



Tackling Childcare in Bangladesh

The Business Benefits and Challenges of Employer-Supported Childcare

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Bangladesh



TACKLING CHILDCARE: THE BUSINESS BENEFITS AND CHALLENGES OF EMPLOYER-SUPPORTED CHILDCARE IN BANGLADESH



Contents

- **Background**
- **Research Methodology**
- **Key Findings**
 - **Insights - All Companies**
 - **Insights - Companies Providing Childcare**
 - **Insights - Companies Planning to Provide Childcare**
 - **Insights - Companies Not Planning to Provide Childcare**
- **Key finds according to sectors: RMG, Banking & Finance, IT/ITeS**
- **Key Takeaways & Recommendations**
- **Next Steps**
- **Annex A: Examples of Childcare Solutions in Bangladesh**



Source: Honey Bees Daycare Center, Dhaka

www.ifc.org/TacklingChildcareBD



Background

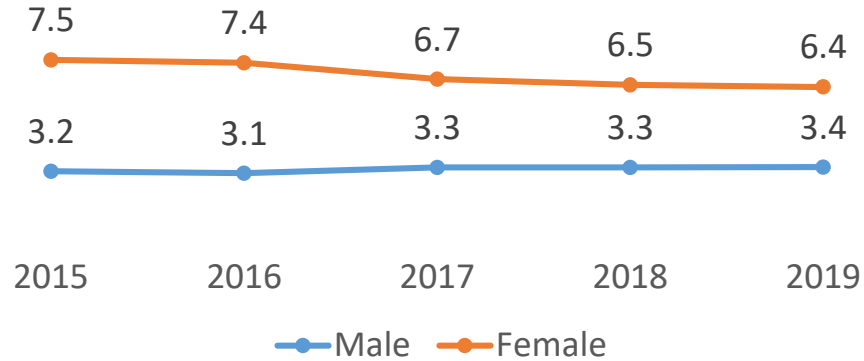
- In Bangladesh, the male labor force participation rate (LFPR) was 80% while the female LFPR was 36% in 2017 (ILO, 2018).
- Women spend almost 8X more time than men spend on childcare in Bangladesh (World Bank, 2019). A key barrier to women's access to more and better jobs is the lack of access to quality, affordable childcare, as highlighted in the WBG Gender Strategy.
- Employer-supported childcare can supplement public provision and benefit women, children, businesses, and the economy.
- IFC's Tackling Childcare Bangladesh research, covering 306 companies, 75+ employees, and 40 stakeholders, sheds light on the benefits and challenges of expanding employer-supported childcare, in line with the legal mandate in Bangladesh. The research includes recommendations for private, public, and development sectors.
- "Employer-supported childcare" is defined in this research as good-quality, affordable early childhood care and education services provided or supported by employers for their employees' children who are in the preschool age group (0 to 6 years).
- Next steps include a Childcare Policy Good Practices Workshop for government representatives (November 7, 2019). Support to Bangladesh-based firms to implement childcare with the help of IFC's upcoming guide for employer-supported childcare.



Source: IFC & LightCastle Primary Research

Childcare is Good for Business, Good for Development

Bangladesh Unemployment Rate



Source: ILO, 2018



- National unemployment rate of women of working age is almost **2X** that of men in the same age group (ILO, 2018).
- Male labor force participation rate was 80% compared to 36% for women in 2017 (ILO, 2018).
- **Employer-supported childcare** can help address the gender employment gap by reducing the likelihood of mothers dropping out of the workforce and increasing their likelihood of earning a formal wage (Women, Business and the Law, 2016).
- It can improve child development outcomes, leading to better health and productivity in adulthood as well (World Bank, 2019)
- It can help employers achieve better business outcomes, including lower absenteeism and turnover and higher productivity.



Legislative Context

Recognizing the positive impacts of childcare on women’s employment, children’s outcomes, and business and economic growth, many countries in South Asia including Bangladesh, Afghanistan, India, Nepal, and Sri Lanka have policies in place **requiring employers to provide or support childcare**.

The Bangladesh Labour Act of 2006¹, sec. 94, states:

“In every establishment, where 40 (forty) or more female workers are ordinarily employed, one or more suitable rooms shall be provided and maintained for the use of their children who are under the age of 6 (six) years. These rooms will provide adequate accommodation, must have adequate lighting, ventilated and maintained in a clean and sanitary condition, and will be under the charge of women trained or experienced in childcare”.

Other Provisions in the Law¹



Working Hours of
Female Workers

A female worker must sign a consent form in order to work from 10:00 PM to 06:00 AM which will remain valid for 12 months unless she plans a withdrawal or change.



Maternity Leave

Every woman employed in an establishment shall be entitled to, and her employer shall be liable for, the payment of maternity benefit in respect of the period of 8 weeks preceding the expected day of her delivery and 8 weeks immediately following the day of her delivery. Provided that a woman shall not be entitled to such maternity benefits unless she has worked under the employer, for a period of not less than 6 months immediately following the day of her delivery.



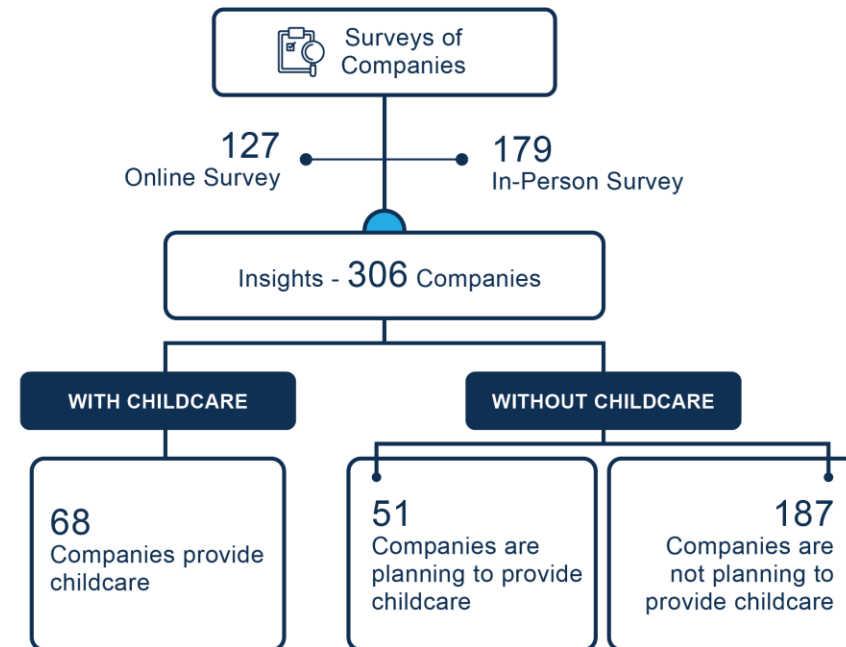
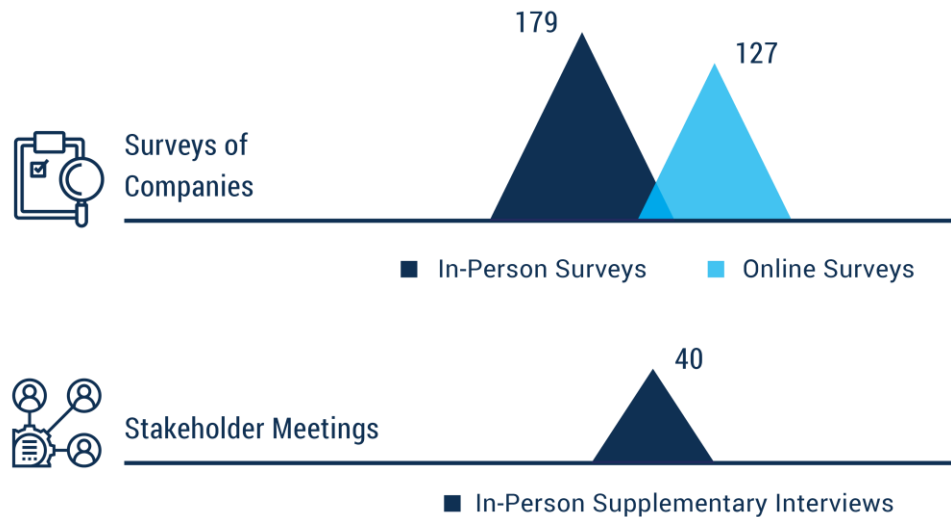
Pregnancy
Welfare Benefits

A pregnant worker should not be engaged in work declared hazardous by the government or any work hazardous for her health. Additionally, after the delivery, the organization must provide an opportunity for lactation and ensure a congenial atmosphere for mothers and children.

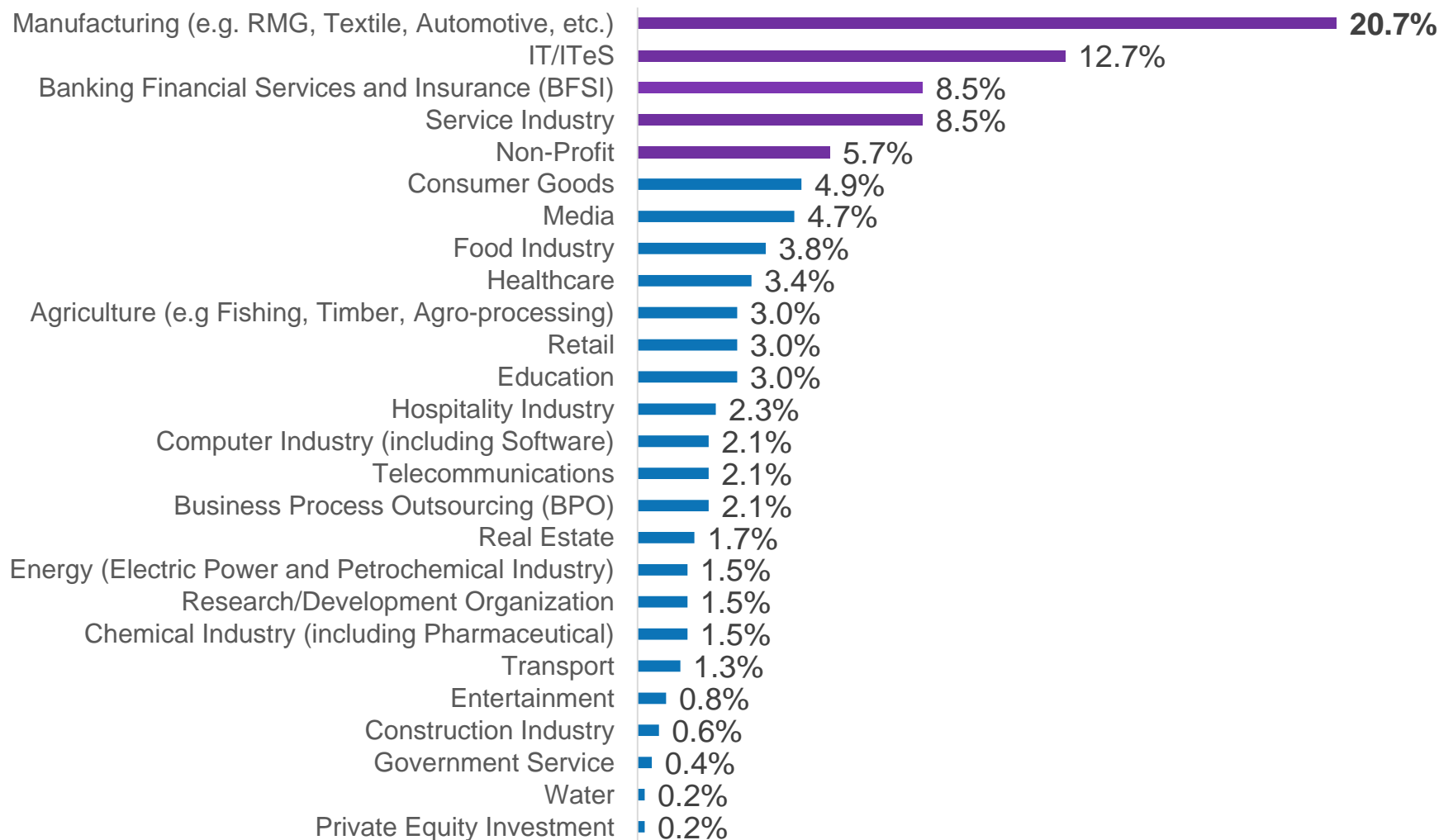


Methodology - Surveys

- Given the childcare requirement in the Labour Law, **306** companies with more than 40 female employees were surveyed to understand their challenges, opportunities, and business case for providing childcare in line with the legal mandate.
- Companies answered **25** general questions and **10-12** tailored questions, depending on whether they are providing, planning to provide, or not planning to provide childcare. In summary:
 - 23% or 68 of 306** employers are providing childcare and answered questions specific to this category
 - 16% or 51 of 306** employers are planning to provide it and answered questions specific to this category
 - 61% or 187 of 306** are not planning to provide it and answered questions specific to this category



Highest number of responses came from Manufacturing and IT



Top Five Sectors



Manufacturing e.g. RMG, Textile, Leather etc. **21%**



IT/ITeS **13%**



Banking Financial Services and Insurance **9%**



Service Industry e.g. ridesharing **9%**

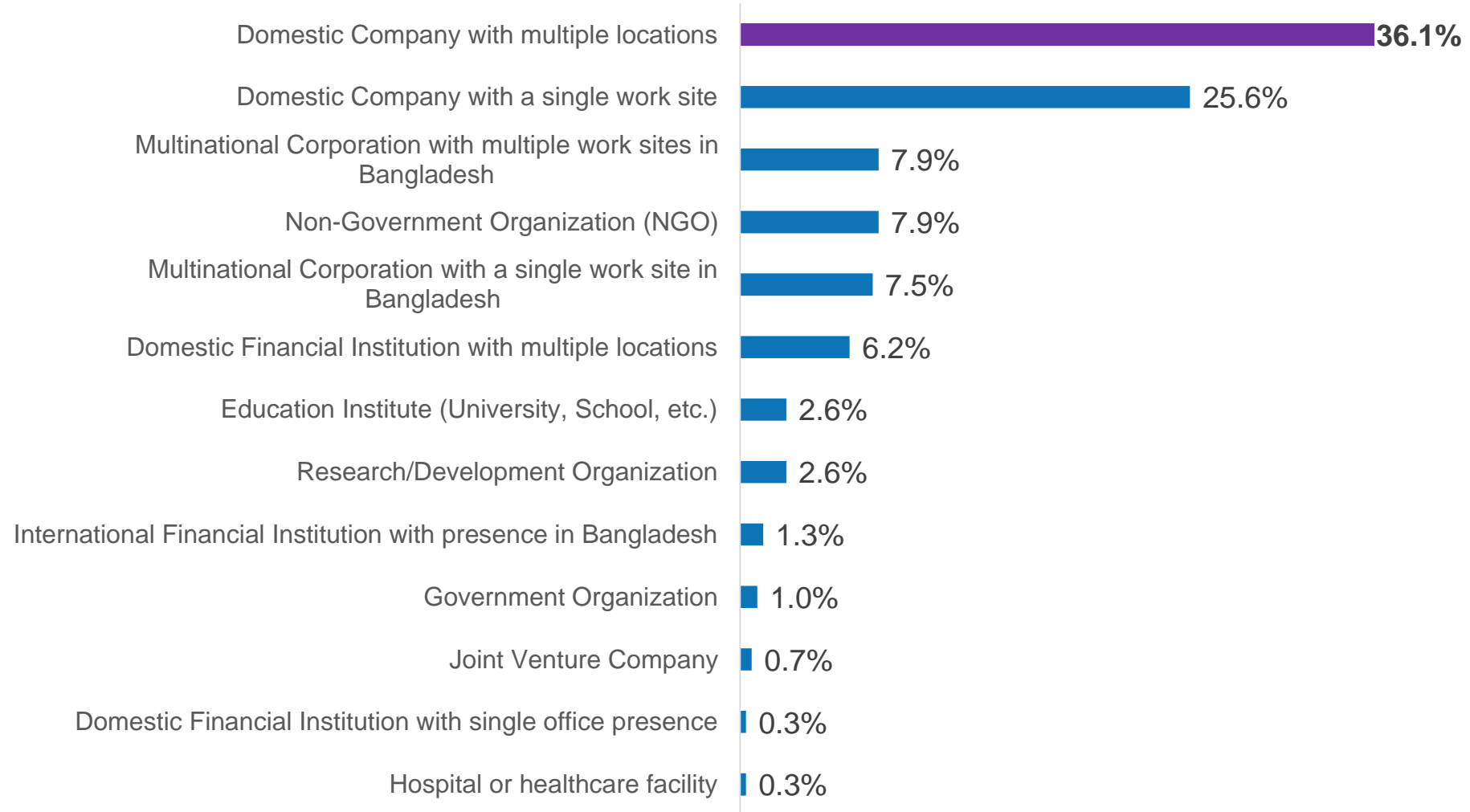


Non-Profit **6%**



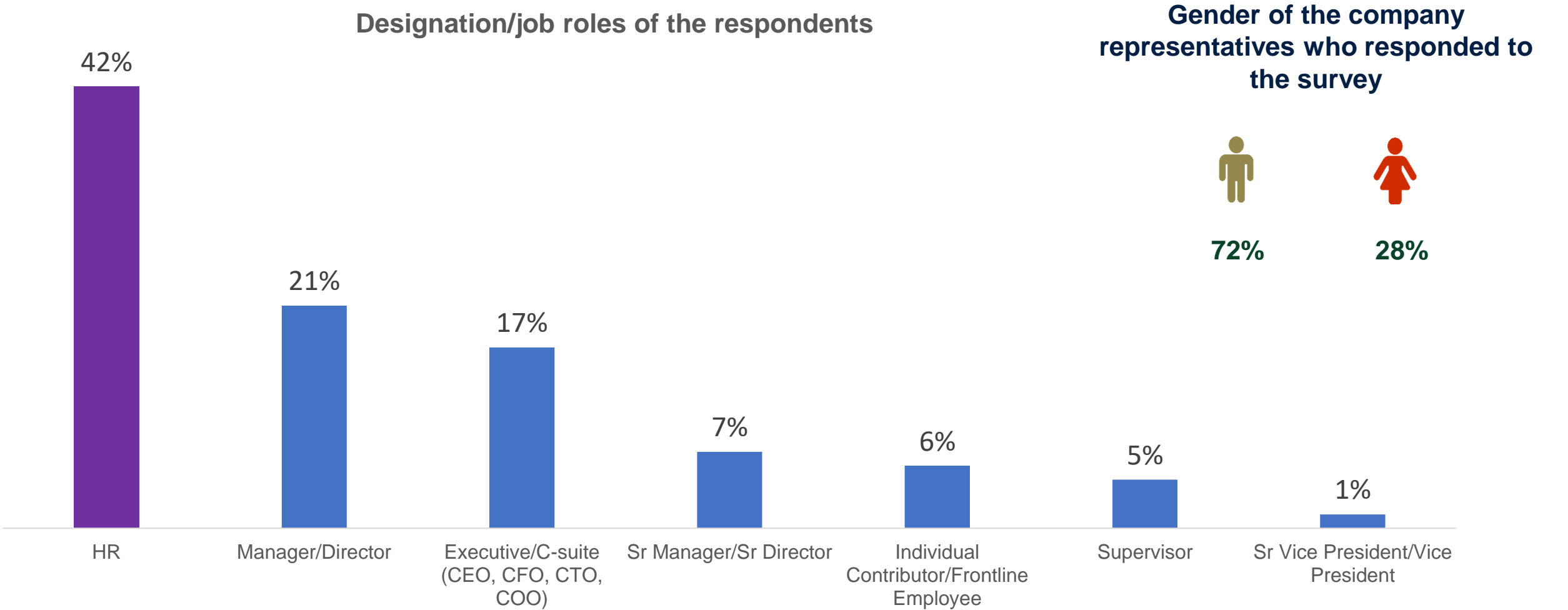
Source: IFC & LightCastle Primary Research, N=306

