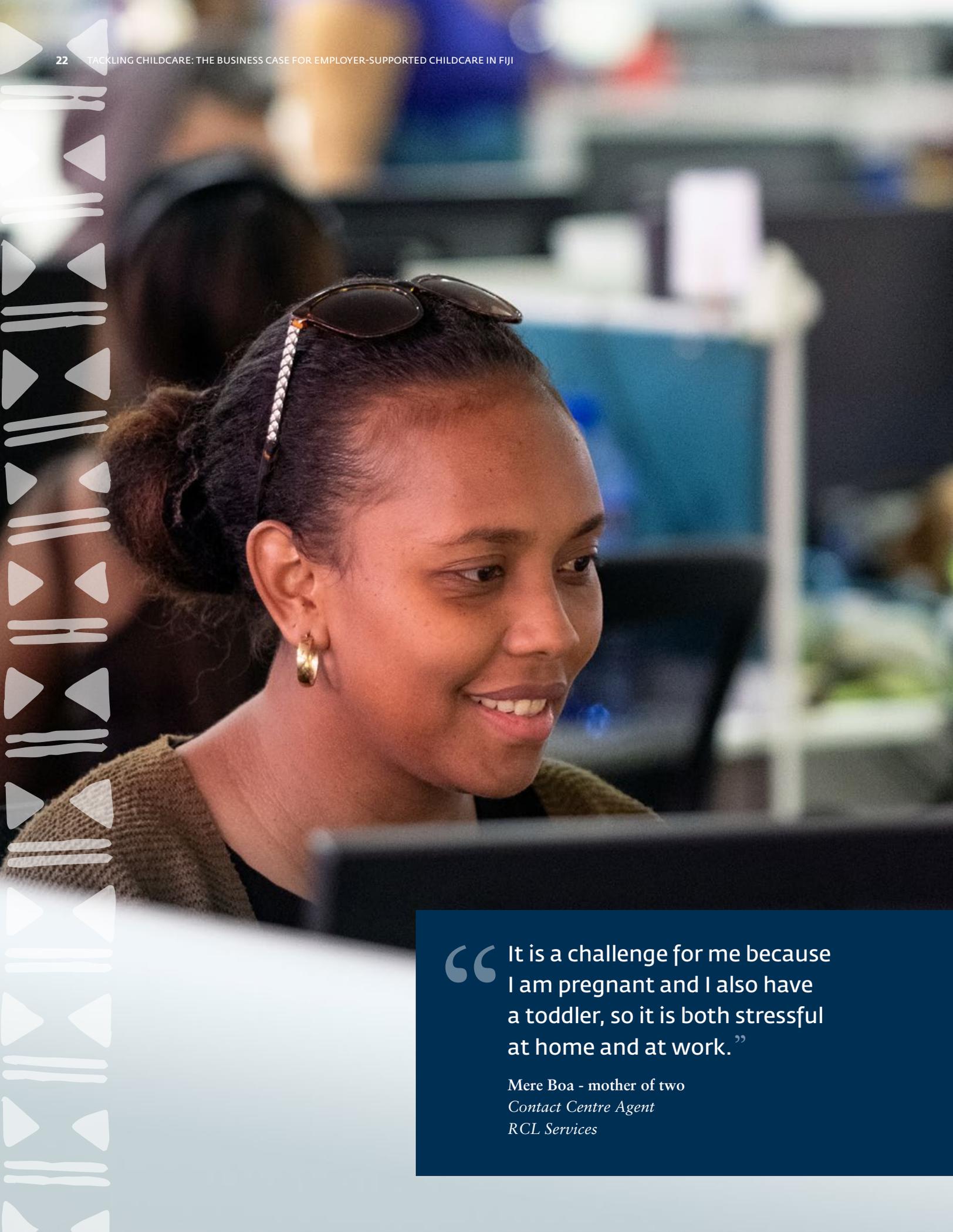
**83% of parents of pre-school age children reported that care responsibilities impact their work**





“ You have to do a lot of juggling in your mind when children are away from you ”

Atlesh Sharma – father of three  
Team Leader Financial Reporting  
Fiji National Provident Fund



“ It is a challenge for me because I am pregnant and I also have a toddler, so it is both stressful at home and at work. ”

Mere Boa - mother of two  
*Contact Centre Agent*  
*RCL Services*

### 3. Impacts of Child Care Responsibilities on Public Sector Employees

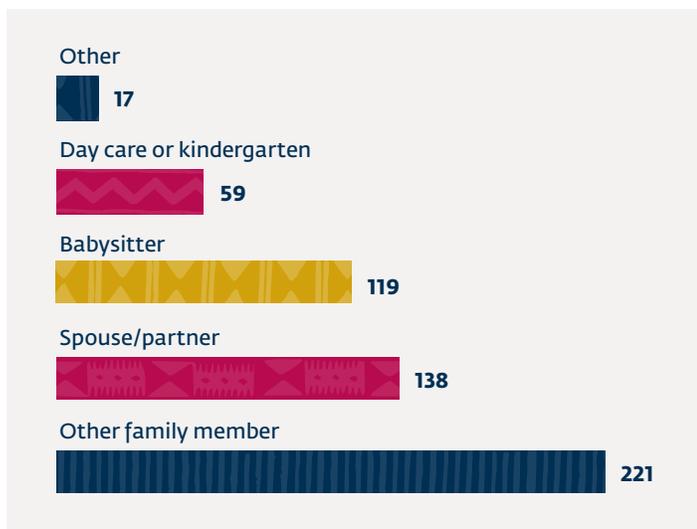
This section includes a summary of results from the 1,002 public sector employees who completed the staff survey, making comparisons with the private sector survey where relevant. Focus groups were not conducted with public sector employees.

#### Findings

##### Existing Childcare Arrangements

Most parents (65 percent) in the public sector make use of a family member or a spouse/partner to care for children while they are at work (Figure 12). A higher proportion of public sector employees than private sector use a babysitter (26 percent compared with 13 percent) or kindergarten (13 percent compared with 5 percent). Some parents noted in the survey that they have an arrangement with their manager that they can bring their children to work for whole or part days if they need to. For example, one parent noted that their child goes to kindergarten for half the day and then spends the afternoon at work. This type of arrangement was less common among private sector employees.

