

If women receive more childcare support, will they work?

DECEMBER 2018

Project: Childcare as a Potential Barrier to Women's Employment in Saudi Arabia

KEY INSIGHTS

Many employed Saudi mothers self-finance childcare, rather than relying on government support programs. Low take-up is not due to low awareness of the programs, rather many women prefer to use private childcare or a domestic worker, or are ineligible to use the programs.

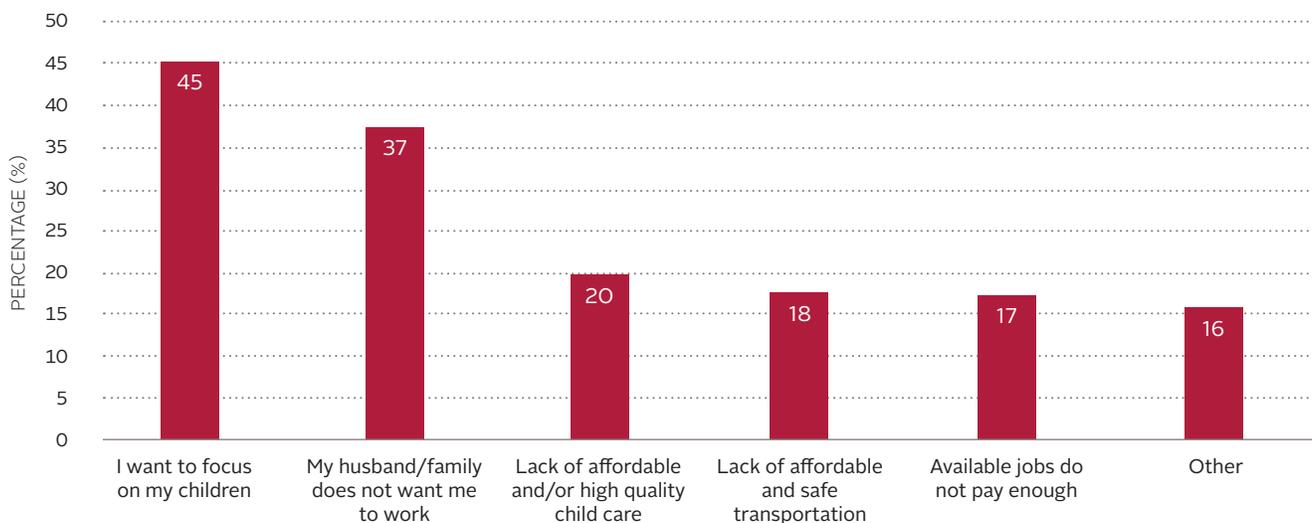
TO WHAT EXTENT IS CHILDCARE A BARRIER TO WOMEN'S EMPLOYMENT?

Increasing female labor force participation in Saudi Arabia, in line with Vision 2030 goals, will require policymakers to mitigate barriers women face to employment, one of which could be childcare. Government programs exist to support working mothers, such as the Qurrah childcare subsidy program, paid maternity leave, and mandated daycare in large firms.

A research team sought to examine to what extent, if any, limited availability, high cost, or low quality of childcare deters mothers from working. They conducted focus

groups and electronically surveyed 2,000 women 18 to 40 years old. The women likely represent a wealthier subset of the population, with median monthly earnings 2.5 times the minimum wage. Respondents resided in large cities (Dammam, Jeddah, and Riyadh), so employment rates of respondents (50% for the 40% of respondents with only a high school degree and 80% for the 60% of women with at least a bachelor's degree) are higher than the national average of 26% for the same age group. The results should be viewed with this lens.

Figure 1 | Reasons Non-working Mothers With Children Younger than 18 are Not Searching for a Job



The largest uptake of childcare support programs was private sector maternity leave. Maternity leave is eight paid weeks in the public sector with an option for extension with partial compensation, and ten paid weeks in the private sector. More than 80% of respondents with children are aware of government regulations regarding private-sector maternity leave, and 55% of those with children have taken advantage of the policy.

Nearly one-fourth of respondents were eligible for Qurrah (which provides childcare subsidies for mothers working in the private sector with monthly earnings below 8,000 SR, for up to two children), and around 15% used it. This rate is reasonable, given the additional qualification that subsidies can only be used in government-approved childcare facilities.

Almost no mothers surveyed used firm-based daycare, which private firms with 50+ female employees with at least ten young children are legally required to provide. One exception was teachers interviewed in the focus groups, all of whom used subsidized childcare provided in their schools.

Most working mothers (56%) rely on domestic workers or nannies, on which they spend about one-fifth of their income. Survey respondents pay 1,400 to 1,500 SR per month on domestic workers or nannies to care for their children. In contrast, women who use other means of childcare, such as daycare, pay 300 – 400 SR less, on average.

The most common reason mothers were not searching for jobs was the desire to focus on their children. Less than one-fifth of mothers who were not working cited lack of affordable or high quality childcare as at least one reason they were not looking for a job.

Mothers with younger children appear to work fewer hours. Women whose youngest child is at least six years of age work an additional eight hours, or one full day, per week compared with women with children less than three years old.

How can policymakers effectively use this information?

Childcare does not appear to be a significant barrier preventing educated women of higher socioeconomic status from working. However, childcare for less educated women from lower socioeconomic backgrounds may pose more of a barrier for employment.

Policymakers could maintain and strengthen childcare support for women. They could increase promotion and uptake of the Telework program — a program launched in 2016 which allows employers to work remotely upon agreement with their employer — through a communications campaign targeted at new mothers and employers.

Policies to increase parity between public and private sector policies are also needed, and can simultaneously advance efforts to increase employment of Saudis in the private sector. Average wages are lower and working hours are longer in the private sector, meaning less time and money for childcare. Policymakers should evaluate private sector childcare support programs, such as Qurrah and maternity leave, and ensure they compensate for the longer working hours and potentially lower pay that may make it harder for working mothers to care for their children.

RESEARCH TEAM

Patricia Cortes, Associate Professor, Boston University

Claudia Goldin, Professor, Harvard University

Jennifer Peck, Assistant Professor, Swarthmore College