Most companies surveyed are domestic companies with multiple worksites



Source: IFC & LightCastle Primary Research, N=306

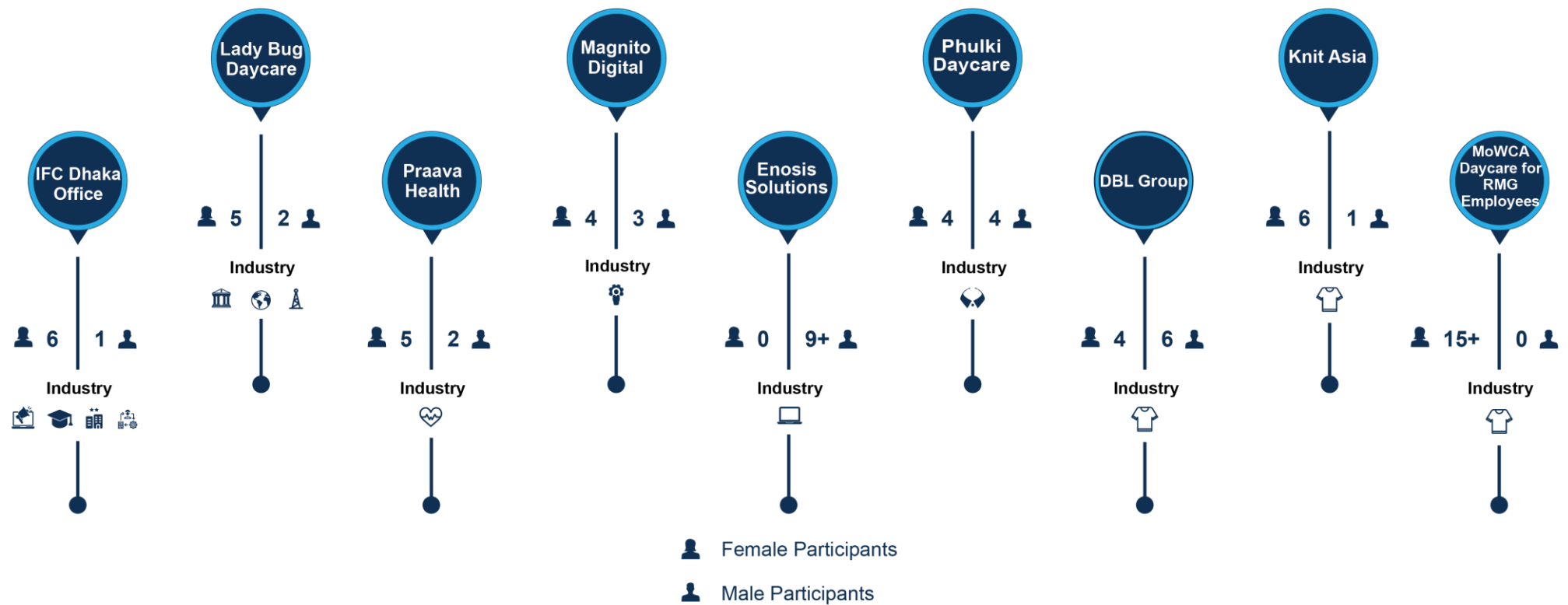
Most of the responses came from the HR representatives of 306 companies



Source: IFC & LightCastle Primary Research, N=306

Methodology - Focus Group Discussions

- A total of 9 Focus Group Discussions (FGDs) were conducted to understand the childcare needs, preferences, and challenges of employees and their experiences with different childcare options. 75+ employees participated in the 9 FGDs.



Insights from Focus Group Discussions

Insights	Blue-Collar Employees	White-Collar Employees
Demand for Childcare Facilities	Childcare is vital for families who have migrated to Dhaka for work. Childcare facilities are regarded as safer and cheaper alternatives to leaving children in slums/ homes of relatives and neighbors.	Working parents demand high quality childcare facilities. The centers must have robust hygiene and safety standards. Childcare centers should be close to/located in workplaces.
Improvements in Childcare Facilities	Children should receive free-of-cost, nutritious meals and better early childhood education and learning.	Childcare centers should follow sophisticated curriculums for early childhood development and education.
State Policy Changes for Childcare	The law should be altered to facilitate childcare solutions for all working mothers and fathers. Childcare solutions should be provided even if a company employs less than 40 female employees.	

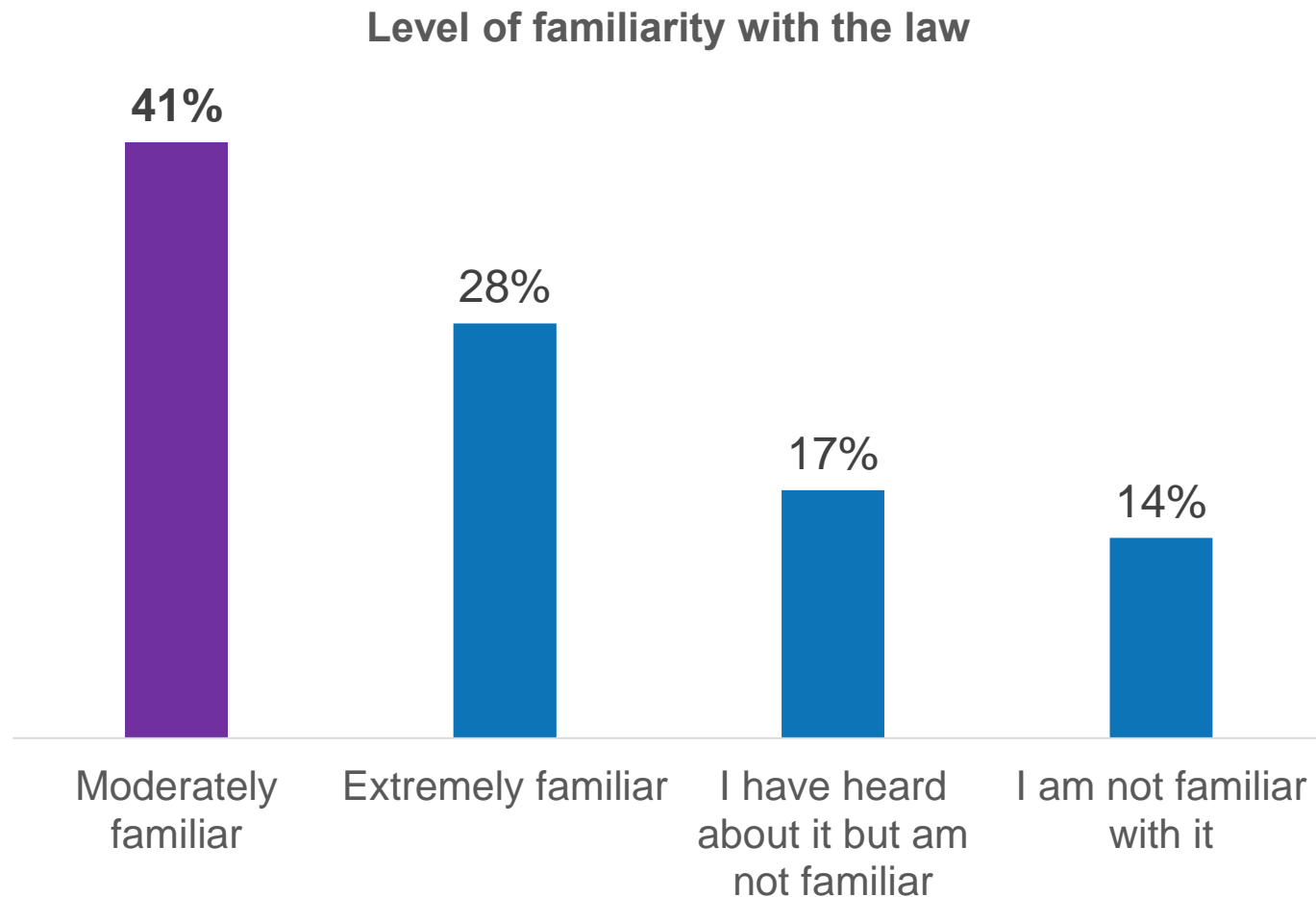


Insights - All Companies Sample Size: 306



Source: Honey Bees Preschool, Dhaka

Almost half of the 306 companies surveyed are moderately familiar with the childcare requirement in the Bangladesh Labour Law



RECAP – The childcare requirement in the Labour Law is as follows:

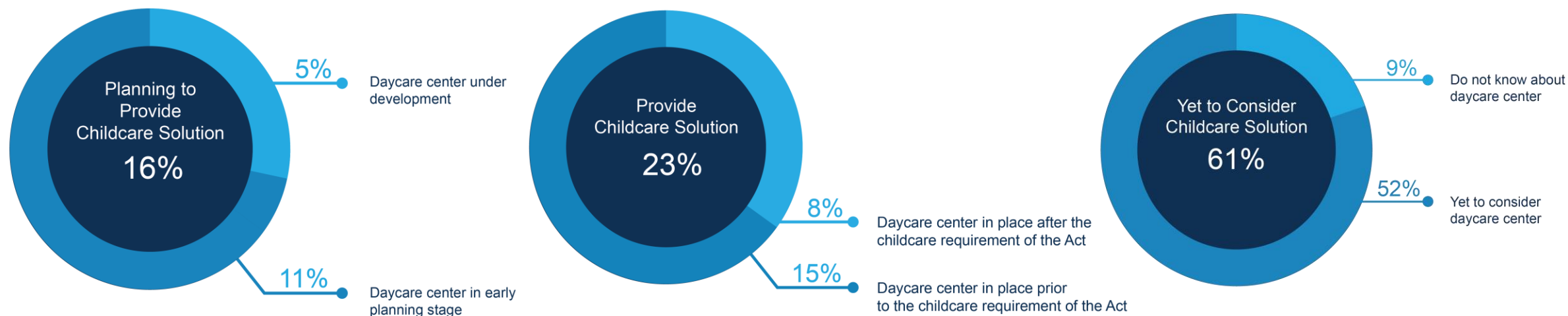
Each establishment, permanently employing 40 or more female workers are required to provide and maintain a suitable room or rooms for the use of children under the age of six years. These rooms will provide adequate accommodation, must have adequate lighting, ventilated and maintained in a clean and sanitary condition, and will be under the charge of women trained or experienced in childcare.



Source: IFC & LightCastle Primary Research, N=306

Yet, 61% or 187 of 306 companies surveyed are yet to consider a childcare solution

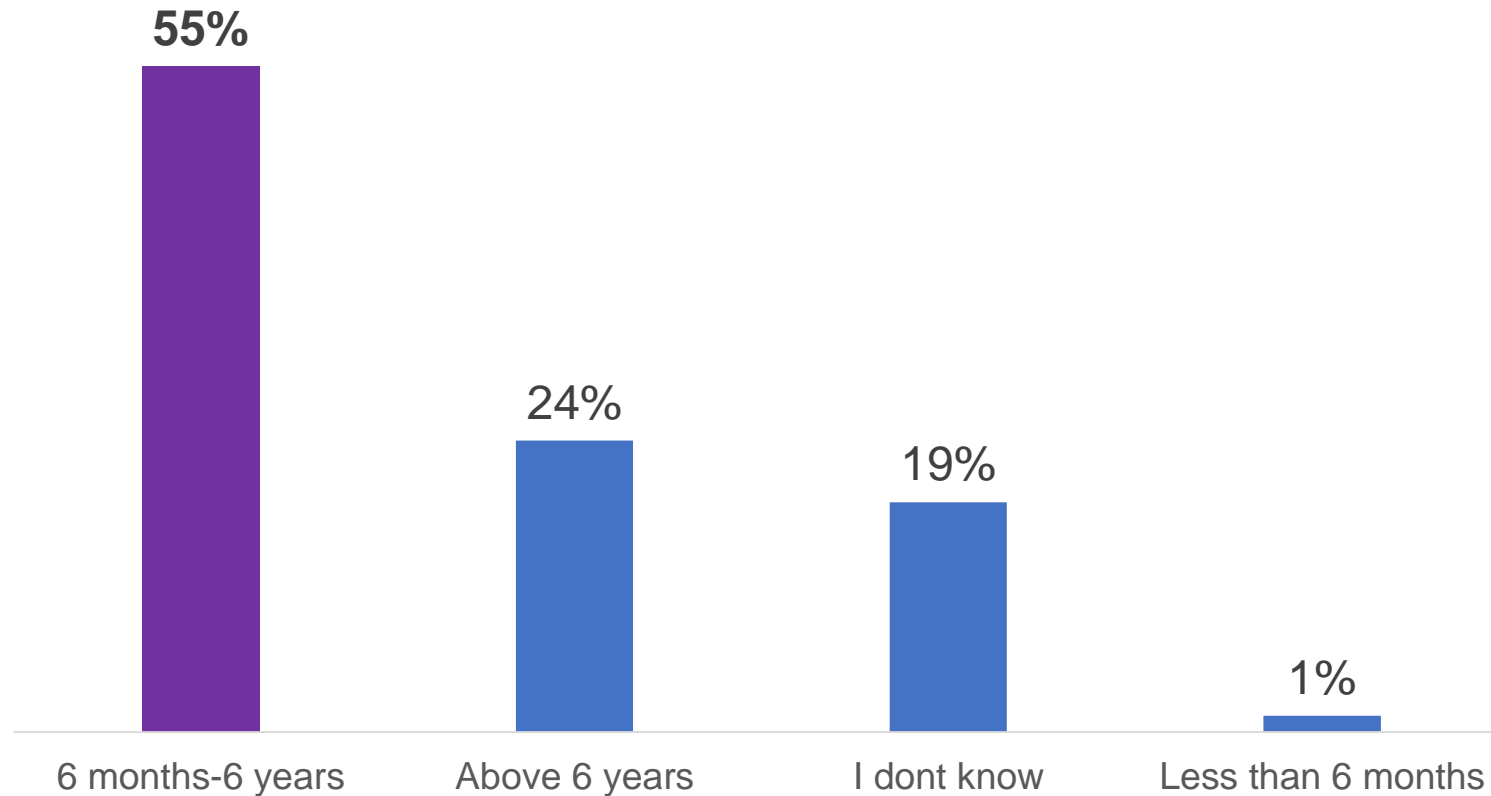
Status of childcare provision



Source: IFC & LightCastle Primary Research, N=306

High Demand: Out of the 306 companies surveyed, more than 50% of the companies said that their employees' children are mostly in the 6 months to 6 years age range

Age of employees' children (estimate)