Figure 12 - Type of care used by parents with pre-school age children (public sector)

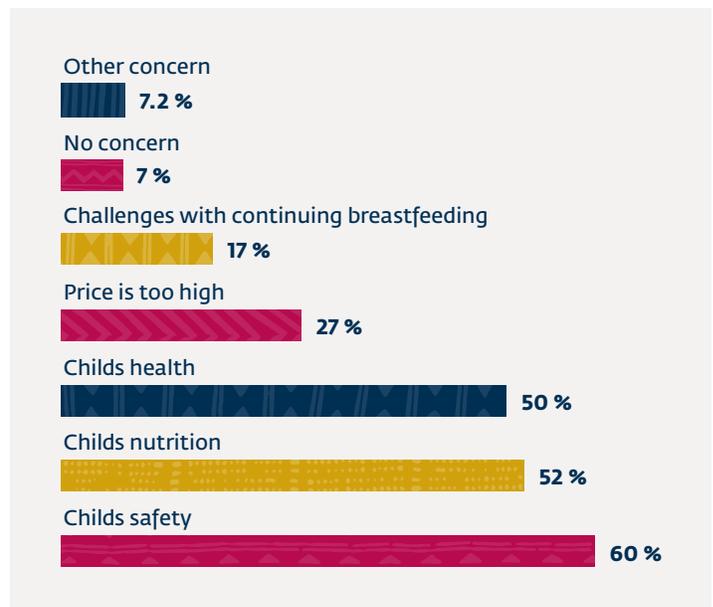


Note: Respondents were able to select more than one type of care, as many parents reported using a combination of care types.

##### Satisfaction with Current Arrangements

Overall public sector respondents were slightly less satisfied with their current care arrangements than those in the private sector. This finding is strongly associated with those parents who use a day care center, kindergarten or a babysitter. Only one-quarter of those using childcare and one-sixth of those using a babysitter were satisfied with their arrangement. Almost two-thirds of parents reported concerns about their child's safety and around half reported concerns with nutrition and their child's health (Figure 13). These were also the top three concerns raised among parents in the private sector. Education and learning were also a key concern among public sector respondents (23 percent reported this to be a concern), more so than for private sector respondents (5 percent).

Figure 13 - Parent's concerns with current care arrangements (public sector)



Less than one-third of parents reported having a reliable back-up arrangement if their regular care falls through or if their child is sick, which is similar to findings for private sector employees. This again highlights the challenges parents face in balancing work and care responsibilities and can be a key contributor to child-care-related absenteeism.

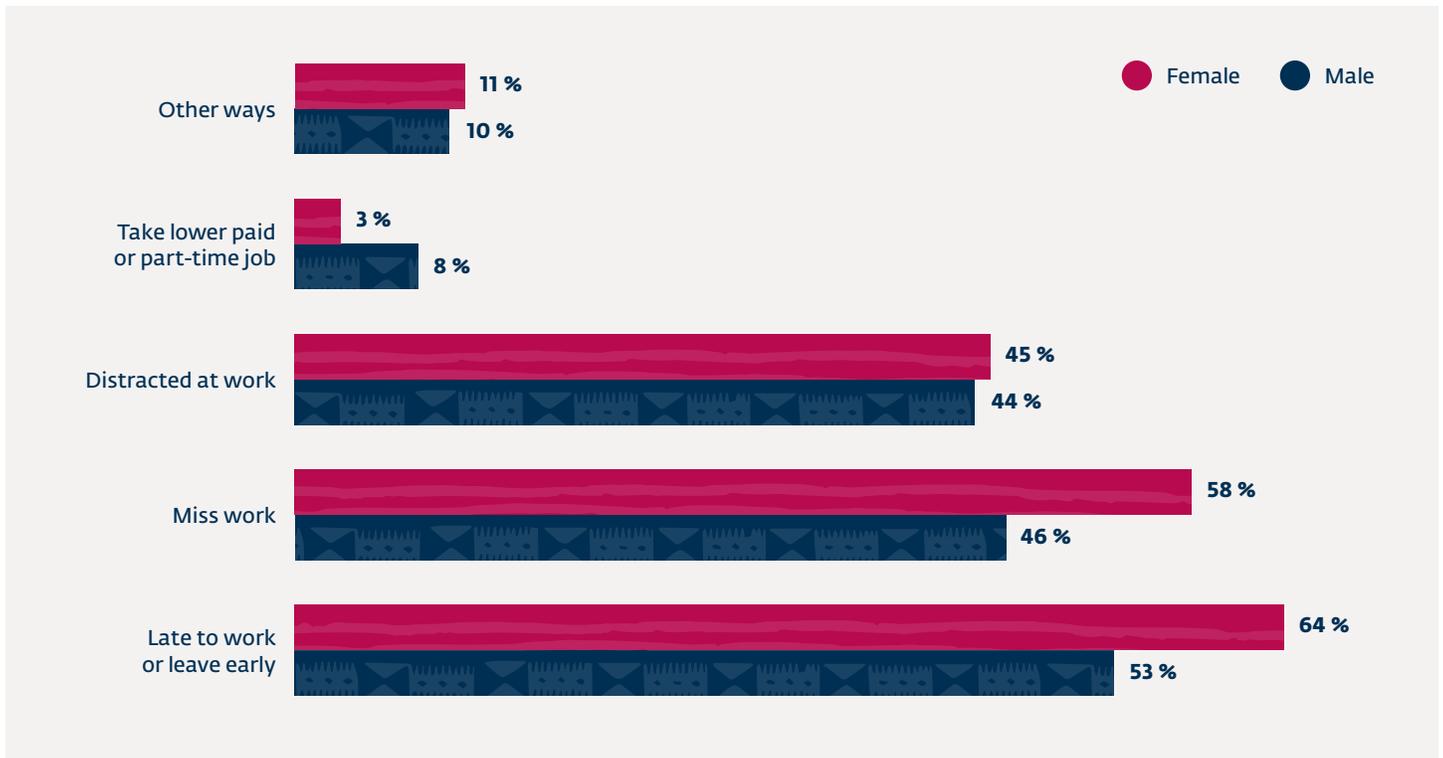
### Impact of Childcare on Work

Survey results suggest that public sector employees experience slightly higher impacts of childcare responsibilities on work than private sector employees. Almost nine out of ten (88 percent) public sector respondents with pre-school age children reported that care responsibilities impact their work, compared with 83 percent private sector parents. Women were more likely than men report being late to work or leaving early, or to miss work entirely due to childcare responsibilities, although men were still significantly affected in these ways (Figure 14). Men and women were equally likely to report being distracted. Surprisingly men were more than twice as likely to report having to take a lower paid or part-time job, to deal with childcare care responsibilities, than women.

The impacts reported by parents with pre-school age children in the four weeks preceding the survey were more frequent in all three categories for public sector respondents than among the private sector, with little difference between women and men overall. The following impacts were reported on average:

- Public sector respondents reported being late to work three times on average, compared with 2.3 times among private sector respondents;
- Public sector respondents reported being absent from work 1.9 times on average, compared with 1.4 times for private sector respondents; and
- Public sector respondents reported being distracted 2.8 times on average, compared with 2.6 times for private sector respondents

Figure 14 - Self-reported impact of care responsibilities on work (public sector)



## Estimating the Cost to Business

Using the same methodology as for the private sector, the productivity loss associated with childcare responsibilities was calculated. Combining the three forms of self-reported impacts on work, we estimate that across the public sector a total of 47,078 work days are lost every four weeks due to staff being late, absent or distracted due to childcare responsibilities. This equates to 6.4 percent of work days lost every four weeks across all staff, or almost 15.4 lost work days per employee every year. This is significantly higher than among private sector employees, who lose an estimated 11.1 work days per year or 4.6 percent of workdays. There may be some reasons why the impacts are higher among public sector employees; public sector employees have, on average, more children than private sector employees (2.6 children and 2.1 children, on average, respectively), but there may also be greater consequences for being late or missing work in the private sector than in the public sector. See Annex A for further details on how these impacts were calculated.