Most employees of the 306 companies surveyed have 1 to 2 children

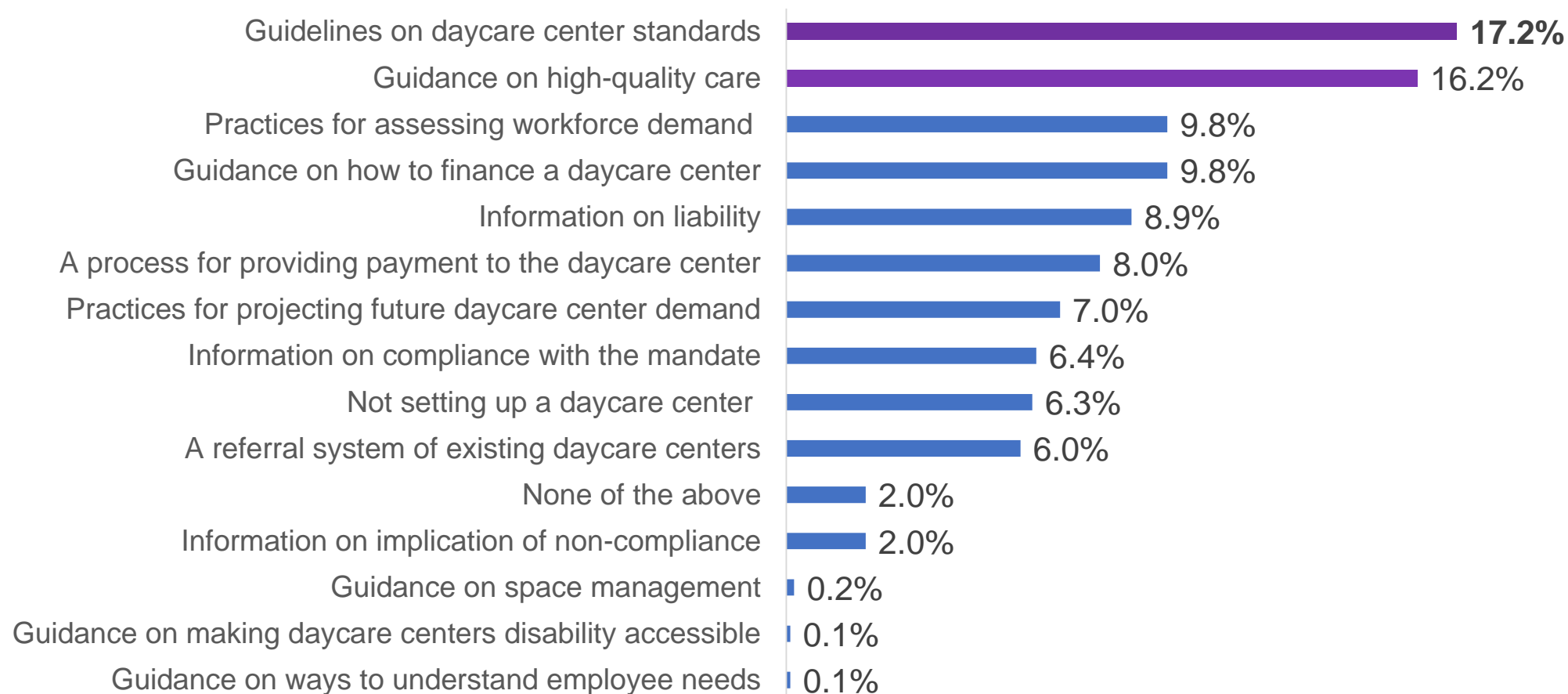
Most childcare centers in Bangladesh admit children ages 6 months to 6 years



Source: IFC & LightCastle Primary Research, N=306

34% of 306 companies surveyed highlighted the need for guidance on childcare standards and quality as the most important resource to plan a childcare center

Most important resources for planning childcare center



Source: IFC & LightCastle Primary Research, N=306

Insights - Companies Providing Childcare

Sample Size: 68 out of 306 or 23%

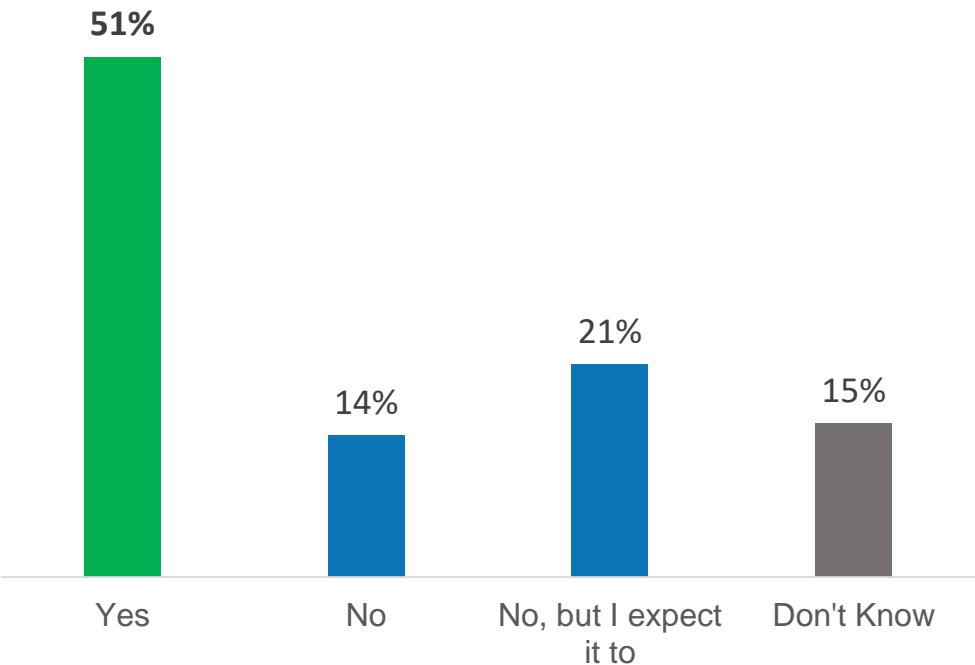


Source: BRAC HQ (Dolna) Daycare Center, Dhaka

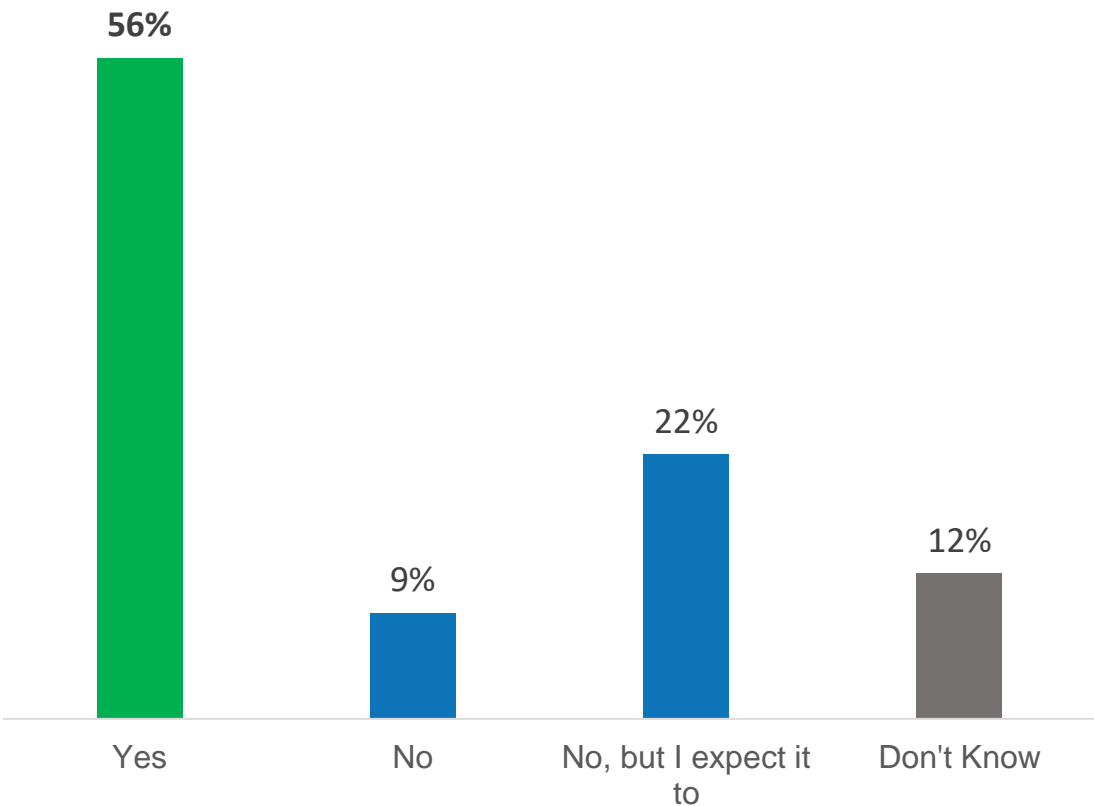
Evidence of the Business Case for Employer-Supported Childcare

23% or 68 out of 306 companies surveyed **provide childcare solutions** and reported positive impacts on 8 indicators:

Organizational profitability: Higher profits after establishment childcare facilities



Women's career advancement: More women being promoted after establishment of childcare facilities

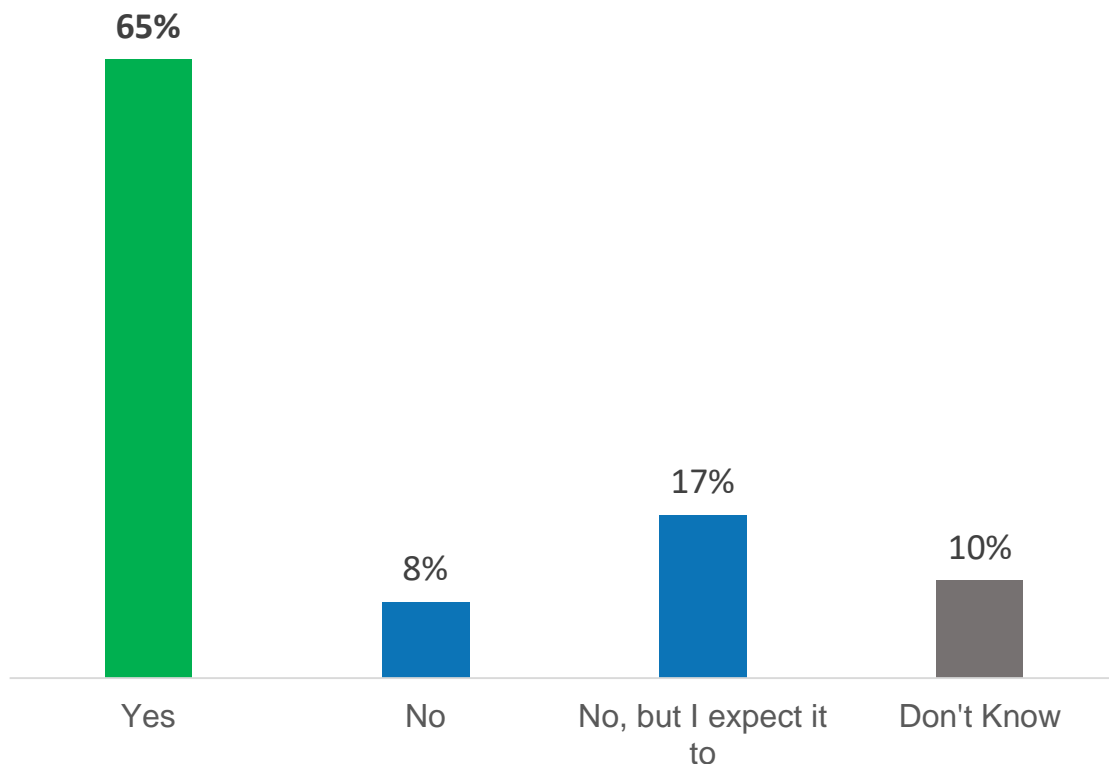


Source: IFC & LightCastle Primary Research, N=68

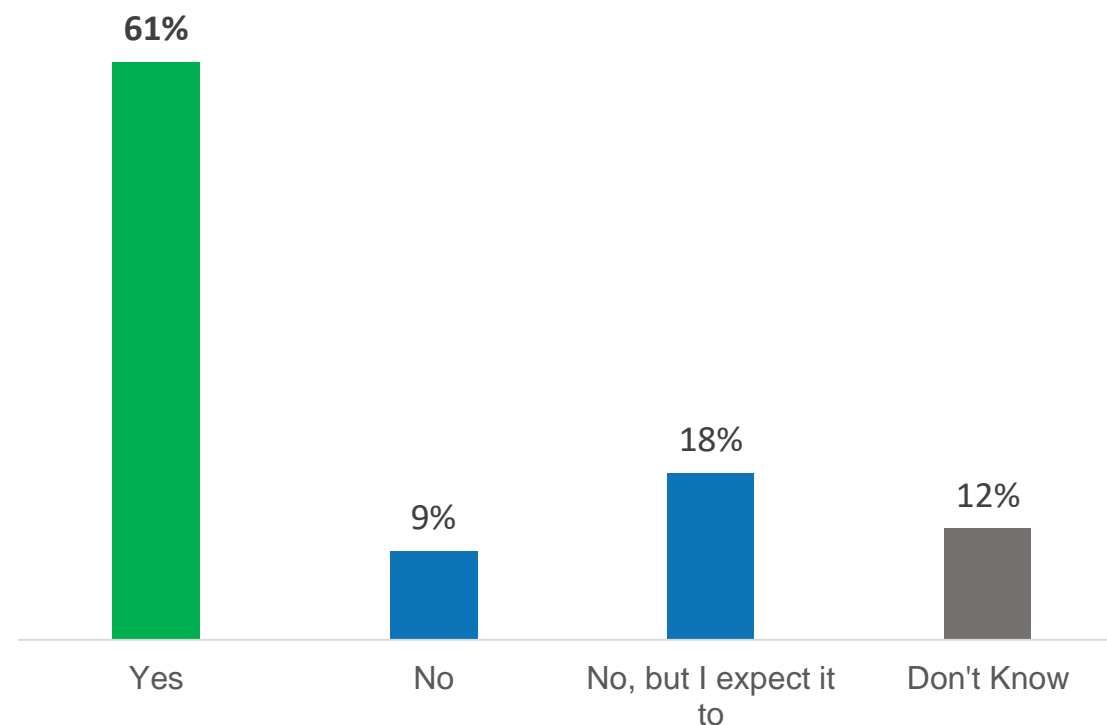
Evidence of the Business Case for Employer-Supported Childcare

23% or 68 out of 306 companies surveyed **provide childcare solutions** and reported positive impacts on 8 indicators:

Talent acquisition: Access to top talent; attracting and retaining top female talent from an underutilized and diverse talent pool



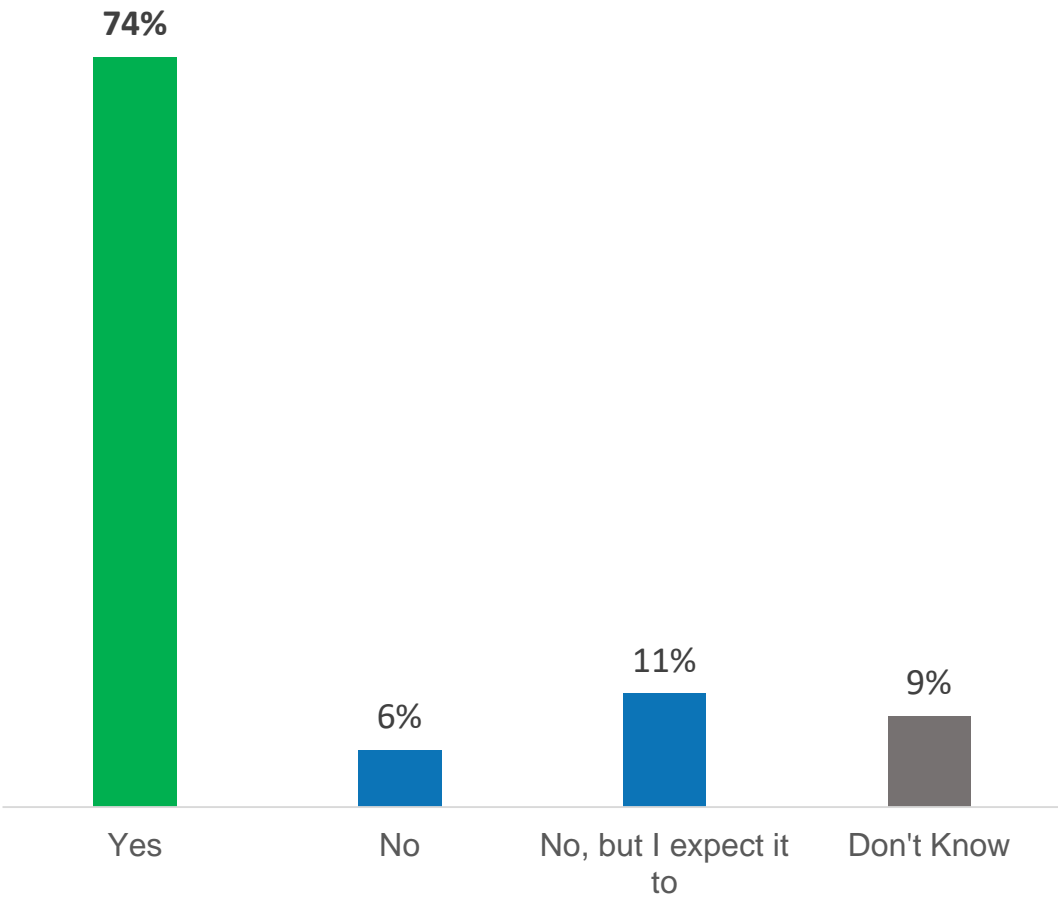
Position/ branding as employer of choice: The company is becoming a popular employer of choice after establishment of childcare facilities



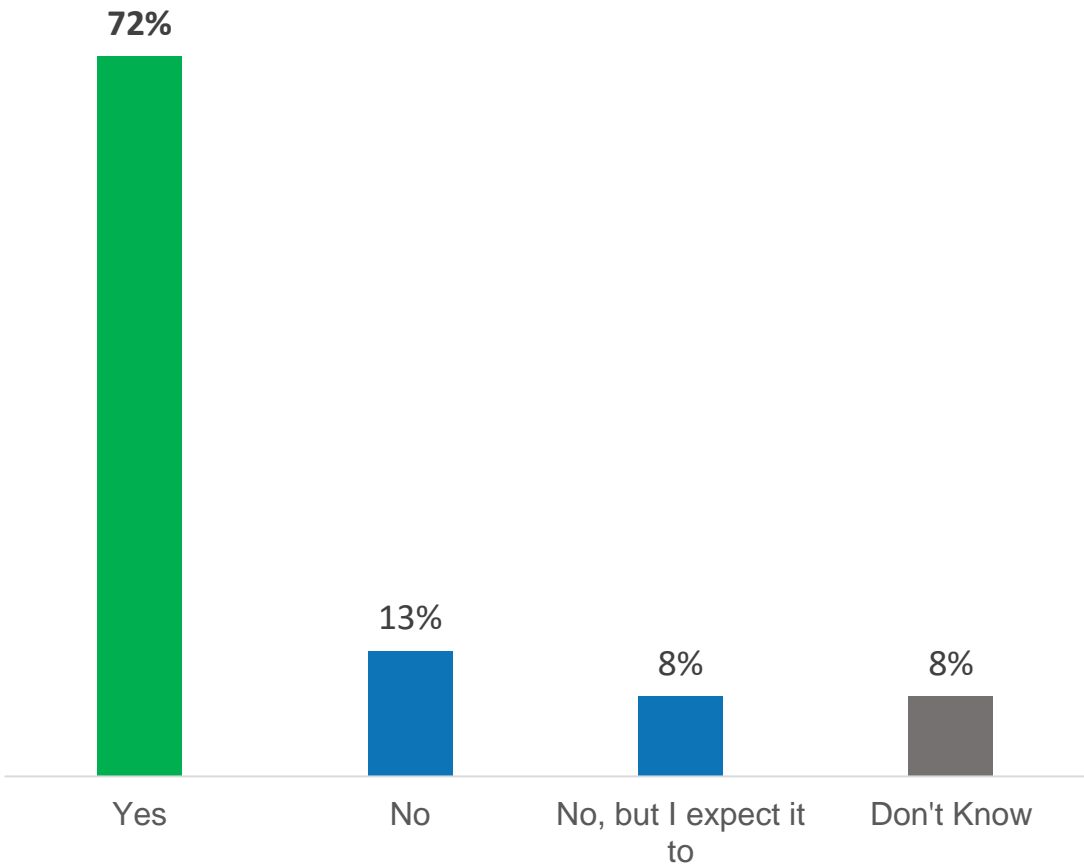
Source: IFC & LightCastle Primary Research, N=68

Enabling access to childcare has positively impacted the 68 companies in 8 areas

Employee productivity

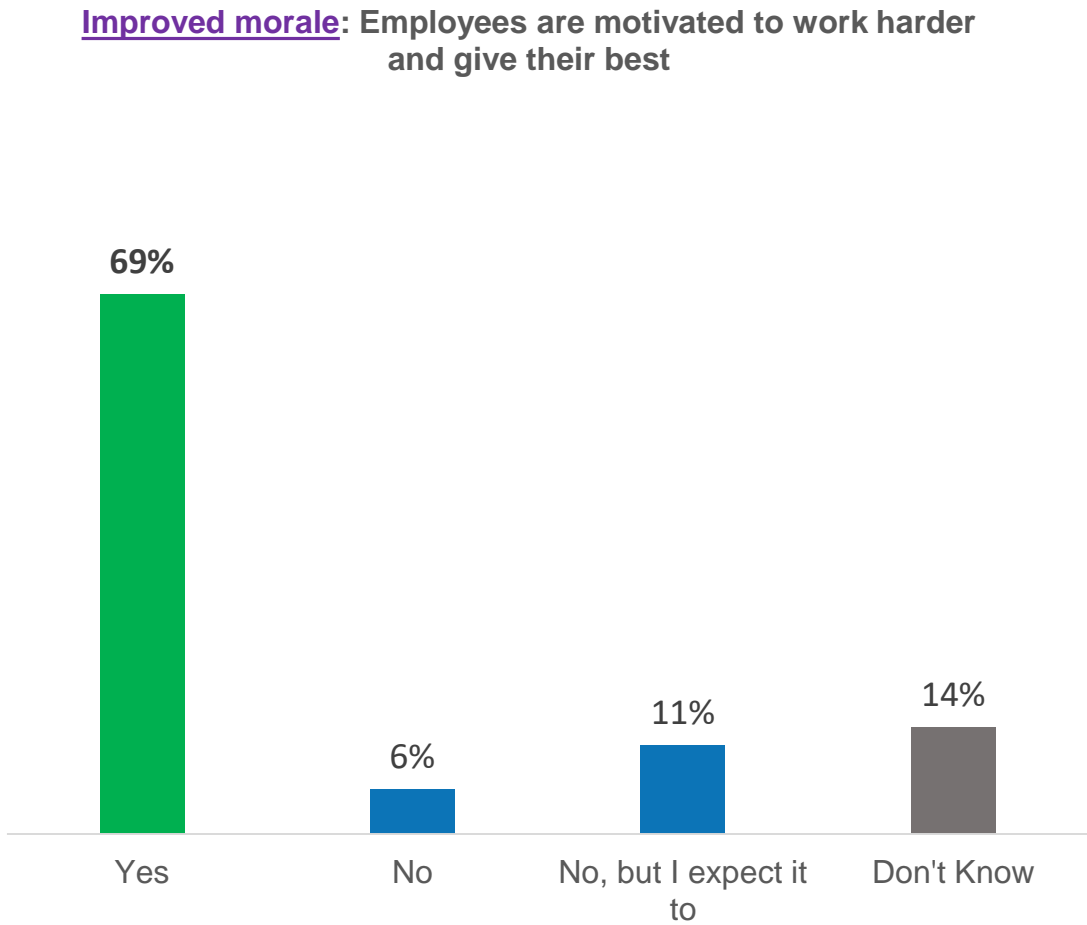
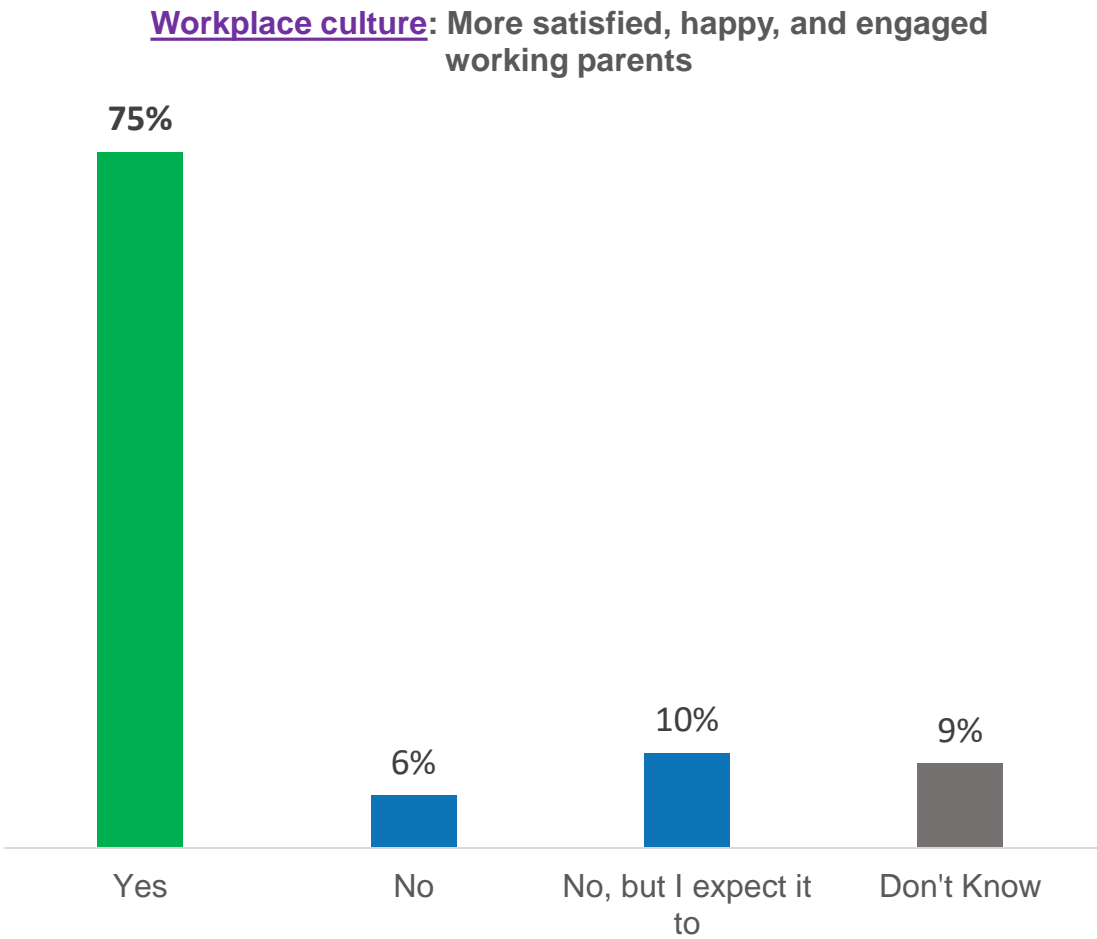


Employee retention



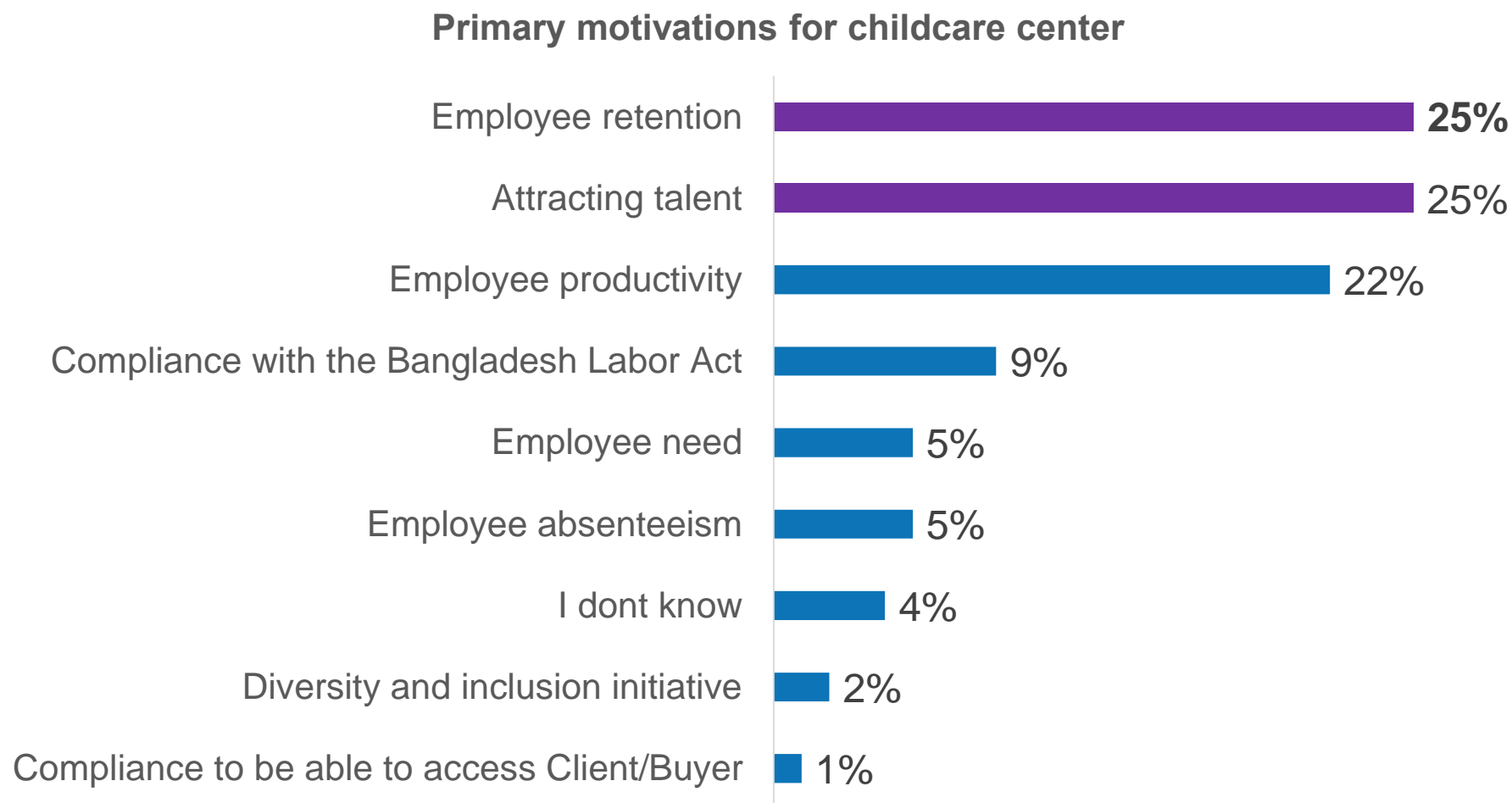
Source: IFC & LightCastle Primary Research, N=68

Enabling access to childcare has positively impacted the 68 companies in 8 areas



Source: IFC & LightCastle Primary Research, N=68

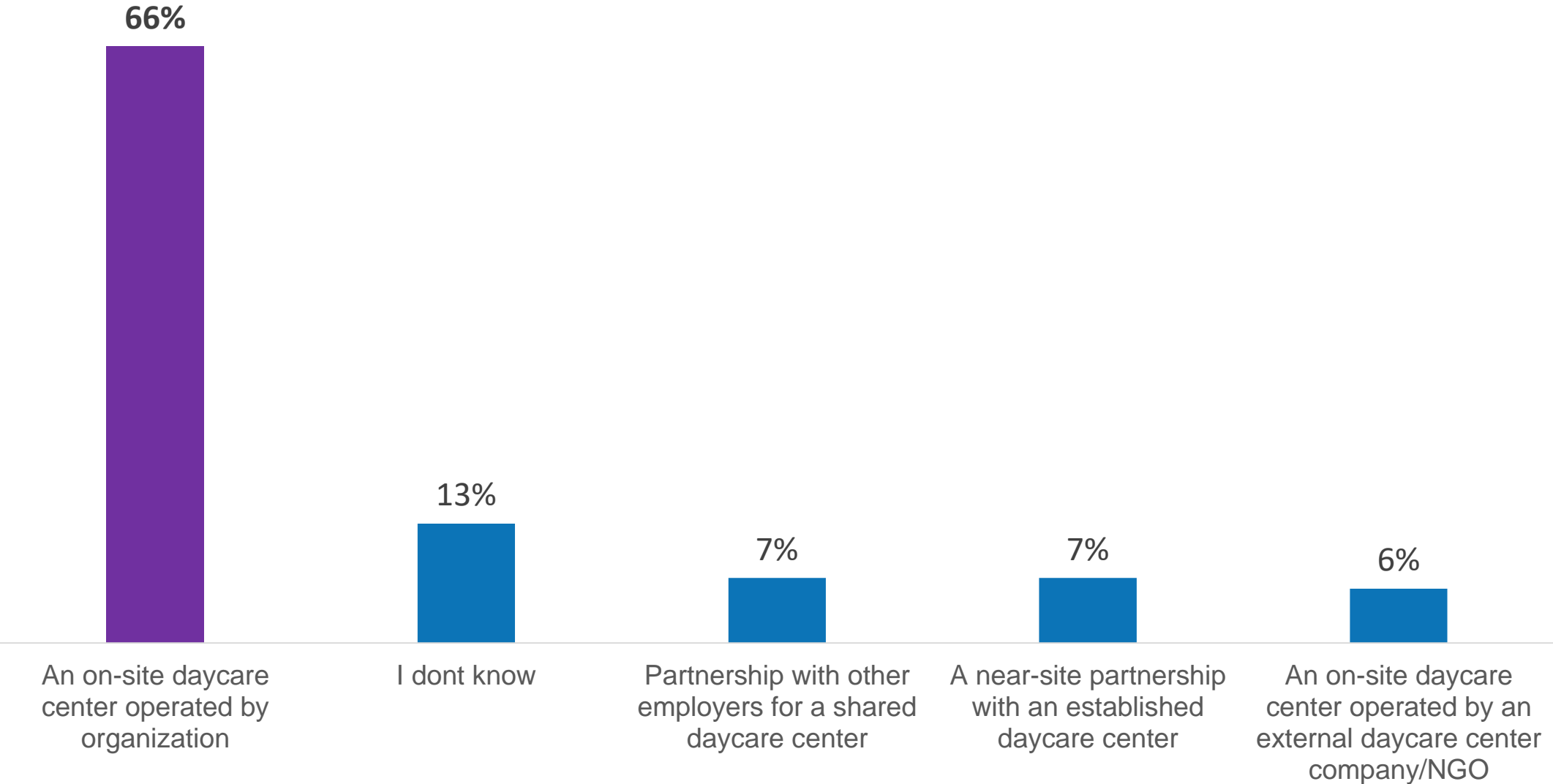
Employee recruitment & retention are the top two motivations for companies providing childcare