## Employee Preferences for Childcare Supports

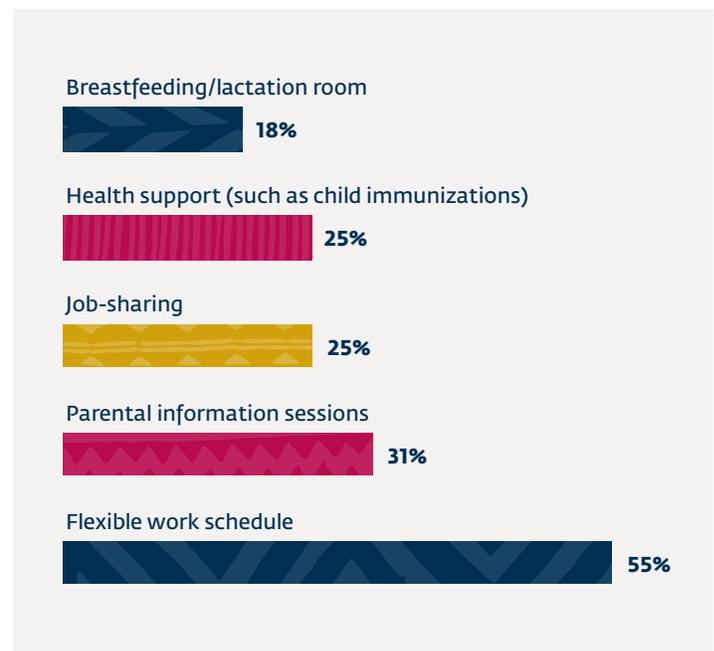
Just over half of parents in the public sector survey reported that they would make use of a childcare center if one were available. This was significantly lower than the almost three-quarters (73 percent) of private sector parents who reported they would use a service if one were available. Two thirds of parents said they would need assistance with transportation to access a childcare center.

Public sector employees expressed a willingness to pay more to access a high-quality childcare center than the private sector employees surveyed, with an average willingness to pay of 82 Fijian dollars per week among public sector respondents compared with 64 Fijian dollars among private sector employees. Public sector respondents also report paying slightly more for their current childcare services than private sector, at 68 Fijian dollars per week compared with 60 Fijian dollars per week.

In terms of other benefits valued by parents (Figure 15), by far the most sought-after benefit was greater flexibility, with more than half (55 percent) of respondents noting this benefit would help

them manage work and childcare responsibilities. This was also the most common among private sector employees (48 percent). Like private sector respondents, parental information sessions were also a high priority among parents, with almost one-third reporting this would be helpful, followed by job-sharing and health supports.

Figure 15 - Other desired benefits (public sector)



The results of this survey clearly demonstrate the widespread impacts childcare responsibilities have on employees in Fiji's public sector, particularly for those with pre-school age children.

## 15.4 workdays lost per employee each year in the public sector



“ I don't have a babysitter to look after my baby. I have my sister who can look after the baby if I am not there... and my brother in law can stay with her if I do night shift work ”

Mila – mother of one (baby)  
*Grand Pacific Hotel*

## 4. The Childcare Landscape in Fiji

The regulatory environment matters. Governments need to put in place policy and regulatory frameworks that enable public and private-sector childcare provision. IFC's global Tackling Childcare report demonstrates the benefits to employers and communities when supportive public policies are in place, such as quality and safety guidelines for Early Childhood Care and Education (ECCE) services that cover children below age five, capacity-building initiatives for service providers and fiscal incentives for employers and investors to support access to childcare services.

Fiji has made recent strides in supporting working parents, including through increasing paid maternity leave from 84 to 98 days, the introduction of five days paid Paternity Leave and five days of paid Family Leave, all effective as of January 1, 2019<sup>10</sup>. Yet low to middle-income working parents struggle to find a solution to mind their young children when it is time for them to return to work. In many cases, it is women who are responsible for the bulk of childcare responsibilities, which contributes to women's limited participation in formal employment. A more detailed discussion of the childcare landscape in Fiji is included in Annex B.

In recent years, the Fijian government has started investing in Early Childhood Development (ECD) supported by vast literature, which cites long-term outcomes of economic prosperity, social cohesion, health, human resource development, academic achievements and gender equality. Positive childhood development outcomes associated with accessing quality ECCE services are particularly recognized for vulnerable children from disadvantaged background, who are generally the least likely to have access to ECCE<sup>11</sup>.

The right to early childhood and primary education is embedded in the Constitution of the Republic of Fiji 2013, under the 'Right to Education' provision. Fiji's Policy in Early Childhood Education 2013 also stipulates the provision of quality programming and regulatory oversight for early childhood education, care and development services for children aged three to eight years. The Fijian government supports one-year of free pre-primary education for five-year-old children (non-compulsory) enrolled in registered

ECCE centers. The Education Act regulates early childhood services for children aged three to six years but does not include any provisions related to services for children below three years of age. As a result, the provision of ECCE services for children below three years of age is largely unregulated in Fiji.

All early childhood education services catering to at least 10 children aged five and above are required to be registered with the Ministry of Education (MOE) in accordance with the Establishment and Recognition/Registration of Schools Policy 2011. The Asset and Monitoring Unit (AMU) of the MOE is responsible for implementing this policy, but does not provide licenses or oversight for ECCE services for children below age five, nor is the AMU able to monitor the many ECCE centers which operate without registration. At present, no Ministry provides oversight of services for children below age five, which means there is limited oversight of the quality of care being provided at centers for children below age five. Feedback collected for this report also indicates that, in practice, there is limited ongoing monitoring of registered ECCE centers once they are in operation.

For-profit centers, which fall outside the purview of the MOE and AMU, are required to be registered as a business with the Fiji Registrar of Companies Office and to obtain a business license with the local town or city council. Reports suggest that the process of registering for a business license can be challenging, with lack of clarity among town and city counsellors regarding when a center needs to be registered with MOE or not. Pursuant to the Foreign Investment Regulations 2009, the operation of a day care center is also listed as a 'reserved business' activity, which is available only to Fijian citizens.

Accessing suitably qualified and experienced staff is a challenge for both kindergartens and childcare service providers. Kindergartens or other childcare services that are required to be registered with MOE, are required to hire staff with relevant teaching qualifications. By contrast, childcare centers which are not registered, are not required to hire staff with ECCE qualifications.

<sup>10</sup> Pursuant to the Employment Relations (Budget Amendment) Act 2018. Employers are offered a 150% tax deduction on paternity and family care leave which allows employers to deduct 150% of the total amount paid for paternity and family care leave from their income, while maternity leave is covered in full by employers.

<sup>11</sup> World Bank Group (2016). Snapshot investing in the early years for growth and productivity

## At present, no Ministry provides oversight of services for children below age five

There are also challenges with hiring suitably experienced staff to care for younger children, particularly those who are not toilet trained or cannot feed themselves, as staff with ECCE qualifications will generally not complete these duties.

Fiji has set out comprehensive guidelines for ECCE in its national curriculum, specifying targeted child development outcomes, teaching and caring practices and strategies for monitoring and assessment. As many ECCE centers are yet to register (and are not required to register), it is unclear whether they comply with these guidelines. Similarly, the *Policy on Child Protection of The Ministry of Education and Fiji Schools 2010* does not apply to ECCE centers which are not registered. Child protection issues are largely unaddressed in the childcare centers interviewed for this study. None of the centers have a child protection policy, although

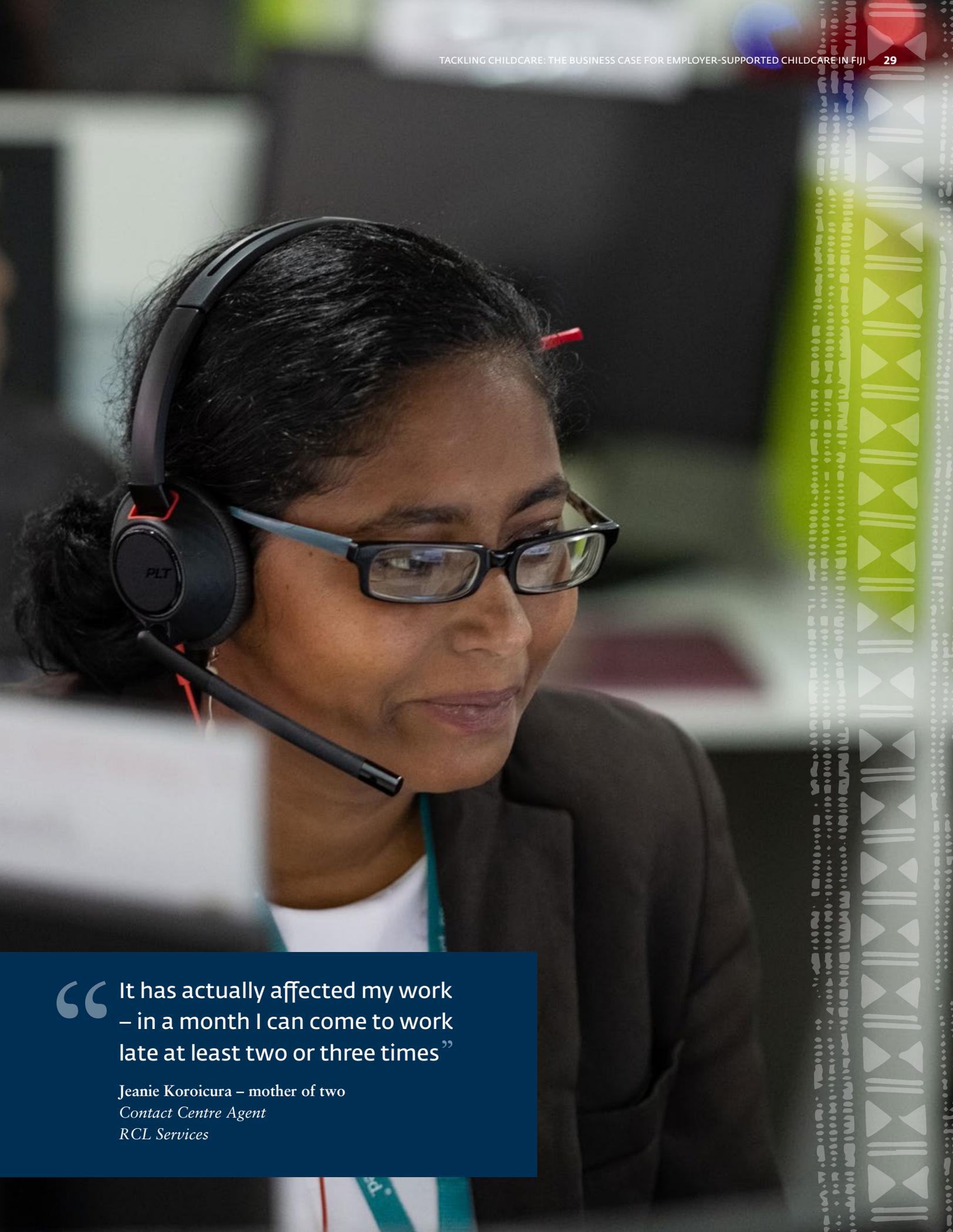
There are an estimated 18 formal childcare service providers operating in the Suva and Nadi areas as of late 2018<sup>12</sup>, 11 of these were interviewed for the purposes of this report. Childcare fees range from 15 to 120 Fijian dollars per day<sup>13</sup>. Business barriers identified by these providers include lack of access to finance to expand their service, coupled with bureaucratic delays and lack of clarity around registration requirements. Accessing land and property on which to develop childcare centers was also identified as a challenge, with most operating out of the residential home of the owner.

Daycare providers noted that the demand for childcare services is increasing, especially for children below age five. Because of this, many centers are taking on more than their current capacity comfortably allows for. Some are exploring options for expansion, including taking on a wider range of ages.



<sup>12</sup> Based on primary research by IFC consultant, including interviews which were conducted with 11 service providers across Suva and Nadi.

<sup>13</sup> A high-end preschool in Muanikau is roughly FJD120/week (7:30am to 2:30pm) and hiring a full-time nanny (7:30am – 5:00pm) would cost a family between FJD90-160/week



“ It has actually affected my work – in a month I can come to work late at least two or three times ”

Jeanie Koroicura – mother of two  
Contact Centre Agent  
RCL Services



“ My working hours for this company are 8 to 5 and after that, I have to go and pick up my kids from daycare ”

Radhika Devi Singh – mother of two  
Sales Representative  
Vinod Patel

## 5. Priorities for Action

This section outlines a range of possible actions to be taken by employers, the government and others to help increase access to affordable, accessible and quality childcare services for parents in Fiji.

Some of the key lessons emerging from IFC's global work on tackling childcare include:

- There is no “one size fits all” approach to childcare solutions. The companies that benefit the most are those that provide a variety of childcare options – from back up care for emergencies, to flexible working arrangements to on-site childcare services.
- Offering childcare support as part of a holistic strategy yields the greatest results. This includes by integrating childcare strategies into wider diversity policies and combining them with other approaches to support employees work-life needs.
- Encouraging and enabling fathers to use policies as actively as mothers is key to yielding returns, particularly through the business benefits of diversity.
- Low-income parents often have the greatest need for childcare options – it boosts early childhood development and helps parents retain their jobs.
- It takes government and private sector collaboration to create markets for employer-supported childcare. Exploring options for public private partnerships can be integral for developing sustainable childcare solutions.

### Recommendations for Business

There is no one-size-fits-all approach to employer-supported childcare. Each company is different as are the needs of its individual employees. Childcare by itself is not enough. It needs to be part of a holistic strategy and suite of benefits offered to working parents. Support can be delivered in a variety of ways – from emergency back-up care to on-site full-service care. The interventions, outlined below, range from less resource intensive and relatively easier to implement, to more resource intensive. Having a range of options can help ensure that parents are able to access the support that best suits their needs.