Source: IFC & LightCastle Primary Research, N=68

66% of the 68 companies have on-site childcare centers

Childcare center offered via

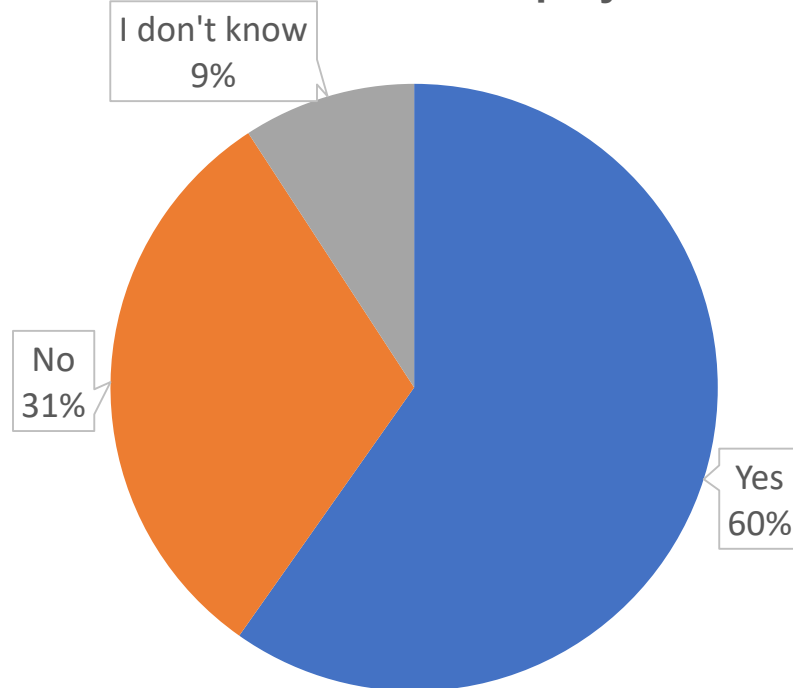


Source: IFC & LightCastle Primary Research, N=68

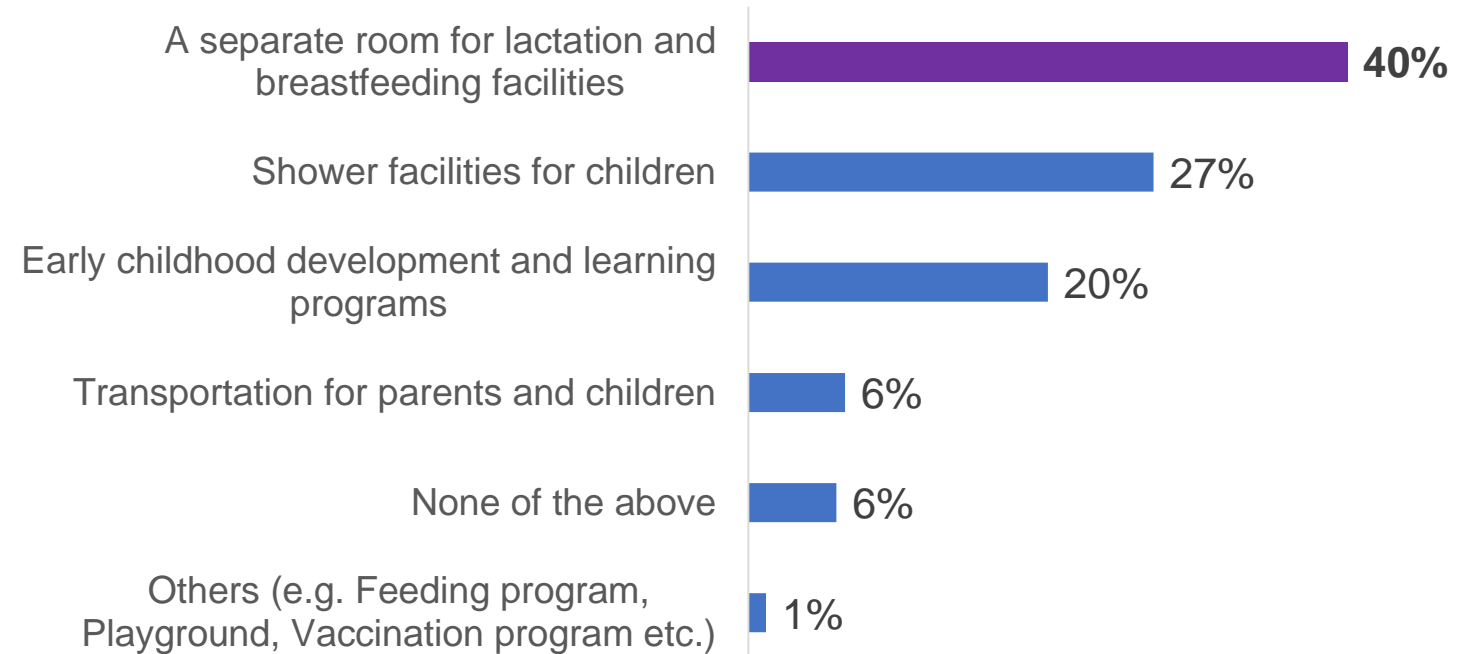
60% of 68 provide childcare to both male and female employees

40% of 68 have lactation facilities

Availability of childcare center to the children of male employees



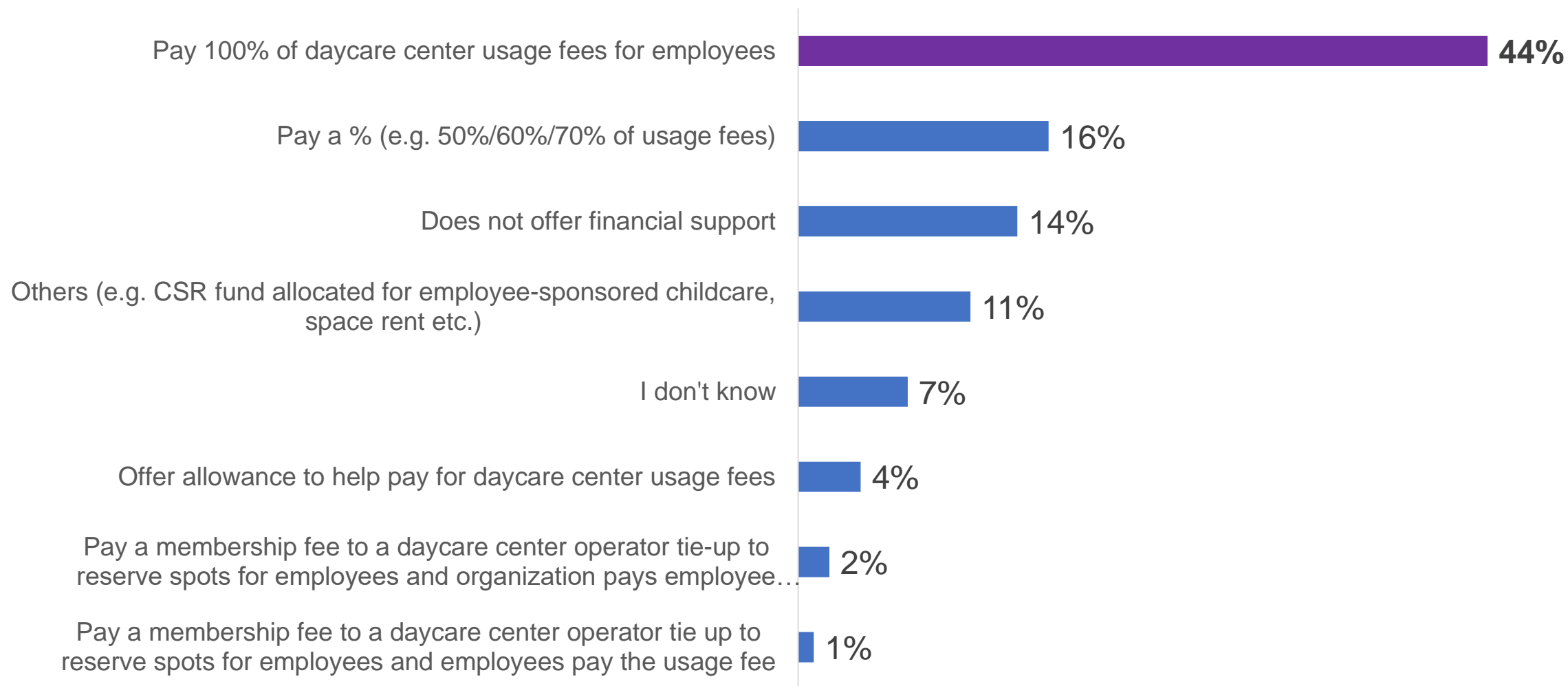
Additional facilities and services offered by the childcare center



Source: IFC & LightCastle Primary Research, N=68

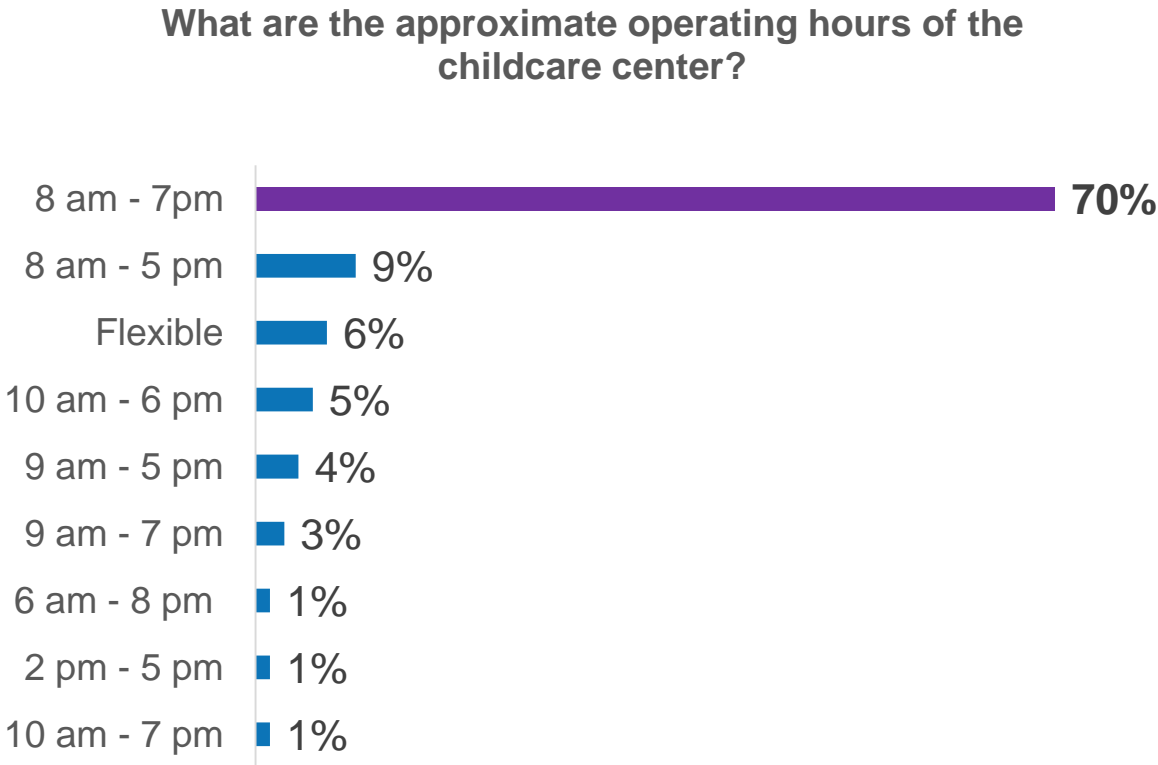
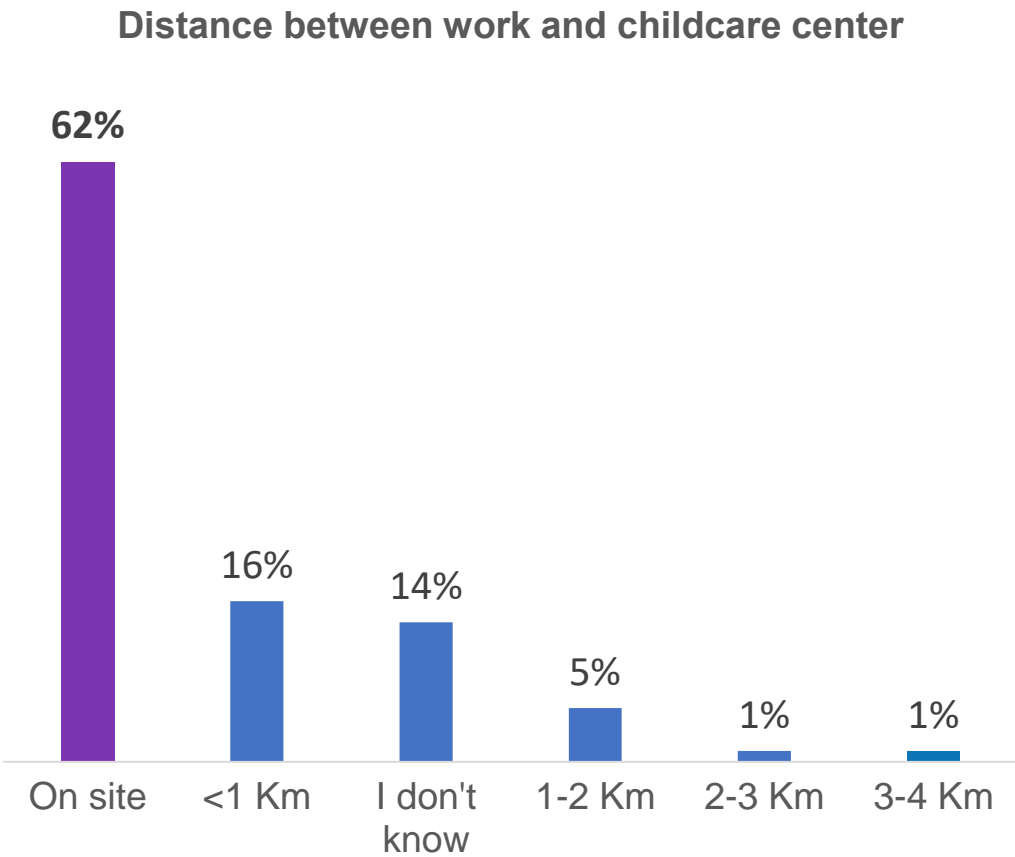
44% of companies that provide childcare for their employees pay 100% of the cost

How does your company support employees with childcare center usage fees?



Source: IFC & LightCastle Primary Research, N=68

Distance and Operating Hours



The median cost of providing childcare services to a child per month is 5,000 BDT or ~ 60 USD



Source: IFC & LightCastle Primary Research, N=68

Insights - Companies Planning to Provide childcare

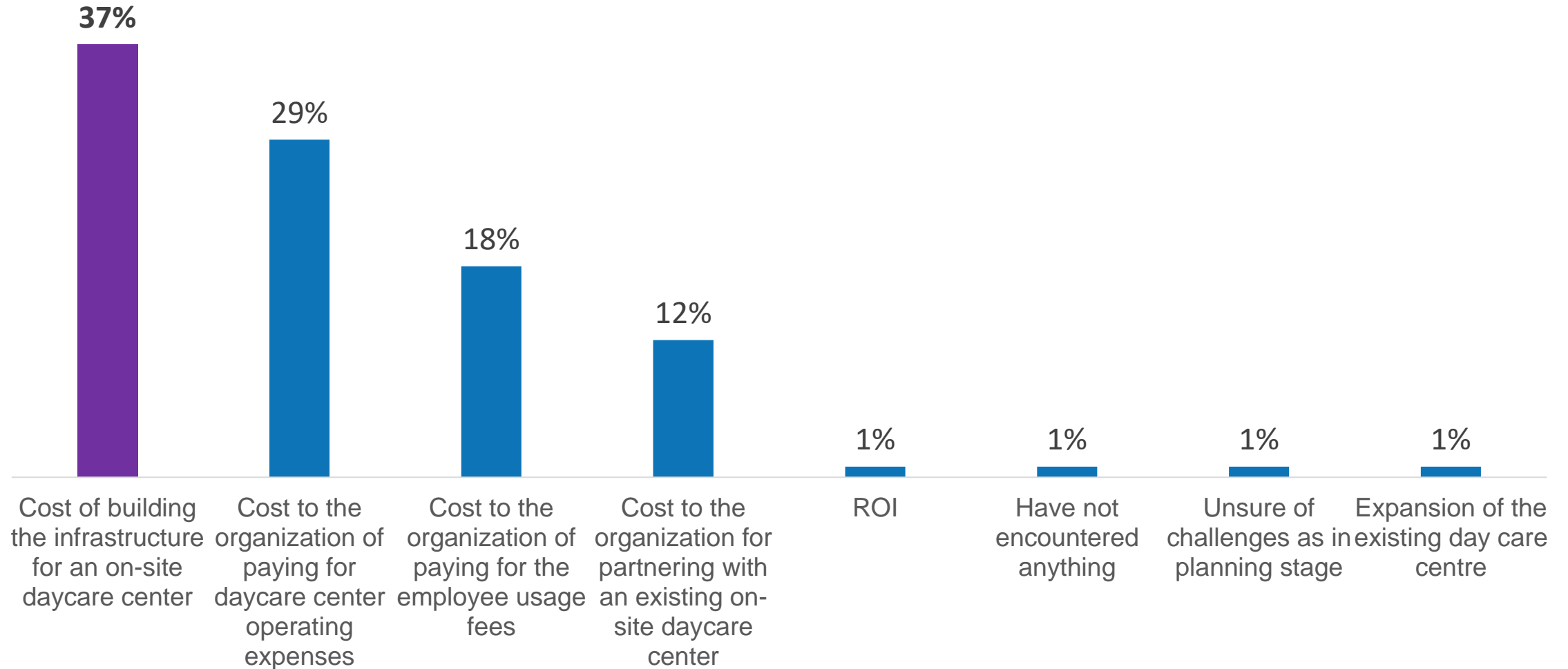
Sample Size: 51 out of 306 or 16%



Happy Hearts, Grameenphone Daycare Center, Dhaka

Perceived high costs of building and operating a childcare center are the primary challenges highlighted by employers in this category