#### *Lower-resource-intensive interventions*

- **Set up a parents' group within your business:** Having a parents' group for employees can serve a number of functions. It creates a safe space where parents can share their experiences, challenges and successes and can be an avenue for parents to help solve challenges they may be going through. It also creates a peer-support network to help workers realize they are not alone in the challenges they may be experiencing. It can also provide a platform for working parents to raise concerns and consolidate common challenges. This can then be communicated to human resources and management through a regular reporting mechanism, which can help ensure the concerns of working parents are understood by senior management and can be addressed wherever possible.
- **Have a consistent approach for managing childcare-related leave:** Parents in this study consistently noted the desire for a consistent and predictable approach to managing childcare-related leave or lateness. This could be achieved through having clear policies for reporting a staff member taking leave and how this will be addressed through paid or unpaid time off, or the ability to make up the work hours another time. This should also include a clear approach to dealing with emergencies that can arise during the day and require a caregiver to leave work at short notice.
- **Create Return-to-Work Benefits:** Creating a holistic approach to supporting women during their maternity process to lessen stress, increase well-being and support career continuity is recommended. A return-to-work program is designed to support the process of career interruption, due to the birth or adoption of a child, and ensure a healthy transition back to work. It is important to consider:
  - starting support before the employee goes on maternity leave
  - supporting managers, including clarification on the company's policies, benefits, and expectations
  - manager training that facilitates conversations before and during leave, so employees can stay connected or not depending on their preference

- lactation rooms for women after they return to work
- options for a phased return-to-work schedule
- maternity mentoring programs linking senior women, who have successfully transitioned back to work after starting a family, to women who are embarking on this journey.
- **Work place adjustments, including flextime:** Businesses should consider what types of workplace adjustments might be feasible to help parents balance their work and home responsibilities. This could include: greater flexibility for some or all roles; allowing later start or finish times to allow parents to drop children off or pick them up from school or daycare; job rotations for parents, in particular pregnant or nursing mothers, to address issues related to fatigue, health and safety; and allow greater flexibility to continue nursing. This might include giving them the option of moving from a front-of-house role to a back-office role, for a period of time.
- **Training and support for parents and caregivers:** Solicit feedback from parents about the types of training or support that would be most helpful for them and their regular caregiver. This could include basic first aid, information for new parents and guidance on nutrition for infants and young children. It might also include assisting parents navigate their careers as working parents.
- **Reserving places at a local childcare provider:** For those employers that are within proximity of a childcare center, reserving a number of spaces to ensure there is availability for staff can be an option. In some instances, employers may even subsidize the cost of those services.
- **Inform employees, women and men, about their care and family benefits:** Often employees do not know what options are available to them or how to access these benefits. Making sure the benefits are available to fathers as well as mothers is also important in shifting social norms around the role fathers can and should play in caring for children.

### *Higher resource intensive*

- **Emergency back-up care or afterschool care:** This might include setting up a space at the worksite where parents can bring their children after school or if their regular care provider is unavailable. It could also include having casual spaces reserved at a local daycare provider to help when regular care falls through.
- **Childcare services:** Based on employee demand and company objectives, for some businesses it will make business sense to consider options for childcare services such as an on or near-site company childcare center. A useful framework for assessing whether a dedicated childcare service is needed to meet business needs is available on page 42 of *The Benefits and Challenges of a Workplace Crèche: Employer-Supported Childcare in India*<sup>14</sup>. This could be run in-house or contracted out to a third-party childcare provider. As the results of this study show, for many working parents in Fiji, accessing a formal childcare center will only be feasible if transportation is also provided. Consideration should be given to the type of transportation that could be made available. As part of this, companies should ensure the sustainability of any initiative through a cost-benefit analysis. This could involve calculating the estimated costs associated with lost staff time due to childcare responsibilities and comparing against the projected costs of implementing and operating a childcare service. IFC is developing a guidance note to help companies work through the process of establishing a childcare facility, which will be made available in late 2019.
- **A workplace consortium** allows multiple employers to collaborate and share a childcare center, typically on or near the worksite. This model is often successful in a business park, campus or office building with multiple employer tenants. While it can be time-intensive to arrange, because of the facilitation between employers, the consortium model shares the financial investment to develop the center, ongoing expenses for the management and operations of the crèche and access for employees to the service. This model is worth considering in

<sup>14</sup> IFC and Bright Horizons 2019: *The Benefits and Challenges of a Workplace Crèche: Employer-Supported Childcare in India*



“ We just have to leave our work and go, so we are not able to deliver 100% for that day ”

Azmeen Faryaz - mother of one  
Performance Management Officer  
Fiji National Provident Fund



“ If my mum is sick and I cannot find a nanny, I have to take leave, apply for vacation hours or work extra hours to cover the hours I have missed to take care of my daughter.”

Deepa Kumar - mother of one  
*Quality Assurance Officer*  
*Mindpearl Fiji*



areas with limited availability of childcare provisions near the workplace, high real-estate costs. This shared-services approach can ultimately be cost effective.

In addition, companies should also regularly collect sex-disaggregated workforce data and closely monitor absenteeism, retention and other key workforce indicators by female/male to help track the impact of any new workplace interventions.

## Recommendations for Government

Through policy and regulatory frameworks, the Fijian government can set national priorities for ECCE, establish systems for regulating and monitoring quality and address funding and resources for services. In particular, this includes:

- **Establish a coherent policy and regulatory framework:** Regardless of whether the government provides childcare services or not, they play an important role, as a regulator, to establish and monitor quality and safety standards within daycare and other ECCE centers. Reliability, affordability and quality are among the most important determinants of demand and uptake of formal childcare. Regulations regarding licensing requirements, such as program accreditation, teacher quality, teacher-student ratios, safety standards and facility requirements, need to be outlined clearly in relevant laws and policies<sup>15</sup>. Part of this reform process could include consideration of increasing budgetary support for ECCE services.
- **Consider provision and/or subsidization of childcare services:** Government involvement in providing childcare services can range along a continuum, from full government support – with the government directly delivering and operating the service – to no government involvement – with services delivered by community-based centers with funding from nongovernmental organizations or by privately owned and operated centers with no public subsidy. In another scenario, the government might subsidize privately operated or community-based centers – either directly or through a range of incentives such as allowances or tax benefits for parents, care providers or employers. In Australia, for example, the government provides means-tested subsidies directly to childcare providers on a per-child basis. In parts of the United States, employers can offset income taxes by allowing parents to pay for childcare pre-tax and Federal Tax Credits reduce the cost of every dollar spent on childcare for employees by 50 percent.
- **Promote Space for Childcare Services to Increase Supply:** Amend requirements of new-office building developments to include space dedicated to childcare facilities. This would increase the supply of childcare services and offer employers in the building access to a workplace childcare solution. This could also be achieved through real-estate tax relief for employers or real-estate developers on investments for the provisions of childcare facilities.
- **Partner with Private Sector to Expand Access to Care:** Exploring innovative financing options and options for public-private partnerships (PPPs) to support greater provision of quality ECCE services. There are many successful examples of PPPs for childcare that can be replicated and expanded upon for the Fiji context. IFC's *Tackling Childcare* report (2017) includes examples from Turkey (with Borusan, a heavy manufacturing plant) and the Netherlands (with a hospital, Schön Klinik). The government can promote childcare provisions through PPP models to expand the stock of childcare spaces. Models to consider include providing or subsidizing the real-estate costs of childcare facilities for a private sector company or industry body or providing the infrastructure in special economic zones. The government's involvement in PPPs could accelerate the provision of childcare through reducing regulatory obstacles for companies setting up childcare solutions and cost-sharing the establishment and running of childcare centers. PPP models could provide community-based solutions for workers who have difficult commutes, by providing space, and operated by, communities and having the employers and parents cover the usage costs.
- **Establish a Task Force:** To help identify and prioritize the government's response to the growing demand for childcare services, the government could consider establishing a multi-stakeholder task force with representatives from a range of

<sup>15</sup> World Bank 2018: *Gender-Sensitive Fiscal Policy: A Framework for Public Investment in Childcare in Low Income Countries*.

government ministries, the private sector, service providers and nongovernmental organizations. In 2018, in Sri Lanka, where there was a similar gap in relation to the policy and regulatory framework for childcare services, the Prime Minister established a task force to spearhead the development of regulations and incentives for the provision of quality childcare services. Key outcomes of the taskforce to date include amendments to the Maternity Benefits Ordinance, aimed at enhancing maternity benefits. The Sri Lankan taskforce comprises 14 representatives from public and private sectors, including: company representatives from key sectors; government officials, including from Ministry of Women and Children, Ministry of Economy, Ministry of Investment and Ministry of Education; representatives from the childcare sector; IFC and World Bank representatives; and relevant civil society representatives.

## Recommendations for Others

### Financial Institutions:

The market scan conducted as part of this study highlights that increased investments are necessary to expand quality childcare service options to meet the demand for employer-supported childcare for both the public and private sector. For financial institutions, this presents a future opportunity to explore funding options for existing or new childcare providers – from micro entrepreneurs to small and medium enterprises. This could be considered as the quality and safety standards are introduced.

### Training providers:

To grow the childcare market in Fiji, providers will need access to caregivers with relevant skills and experience. The growing demand for childcare services can drive job opportunities, but to attract talented people, efforts need to be made to compensate care workers fairly, treat them well and equip them with the skills needed to perform well. Evidence collected for this study suggests that gaps still remain in the training available and the skills trainees are equipped with, particularly with regards to caring for younger-aged children. Further work is recommended to better understand

these skills gaps and to develop solutions to respond to them. Some initial suggestions include:

- Promote the establishment of a childcare sector skills council or the training and certification of childcare workers through a skills council, to build a quality workforce. This would promote the development of a trained workforce that could command a higher salary for childcare provision. It could benefit many entering the workforce, particularly women.
- Increase the number of early childhood educators trained in quality approaches to serving young children and their families.
- Develop and promote local “best practices” sessions to engage providers in quality training, local customs and promote safety and childhood development outcomes.
- Extend professional credentialing to create career paths and encourage continued education and career aspirations for individuals who care for young children.
- Explore opportunities to partner with peak bodies and childcare providers, from elsewhere in the region, to promote learning and improve quality of care available. This could include secondments for experienced providers to new centers or partnering experienced educators with those new to the sector.



**Increased investments are necessary to expand quality childcare service options**



“ If there was a daycare at work, both of us would have access to jobs – my wife and myself – and at the same time, my son would be looked after properly ”

Julian Peckham - father of one  
*Human Resources Administrator*  
*Mindpearl Fiji*



“ I have four kids...sometimes it is very complicated to come to work and leave them at home”

Bernadette Elliot (above left) mother of four  
Food and Beverage Services  
Grand Pacific Hotel

## 6 Conclusion

This study clearly demonstrates the growing demand for affordable, accessible and quality childcare services among working parents in Fiji. The current informal arrangements that many parents rely on often lead to increased absenteeism and reduced productivity, which negatively affects individual employees and impacts the wider business. The study demonstrates a strong business case for employers, in both the public and private sectors, to proactively support the childcare needs of their workers as a way of reducing the time parents spend worrying about their children while they are at work and reducing the time parents spend away from work dealing with childcare-related responsibilities. There is a strong and growing evidence base, from both developed and developing countries, to demonstrate that when employers invest in supporting employee childcare needs through a range of options, employers and employees win, as do their children and the broader community.

While there is some supply of childcare services in Fiji, there is clearly not enough to meet this demand. Equally, services are not being delivered in ways that meets the needs of many parents. Proactive engagement by the Fijian government to help establish the necessary enabling environment, through clear policies and regulations, along with identifying options for the public and private sector to work together to increase the supply of services will be fundamental in building a strong and sustainable childcare sector in Fiji.



## Annex A – Calculating Cost to Business

This section outlines the methodology used to calculate the business costs associated with childcare responsibilities. It provides a summary of the losses, for both the private and public sectors separately, for each of the three categories of impact – absenteeism, lateness and distraction.

### Private Sector Estimated Losses<sup>16</sup>

The productivity loss from feeling distracted was calculated using a multiplier of one hour. For example, if someone reported feeling distracted once in the past four weeks, they are assumed to have lost one hour of productivity at work. For someone who reported feeling distracted three to four times in the same period, they are assumed to have lost the equivalent of three and a half hours of work over that period. On average each employee loses 0.15 days every four weeks due to being distracted. This is the equivalent of 665 lost work days in a four-week period across the seven companies<sup>16</sup>.

For staff who reported being late or having to leave early due to childcare responsibilities, we assumed a loss of one hour per reported incident. Using this assumption, if all staff across the seven companies are affected the same way as the sample size, then each employee loses 0.13 work days every four weeks, or the equivalent of 572 total work days lost across all employees in a four-week period due to childcare associated lateness.

The survey also asked parents about how often they were absent due to childcare responsibilities in the previous four weeks. This figure was substantially higher, with each employee missing 0.7 work days every four weeks, with an estimated 2908 days of work lost across the seven businesses, or half a day per employee every four weeks.

### Estimated person days lost due to feeling distracted due childcare responsibilities (private sector)

Number of times distracted due to childcare	Once	Twice	Three - Four	Five - Six	Six or more	Total
Assuming 1 hour discount due to distraction (a <sub>3</sub> )	1	2	3.5	5.5	6.5	-
Number of survey participants reporting feeling distracted due to childcare issues (b <sub>3</sub> )	112	206	184	58	97	657
Number of days lost due to distraction = (a <sub>3</sub> x b <sub>3</sub> )/8	14	52	81	40	79	265
Average number of days lost per employee in a 4 week period due to being distracted (based on survey sample of 1775)						0.15
Equates to 665 lost work days in a four week period						665

<sup>16</sup> Calculations are based on an assumed eight-hour work day, and a 48-week year (assuming four weeks annual leave).