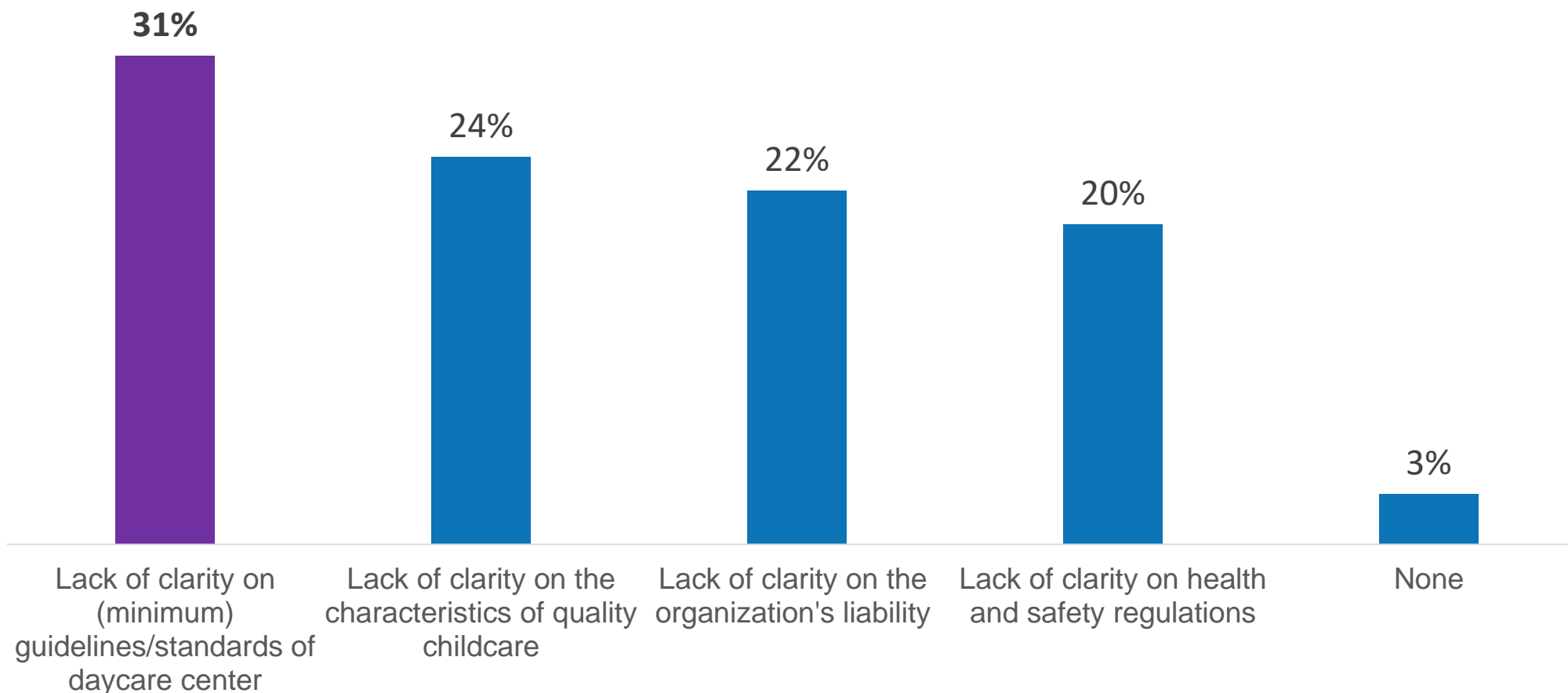
Financial challenges-Companies planning to provide childcare services



Source: IFC & LightCastle Primary Research, N=51

The main legal challenge for 31% of 51 companies planning to provide childcare is understanding the guidelines and standards for childcare centers

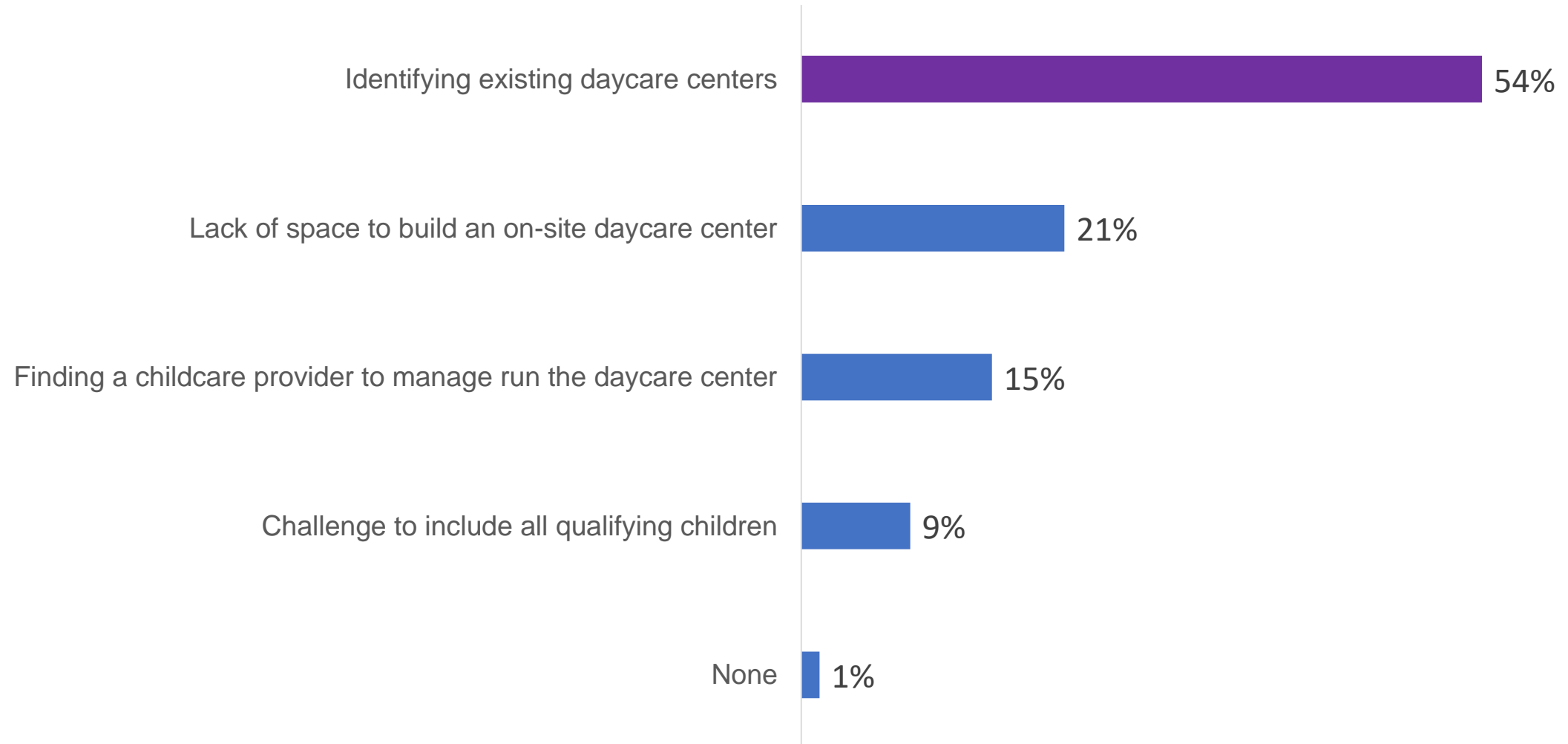
Legal/Regulatory challenges-Companies planning to provide childcare services



Source: IFC & LightCastle Primary Research, N=51

The majority of companies planning to provide childcare cite difficulties identifying existing providers

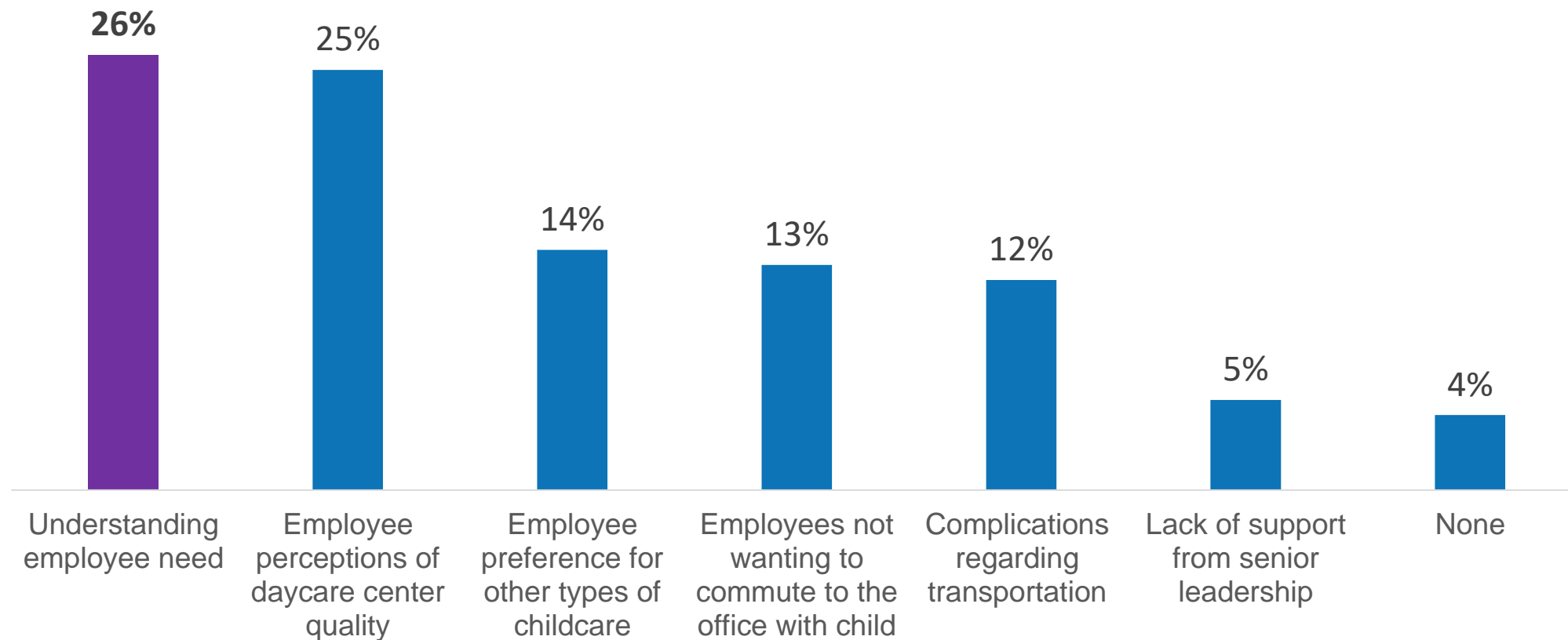
Provisions-Related challenges-Companies planning to setup daycare centers



Source: IFC & LightCastle Primary Research, N=51

Understanding employees' needs is the main organizational obstacle for one quarter of companies

Organizational challenges-Companies planning to provide childcare services



Source: IFC & LightCastle Primary Research, N=51

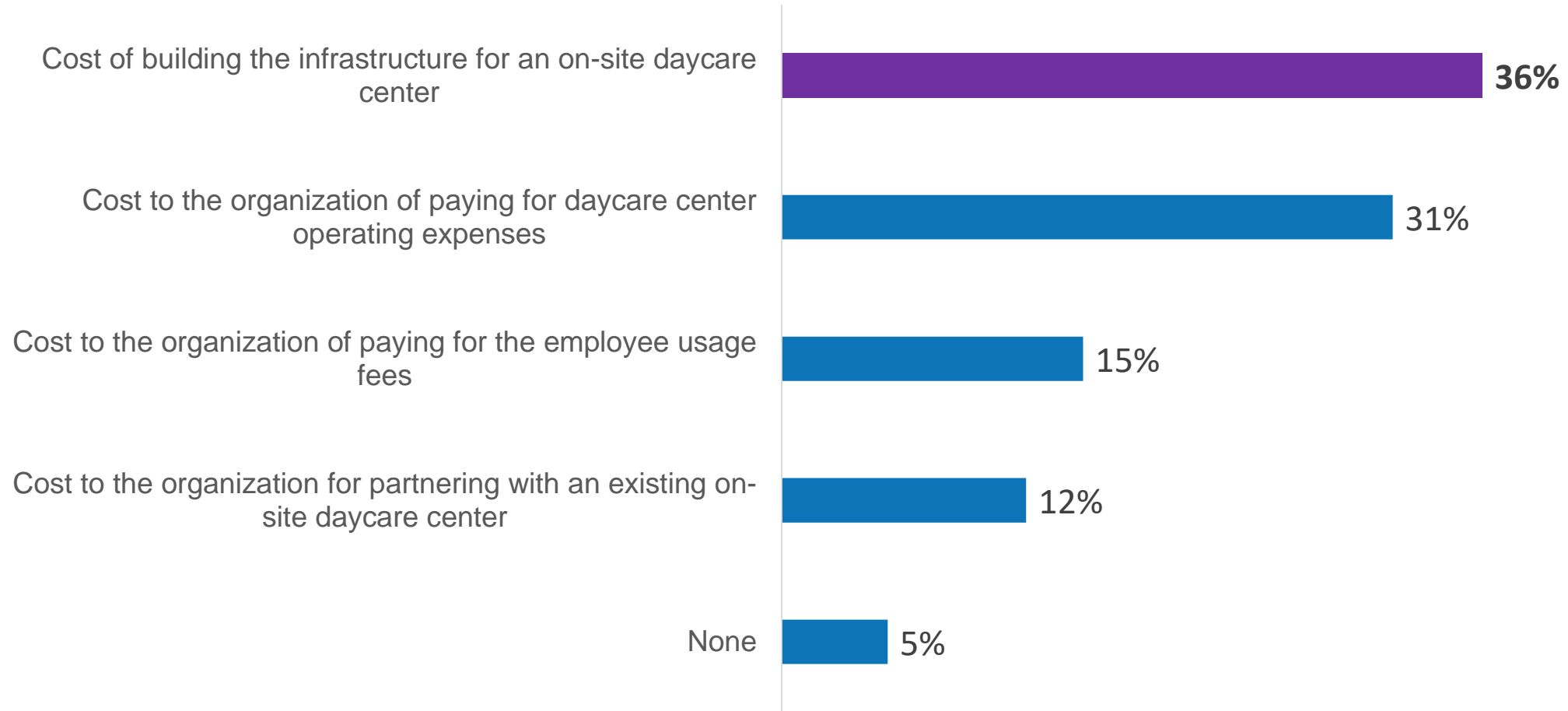
Insights - Companies Not Planning to Provide Childcare Sample Size: 187 out of 306 or 61%



Phulki Daycare Center, Ashulia

Perceived high costs of building and operating a childcare center are the primary challenges highlighted by most employers not planning to provide childcare

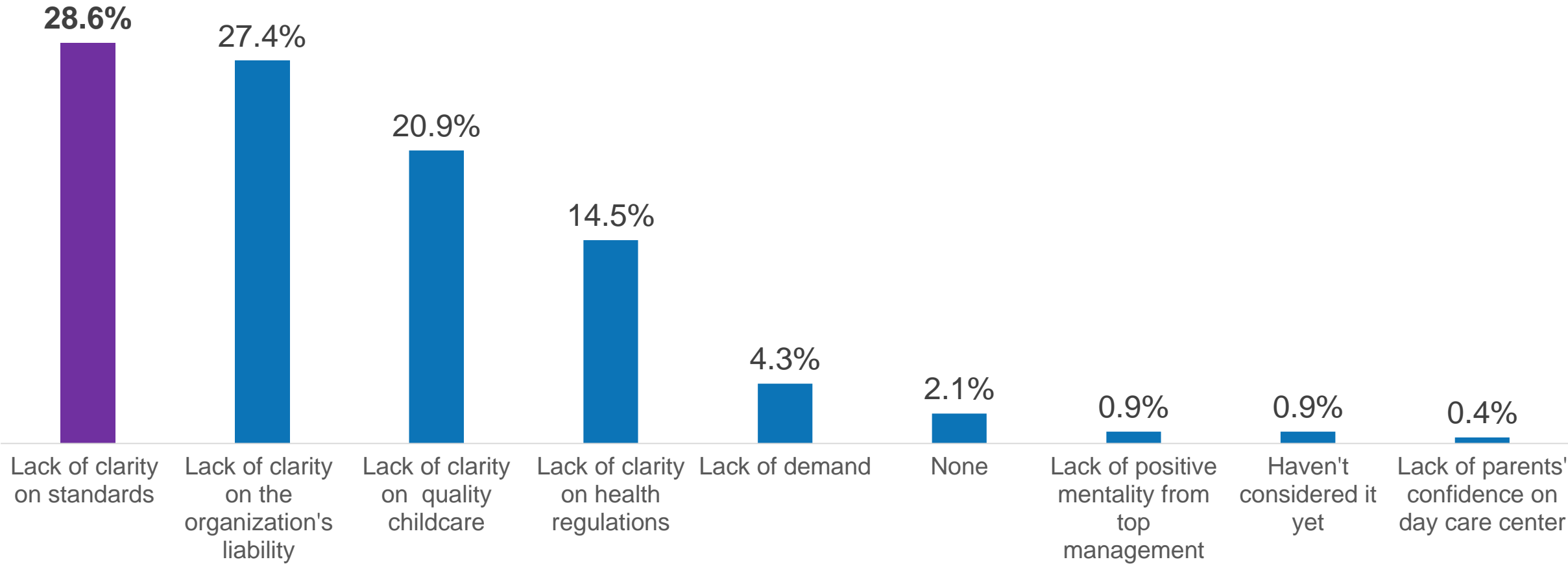
Financial challenges-Companies not planning to setup childcare center