## Estimated person days lost due to staff lateness associated with childcare responsibilities (private sector)

Number of times late due to childcare	Once	Twice	Three - Four	Five - Six	Six or more	Total
Assuming 1 hour discount due to lateness	1	2	3.5	5.5	6.5	-
Number of survey respondents reporting being late (a1) times in previous 4 weeks (b1)	147	185	174	54	61	621
Number of days lost due to lateness $= (a1 \times b1) / 8$	18	46	76	37	50	227
Average number of days lost due to lateness per employee in a 4-week period (based on survey sample of 1775)						0.13
Equates to 572 lost work days in a four week period.						572

## Estimated person days lost due to absenteeism associated with childcare responsibilities (private sector)

Number of times absent due to childcare	Once	Twice	Three - Four	Five - Six	Six or more	Total
Number of survey respondents reporting	1.0	2.0	3.5	5.5	6.5	-
Number of survey respondents reporting being absent (a2) times in previous 4 weeks (b2)	177	170	105	20	25	497
Number of days lost due to staff absence $= (a2 \times b2)$ in previous 4 weeks	177	340	368	110	163	1157
Average number of days lost per employee in a 4 week period due to being distracted (based on survey sample of 1775)						0.17
Equates to 2,908 lost work days in a four week period						2,908

The average cost to companies associated with lost work time due to childcare responsibilities was calculated by summing the total wage loss of participating companies in one year and dividing the total by the number of companies. Four (4) companies provided their annual average salary data. The table below summarizes these calculations based on information from these four companies only. Depending on the workforce size, total cost at each company ranges from 89,000 Fijian dollars to 844,000 Fijian dollars per year. On average, lost staff time due to childcare responsibilities costs companies as much as 550,000 Fijian dollars per year in total or 1,000 Fijian dollars per employee.



**Company average annual wage loss (private sector)**

Company	Total workforce (a)	Number of days lost for each employee per year (b)	Annual average salary per employee (c)	Daily average salary per employee (d = c/240)	Annual wage loss (=a x b x d)	Annual wage loss per employee
Company 1	443	11.1	31,299	130	642,687	1,451
Company 2	984	18.8	7,821	33	602,167	612
Company 3	187	9.3	12,300	51	89,029	476
Company 4	571	10.3	34,483	144	844,537	1,479
<b>Company average annual wage loss</b>					<b>544,605</b>	<b>1,004</b>

### Public Sector Estimated Loses

Using the same methodology as for the private sector, the productivity loss from feeling distracted was calculated using a multiplier of one hour. For example, if someone reported feeling distracted once in the past four weeks, they are assumed to have lost one hour of productivity at work. For someone reporting feeling distracted three to four times in the same period, they are assumed to have lost the equivalent of three and a half hours of work over that period. On average each employee loses 0.18 work days every four weeks due to being distracted. This is the equivalent of 4,762 lost work days in a four-week period across the 36,776 public sector employees<sup>17</sup>.

For staff who reported being late or having to leave early due to childcare responsibilities, we assumed a loss of one hour per reported incident. Using this assumption, if all staff across the seven companies are affected the same way as the sample size, then each employee loses 0.19 work date every four weeks, or the equivalent of 7,008 work days lost in a four-week period due to childcare associated lateness.

The survey also asked parents about how often they were absent due to childcare responsibilities in the previous four weeks. This figure was substantially higher, with an estimated 33,308 days of work lost across the seven businesses, or almost one day (0.91 of a day) per employee every four weeks.

#### Estimated person days lost due to feeling distracted due childcare responsibilities (public sector)

Number of times distracted due to childcare	Once	Twice	Three - Four	Five - Six	Six or more	Total
Assuming 1 hour discount due to distraction (a <sub>3</sub> )	1	2	3.5	5.5	6.5	-
Number of survey participants reporting feeling distracted due to childcare issues (b <sub>3</sub> )	74	134	129	41	70	448
Number of days lost due to distraction = (a <sub>3</sub> x b <sub>3</sub> )/8	9	34	56	28	57	184
Average number of days lost per employee in a 4 week period due to being distracted (based on survey sample of 1002)						0.18
Equates to 6,762 lost work days in a four week period						6,762

<sup>17</sup> Calculations are based on an assumed eight-hour work day, and a 48-week year (assuming four weeks annual leave).



## Estimated person days lost due to staff lateness associated with childcare responsibilities (public sector)

Number of times late due to childcare	Once	Twice	Three - Four	Five - Six	Six or more	Total
Assuming 1 hour discount due to lateness	1	2	3.5	5.5	6.5	-
Number of survey respondents reporting being late (a1) times in previous 4 weeks (b1)	80	110	139	39	81	449
Number of days lost due to lateness $(=(a1 \times b1)/8)$	10	28	61	27	66	191
Average number of days lost due to lateness per employee in a 4-week period (based on survey sample of 1002)						0.19
Equates to 7,008 lost work days in a four week period.						7,008

## Estimated person days lost due to staff absence associated with childcare responsibilities (public sector)

Number of times absent due to childcare	Once	Twice	Three - Four	Five - Six	Six or more	Total
Number of survey respondents reporting	1.0	2.0	3.5	5.5	6.5	-
Number of survey respondents reporting being absent (a2) times in previous 4 weeks (b2)	113	130	92	15	20	370
Number of days lost due to staff absence $= (a2 \times b2)$ in previous 4 weeks	113	260	322	83	130	908
Average number of days lost per employee in a 4 week period due to being distracted (based on survey sample of 1002)						0.91
Equates to 33,308 lost work days in a four week period						33,308

## Annex B – Fiji Regulatory Landscape

### The Regulatory Landscape

Early Childhood Care and Education (ECCE) services in Fiji are regulated primarily by the Education Act 1978 (the Education Act) and the Policy in Early Childhood Education 2013. The right to early childhood and primary education is also enshrined in the Constitution of the Republic of Fiji 2013, under the ‘Right to Education’ provision. The Constitution does not however provide a definition of what constitutes early childhood education.

The Education Act applies to services for children aged three to six years. Kindergarten’s are categorized as a ‘*school in which instruction is given to children between the ages of three and six years in games, stories, simple handwork and other activities aimed in inculcating good physical and social habits*’. The Education Act does not include any provisions in relation to services for children below three years of age. In practice most kindergartens serve children from five years of age, while some will also accept children at age four and a half.

The Policy in Early Childhood Education 2013 (the ECE Policy) aims to provide clear direction to assist schools and all parties involved in providing early childhood education services to access information to ensure all services offer quality programming. The ECE Policy defines early childhood education as an overarching term for services that promote health, growth, care, development and learning for children from zero to eight years, however it states that the scope of the policy covers only early childhood education center-based programming for children aged three to eight years. Both the Education Act and ECE Policy specifically refer to children from three years of age. In practice the Ministry of Education (MoE) does not regulate early childhood education services for children below the age of five, as discussed further below, and neither Act includes provision for children below age five.