Source: IFC & LightCastle Primary Research, N=187

The most-often cited challenge associated with the childcare law by companies not planning to provide childcare is lack of clarity on childcare center standards & liability

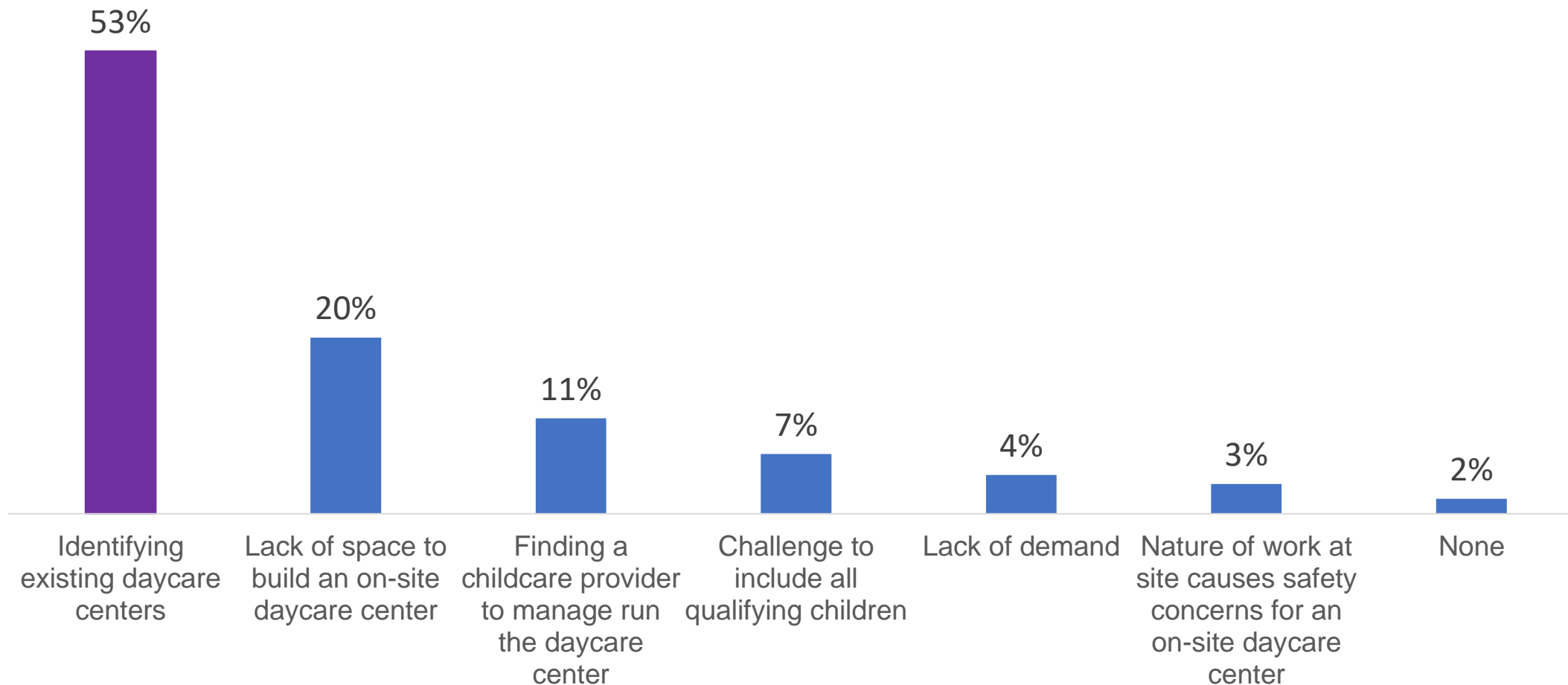
Legal/Regulatory challenges-Companies not planning to setup childcare center



Source: IFC & LightCastle Primary Research, N=187

Finding existing centers is a major challenge for 53% of the 187 companies

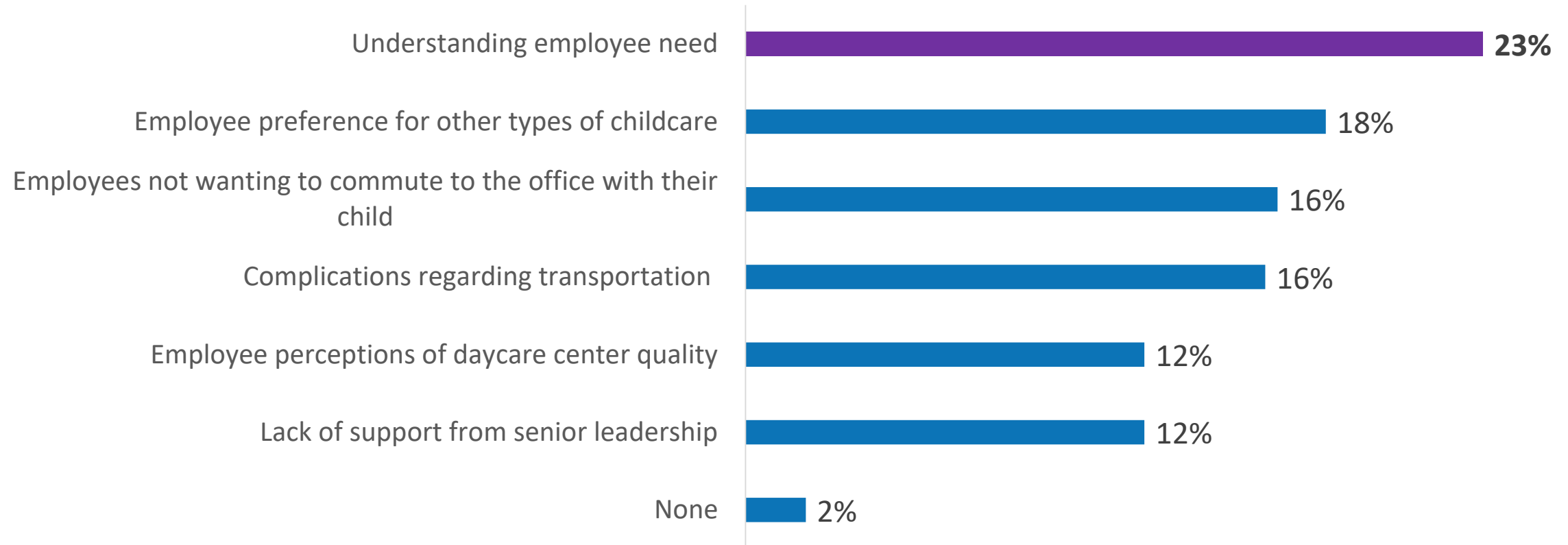
Provisions-Related challenges-Companies not planning to set up childcare facilities



Source: IFC & LightCastle Primary Research, N=187

23% of 187 companies cite understanding employee needs as one of the main organizational challenges

Organizational Challenges-Companies not planning to set up childcare center



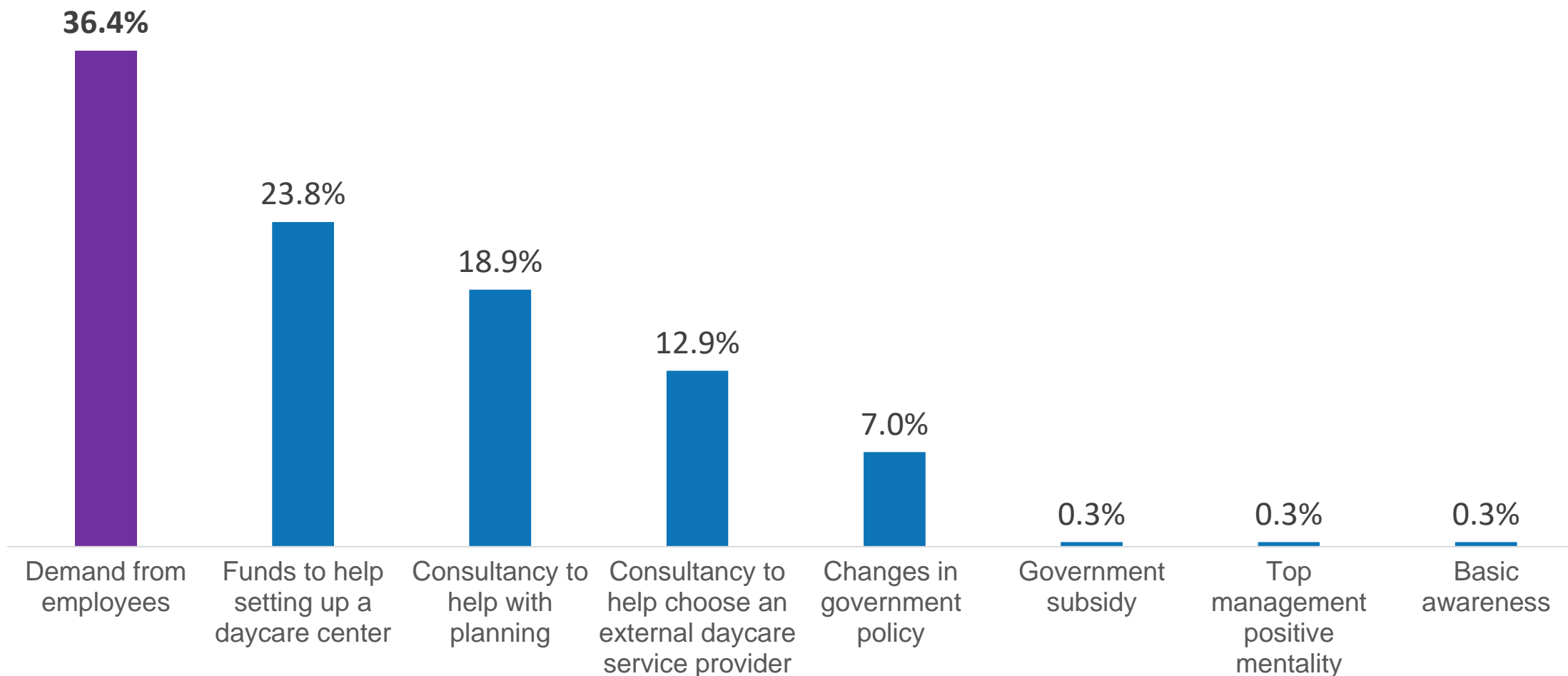
There may be a mismatch between perceived and actual employees' needs and demand.



Source: IFC & LightCastle Primary Research, N=187

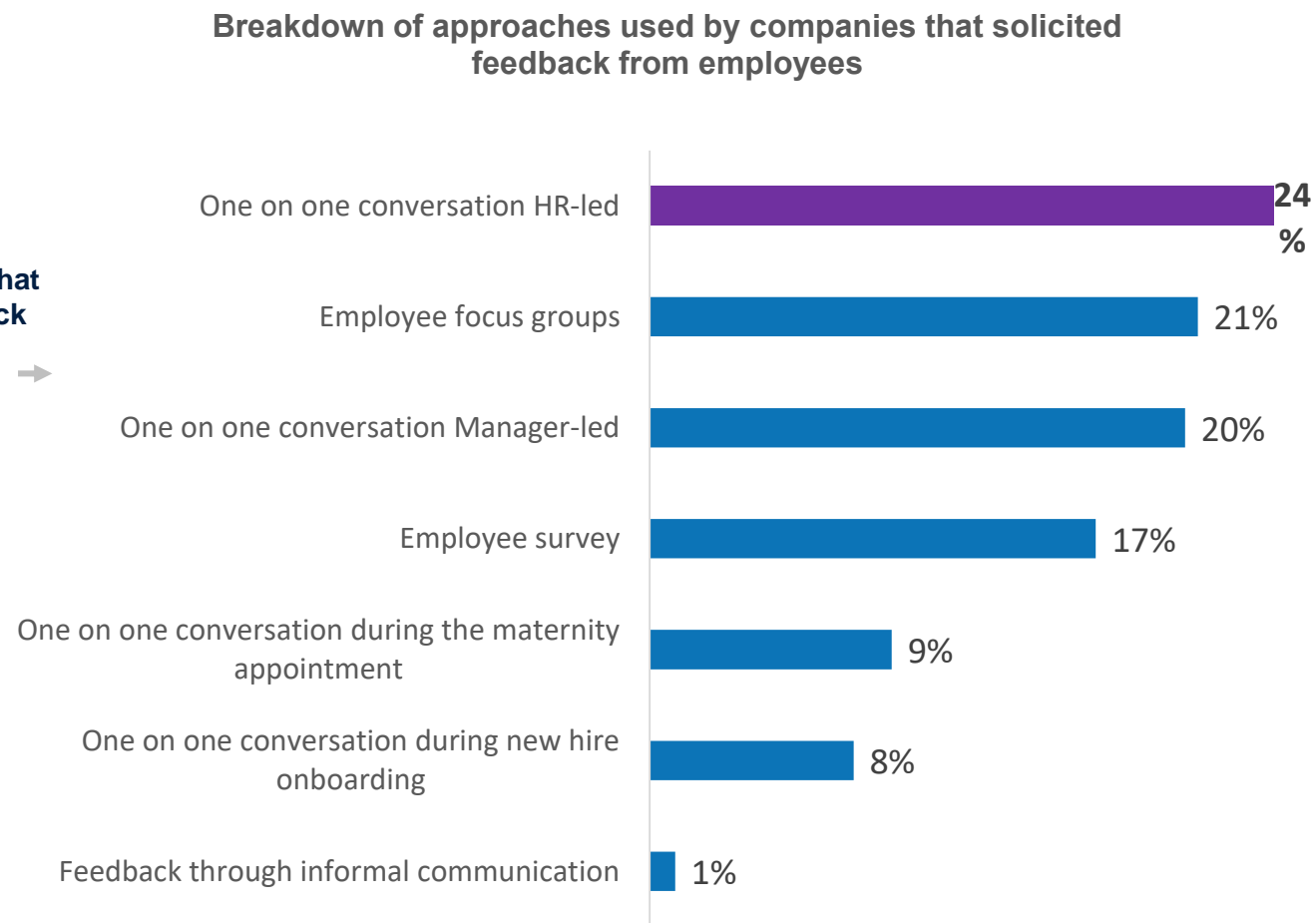
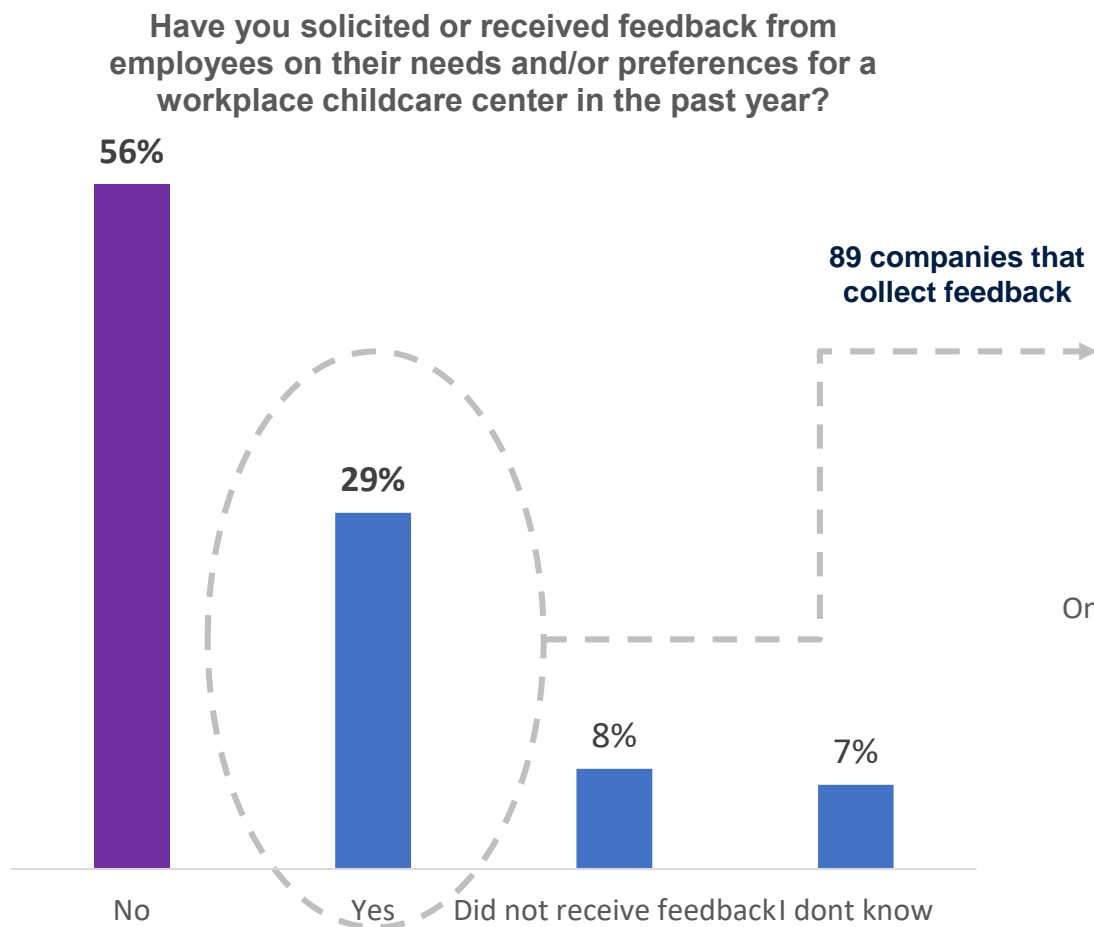
36% of 187 companies say they would set up a childcare center if there was more employee demand