All Kindergartens and early childhood education services catering to at least 10 children aged five and above are required to be established in accordance with the Establishment and Recognition/Registration of Schools Policy 2011. The Asset and Monitoring Unit (AMU) of the MoE is responsible for implementation this policy and regulating the quality standards of kindergartens.

While AMU is responsible for monitoring and regulating the establishment of kindergartens, they do not provide regular monitoring of these centers unless a complaint or concern is lodged with them. This means that in practice there is limited oversight of the ongoing quality of services being provided at kindergartens.

AMU does not regulate services for children below age five, unless it is a service that also has a minimum of 10 students enrolled who are aged five or above. This means that in practice, any center which provides services to children of a mixed range of ages and includes at least 10 children age five or above, will be required to meet the MoE’s standards for kindergartens and be registered with MoE, but all others will not.

All policies under the purview of the MoE are currently undergoing a comprehensive review, including the Education Act. The revised legislation is expected to come into effect sometime in 2019.

### Government Grants for Early Childhood Care and Education

Currently the Fijian government makes three types of grants available in relation to ECCE services. These are available only to kindergarten services, operating as a not-for-profit, and which cater to children five years of age or older. The three grants available are designed to help cover teacher salaries, infrastructure and building costs. These grants include a student grant of 150 Fijian dollars per year per child aged five or above. Kindergartens are instructed to allocate this grant as follows: 45 percent towards administration costs, 20 percent towards learning resources, 15 percent for building and maintenance, 10 percent for health and nutrition, and 10 percent for outdoor and recreational equipment.

The salary grant is available only for kindergarten teachers that are registered with the Fiji Teachers Registration Board. Current minimum pay rates are set by that Board at 11 Fijian dollars per hours for those with a certificate level qualification, 15 Fijian dollars per hours for diploma level qualified staff, and 18 Fijian dollars per hours for those with an ECE degree. The infrastructure grant is available on a case-by-case basis.

## Registration of Day Care Centers

Currently there are no regulations governing licensing or quality control of ECCE centers that provide services for children below five years of age. There are no provisions governing child-to-staff ratios, child protection, health and safety, cleanliness, nutrition, infection control, or the qualifications of caregivers working in childcare facilities.

To establish an ECCE center for children below age five, the center must be registered as a business with the Fiji Registrar of Companies Office and a business license obtained with the local town or city council. The Business Licensing Act 1976 governs licensing by local councils and lists the categories of businesses that require licenses. Daycare centers or childcare services are not listed in any of the categories of businesses that require a license. Suva City Council however lists daycare centers in the ‘administration’ category, which is used for businesses that are not specifically mentioned in the legislation and requires them to obtain a business license if they are operating within the Suva City Council jurisdiction. Nadi Town Council lists daycare centers as a ‘Commercial School’, which requires a business license pursuant to the Business Licensing Act. Kindergartens, which provide services to at least 10 five-year olds, are not required to register with Registrar of Companies Office unless the center is operating for commercial gain or as a private for-profit business.

ECCE centers generating annual service fees of less than 100,000 Fijian dollars are not required to register for Value Added Tax (VAT). If the service generates annual service fees over 100,000 Fijian dollars however they are required to register with Fiji Revenue and Customs Service and pay the current VAT rate of 9 percent. Pursuant to the Foreign Investment Regulations 2009, the operation of a day care center is listed as a ‘reserved business’ activity, which is prescribed to be available only to Fijian citizens. Reports suggest that the process of obtaining a license to operate a daycare center is often unclear. Feedback from existing providers indicates that both Nadi Town and Suva City Council lack clarity about the role the MoE and Ministry of Women, Children and

Poverty Alleviation (MWCPA) play in the processing of daycare center licenses. New applicants are reportedly often directed to MoE and MWCPA to get approvals even when the services are for children below five years, and are subsequently told that they do not require a license.

## ECCE Staff and Training

Accessing suitably qualified and experience staff is reportedly a challenge for ECCE service providers, particularly when it comes to staff to care for younger children who require assistance with nappies or toileting and feeding. Daycare providers have reported that they generally hire only staff with at least a certificate level ECCE qualification, however this can create challenges when it comes to providing adequate care for younger children and infants as those with formal qualifications prefer to focus on education rather than care services. Based on feedback from the MoE and daycare centers across Fiji, the current training system is not producing enough students with qualifications and skills suitable to caring for younger children.

Currently both the University of South Pacific (USP) and Fiji National University (FNU) offer undergraduate courses in ECE – certificate, diploma and degree level courses. The USP courses range from one year for a certificate level with 12 weeks of practical experience, a two-year diploma with 18 weeks of practical experience, and a three-year degree with 25 weeks of practical experience. USP (offered through the Pacific Technical and Further Education center (Pacific TAFE), offers two certificate level courses in early childhood education and care, one focused on ECE administration and the other on providing care and education.

## Childcare Service Providers

There are at least 18 formal childcare service providers, not including kindergartens, operating in the Suva and Nadi areas as of late 2018<sup>20</sup>, with 11 interviewed for this report. All 11 of these centers are currently being managed by women and are wholly staffed by female caregivers and teachers. Childcare fees range from 15 Fijian dollars to 120 Fijian dollars per day.

Business barriers identified by these providers include lack of access to finance to be able to expand their service, coupled with bureaucratic delays and lack of clarity around registration requirements. Accessing land and property on which to develop childcare centers was also identified as a challenge, with most currently operating out of the residential home of the owner. Operating hours were noted to be a challenge for some, with a general business license requiring them to close at 5pm, although extended hours can be applied for. Most centers are currently open from 7:30am to 5:00pm, in line with the default operating hours under the general business license. Kindergartens on the other hand finish at 1pm.

Child protection issues are largely unaddressed in the childcare centers interviewed for this study. None of the centers have a child protection policy, although they do all have OHS protocols, such as requiring the gate to be always closed and requiring visitors to sign in and out.

ECCE providers noted that the demand for childcare services is increasing, especially for children below age five, and because of this, many centers are taking on more than their current capacity comfortably allows for. Some are exploring options for expansion, including to take on a wider range of ages.

## Parental Leave

As of January 2019, pursuant to the Employment Relations (Budget Amendment) Act 2018, women who have been employed for a minimum of 150 days prior to giving birth are entitled to 98 days of paid maternity leave. The cost of this leave is borne entirely by employers. Five days of paid family care leave have also been introduced, which is designed to provide care or support to a member of the worker's immediate family<sup>21</sup> or a member of the worker's household. Employers are eligible to receive a 150 percent tax rebate on the cost of paternity leave and family care leave, but no rebate for costs associated with maternity leave.



<sup>20</sup> Based on primary research by IFC consultant, including interviews with 11 service providers across Suva and Nadi.

<sup>21</sup> Immediate family consists of a worker's spouse, child, parent and sibling.



Image: World Bank / Alana Holmberg

Visit [www.ifc.org/gender/EAP](http://www.ifc.org/gender/EAP) to find out more

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