Actions that will help companies plan to set up a childcare center



Source: IFC & LightCastle Primary Research, N=187

However, only 29% of 306 companies have received feedback from employees; One-on-one conversation is one of the most popular ways of getting feedback



Source: IFC & LightCastle Primary Research, N=306

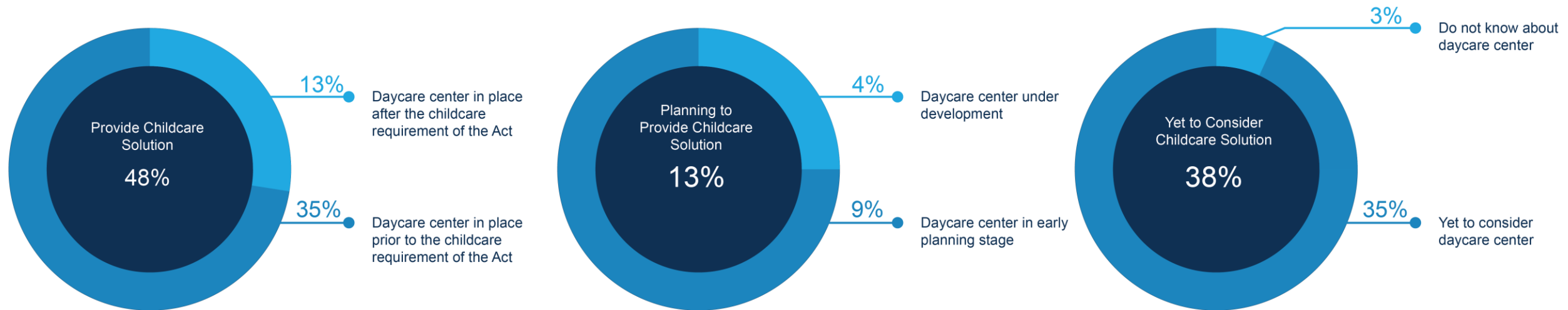
Key findings according to sectors:

- RMG/Manufacturing
- Banking and Finance
- IT/ITeS



Almost 50% of the 68 manufacturing companies surveyed have a daycare center

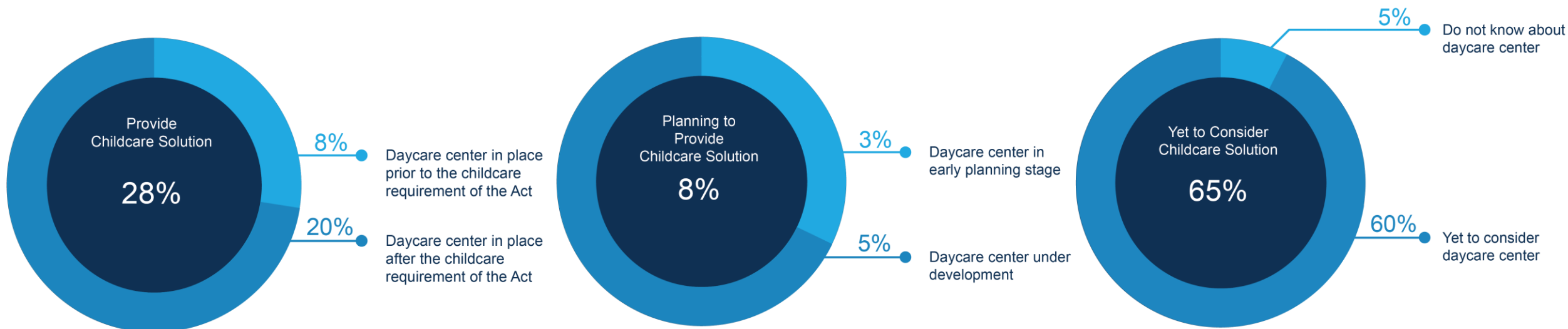
Status of manufacturing companies' daycare provision



- **76% of the manufacturing firms that provide childcare have reported positive impacts on Organizational Profitability**
- **The most commonly-cited resource to plan a daycare center by manufacturing firms (15%) was “Guidance on characteristics of high-quality care.”**

65% of 40 BFSI (Banking, Financial Services, Insurance etc.) companies surveyed are yet to consider a childcare solution

Status of BFSI companies' daycare provision



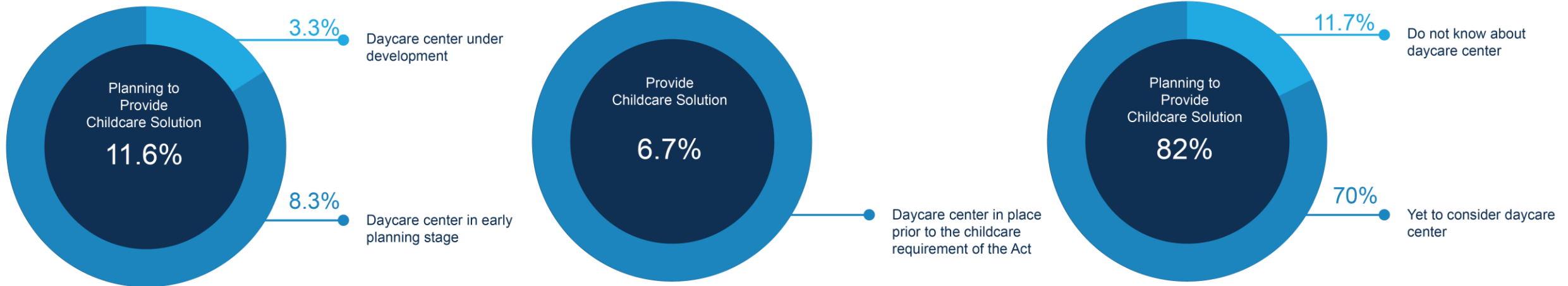
- **36% of the BFSI that provide childcare solutions have reported positive impacts on Organizational Profitability**
- **The most commonly-cited resource to plan a daycare center by BFSIs (19%) was “Guidelines on daycare center standards”**



Source: IFC & LightCastle Primary Research, N=40

More than 80% of 60 IT firms surveyed have yet to provide a childcare solution

Status of IT firms' daycare provision



- **50% of the IT firms that provide childcare have reported positive impacts on Organizational Profitability**
- **The most commonly-cited resource to plan a daycare center by IT firms (15%) was “Best practices for assessing workforce demand for a daycare center”**



Source: IFC & LightCastle Primary Research, N=60

Key Takeaways & Recommendations

Recommendations for the Private Sector:

- ❖ **Assess Needs:** Gather data on employees' demand for childcare through anonymous surveys, interviews, and/or focus groups. Review business goals and resources.
- ❖ **Develop a Stronger Understanding of Potential Childcare Solutions**
 - ❖ Learn about the benefits, strategies, and costs of employer-supported quality childcare from existing resources such as IFC's [Tackling Childcare Research](#) and the upcoming Guide for Employer-Supported Childcare (November 2019).
 - ❖ Consider different solutions, whether it is on-site, near-site, or community-based care, or another option.
- ❖ **Consider Partnering with Other Stakeholders**
 - ❖ Care providers, government, international organizations, and local/global experts can provide guidance and services.
 - ❖ A consortium with other employers can help pool resources and maximize impact through shared solutions.
 - ❖ Industry associations can deliver workshops to their members on the topic, connecting providers and companies.
 - ❖ Advocacy efforts with the government can lead to better policy and support for trainings, funding, guidelines, etc.
- ❖ **Start Small:** Consider starting with one business unit or location, pilot customized programs, match operating hours with work hours, and offer benefits to all parents. Integrate the childcare strategy into broader corporate objectives.
- ❖ **Measure & Communicate the Business Case:** Establish metrics to assess the impact of family-friendly solutions.
- ❖ **Raise Awareness:** Publicly endorse the importance of childcare and share the business case and practices to inspire others.



Key Takeaways & Recommendations

Recommendations for the Public and Development Sectors:

- ❖ **Raise Awareness** among employers and parents about the childcare law and how it can benefit to go beyond compliance.
- ❖ **Establish Standards:** Work with experts to develop guidelines and provide implementation support to employers.
- ❖ **Invest in Quality Early Childhood Care and Education (as part of a long-term human capital development strategy):**
 - ❖ **Caregivers:** Provide national-level training and certification to caregivers and providers to increase quality of care.
 - ❖ **Learning:** Ensure play-based learning curricula, appropriate teacher-pupil ratios, and nurturing environments.
- ❖ **Monitor Quality:** Establish mechanisms for monitoring and evaluating the quality of public, private, employer-supported, and community-based care solutions. Licensing, registration, accreditation, and regular inspections can help.
- ❖ **Consider Adjusting the Law:** Evidence shows that childcare requirements based on the number of female employees might deter employers from hiring women or transfer the cost of care to women through lower wages. A gender neutral approach could lead to better results. Mandating on-site solutions might crowd out community-based solutions.
- ❖ **Explore Financing Options:**
 - ❖ Establish a national or provincial scheme to help companies meet their goals ([Singapore's ECDAC and PPP](#))
 - ❖ Provide tax and non-tax incentives, such as credits and subsidies to parents and employers [See WBL policy note](#).
 - ❖ Facilitate impact and commercial investments in this space for e.g. through [social and development impact bonds](#) (SIBs/DIBs) and [regulatory changes to facilitate investments in childcare](#) (also see: [Peritus Childcare Sales, Australia](#))
 - ❖ Partner, cost-share, and/or match funds invested by companies in childcare ([Germany](#), [Jordan](#), [Turkey](#))



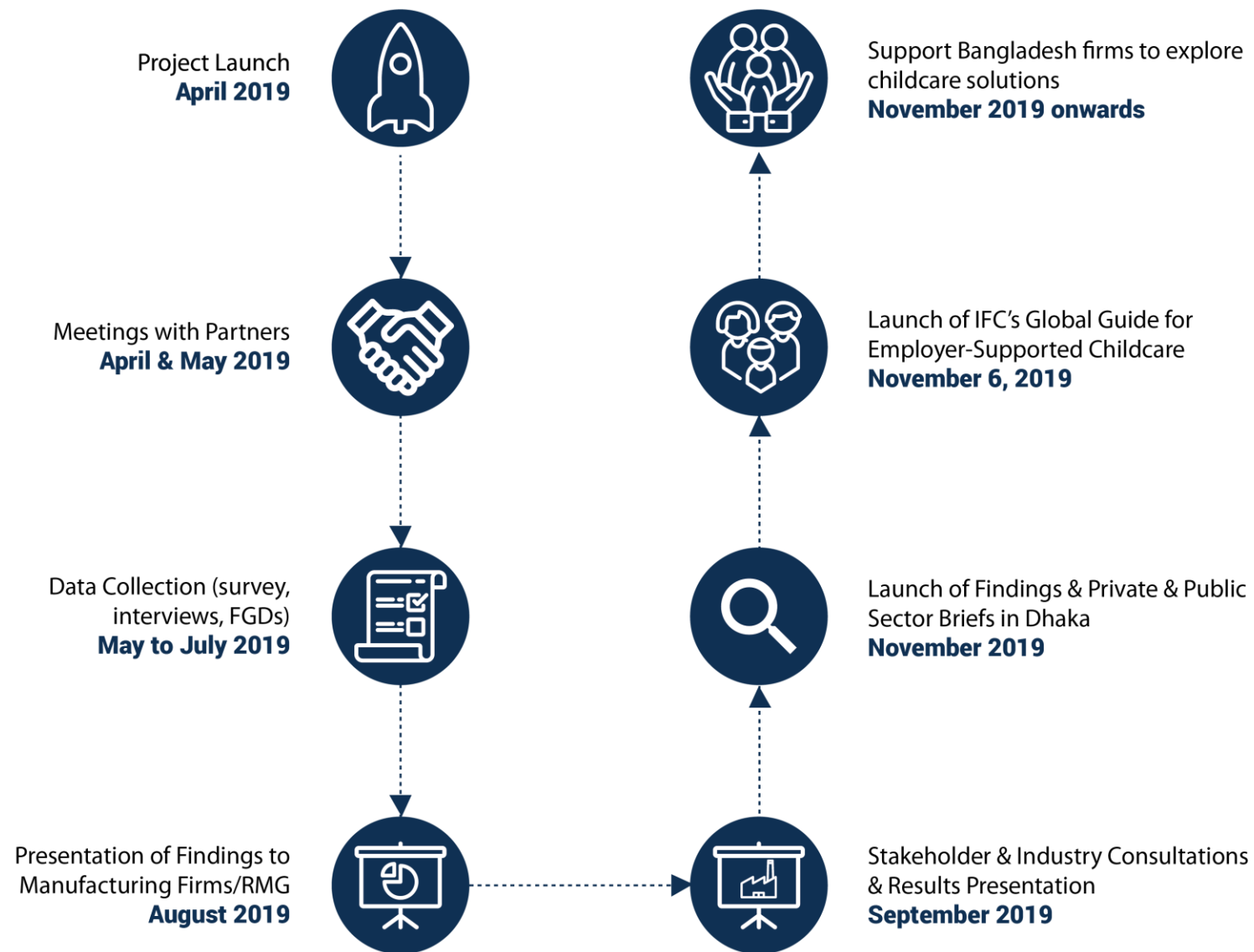
Key Takeaways & Recommendations

Suggested areas of consideration applicable to both public and private sectors that can be jointly undertaken:

- ❖ **Enhance Parent-Child Connection:** Assurance of the child's well-being enhances parents' peace of mind and productivity and consequently the company's productivity and profitability. Childcare solutions are beneficial if designed to maintain the parent-child connection by, for example, being easily accessible to parents.
- ❖ **Prioritize the Child's Development:** In addition to meeting basic custodial needs, quality childcare provides opportunities for children to develop physically, emotionally, socially, and cognitively. Training of providers, a well-designed, play-based curriculum, and a safe, hygienic, and age-appropriate environment are key components of a quality childcare center.
- ❖ **Customize Solutions:** Parents' childcare preferences and needs vary across income levels, location, values, and working conditions. Thus, childcare solutions must be customized to cater to the varying needs of working parents, without compromising on childcare quality and child outcomes. Low cost solutions need not be low quality solutions.
- ❖ **Maintain High Quality:** Childcare solutions must be rigorously and regularly monitored to ensure quality and encourage uptake from parents, building their trust and peace of mind.
 - ❖ **Involve Experts:** Health and education specialists as well as experts from organizations such as BRAC-IED and Phulki can play a vital role in maintaining and improving the quality of childcare solutions.
 - ❖ **Screen and Train Caregivers:** An effective screening and training process for caregivers and staff can ensure quality and minimize risks. Educational qualifications, certifications, soft skills, background checks, and previous experience of the caregivers, teachers, and staff must be assessed during the recruitment process.



Project Timeline and Next Steps



Thank You!

www.ifc.org/TacklingChildcareBD

Our Donor **Canada**

Our Knowledge Partners

International
Organizations



Public
Sector



Industry
Associations



NGOs



Non-Profit



Annex A:

Examples of Childcare Solutions in Bangladesh



Source: BRAC HQ (Dolna) Daycare Center, Dhaka

BRAC-IED- Play Lab Model

BRAC Institute of Education Development (BIED):

Sets up and manages Play Labs based on play-based learning approach. More than 300 community-based centers established
Identifies location, sets up site to meet standards (ventilation etc.)
Works with families to decorate center using recycled material

Sessions:

Age 1-3 – 2 hours – Teacher + 2 volunteers

Age 3-5 – 2.5 hours – Teacher + 1 volunteer

Ages 4-5 – 2.5 hours – Teacher +

Provides training to caregivers:

Caregivers receive training in play-based methodology over 6 days; refresher training every month.

Fees:

There was no charge initially (est. 2015); Introduced fees in 2017.



Wee Learn



- Follows a Canadian curriculum focused on age-appropriate early childhood education (ECE) and learning through play.
- Accommodates children in the 6 months to 6 years age range, right after maternity leave ends.
- Operates from 8 am to 7 pm, covering work hours.
- Operates 6 centers in Dhaka, catering to the army and the air force as well as 21 private banks in Motijheel and 9 banks in Gulshan.
- Run by Jamila Haque, who is trained in Canada and started establishing daycares in Dhaka 10 years ago; Jamila started the Grameenphone daycare which accommodates around 70 children.
- All caregivers are trained in Canadian ECE practices by Jamila, including infant CPR.
- Caregivers send profiles to parents everyday, which outline what their children did that day.
- CCTV cameras for security and monitoring.
- Breastfeeding corner for mothers.
- Currently, 20 kids at Wee Learn Gulshan facility.
- Wee Learn charges 10,000 BDT per child per month. City Bank has reserved spots at Wee Learn Gulshan for its employees' children and subsidizes 65% of the cost to help parents pay for childcare.

NGO providing Childcare:

Set up childcare centers in factories *and* communities

Provide Technical Assistance to set up childcare centers in factories (450+ set up)

Manage the Community Centers (24 centers)

Provide Training for Caregivers:

8 day training for caregivers, includes ECD, songs/ rhymes' storytelling, handmade/ local materials for teaching, daily routine, monitoring, parents meeting requirements, safety, hygiene, common diseases, 'boys & girls rearing is equal'

Supervisor training offered

Current Development Partners: Aga Khan Foundation, Canada, Embassy of the Kingdom of the Netherlands, UNICEF, European Union, UNICEF & Bangladesh Shishu Academy, Aldi, Alliance, Shaplaneer-Japan, Adidas

