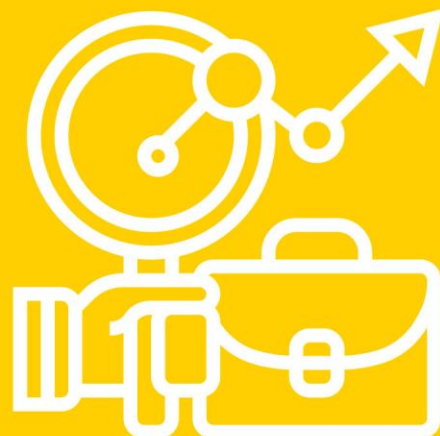


Designing better childcare for women, children and inclusive recovery in urban Indonesia and beyond



Briefing note

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CIPS
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PROSPERA
Australia Indonesia Partnership
for Economic Development

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Executive summary

Designing better childcare

There is growing recognition that childcare is not only a private responsibility but one that can and should be shared by government to the benefit of children, women, families and society.

Investments in high-quality, accessible, affordable early childhood education and care has high payoffs for children, women, families and society.



Payoffs

 <p>Child development Investing in the childcare sector is imperative to building future human capital. Early learning is foundational to child development and school preparedness.</p>	 <p>Maternal employment Evidence from around the world suggests that public spending on family benefits drives female employment.</p>
 <p>Job creation Expanding the early childhood education and care sector offers substantial employment opportunities for women.</p>	 <p>Inclusive recovery Recognise the importance of childcare, reducing unpaid care work, redistributing responsibilities within families and adequately rewarding care workers.</p>

The early childhood education and care landscape



Childcare in Indonesia is complex and comes in many forms including centre- and home-based care.



Five different agencies oversee various types of centre-based care.



Some childcare focuses on education, many emphasise care services and others cater to both.



Centre-based childcare

Non-formal centres including playgroups and day care centres.

Formal preschools accommodating children aged 4–6.



Home-based care

Informal arrangements organised in the homes of parents or caregivers, including grandparents, extended family or employing domestic staff.

Findings and recommendations



Introduction

Deciding whether to have children and who will look after them while they are young are deeply personal choices that are determined by many factors, including individual preferences, beliefs, norms and economic circumstances. These personal decisions, however, have major consequences for the working lives of women, children's development, jobs in the care sector and the economy as a whole.

Therefore, there is growing recognition that the care of children is not only a private responsibility, but a shared oneⁱ. Investments in high-quality, accessible, affordable early childhood education and care (ECEC), including kindergartens, playgroups, day cares and equivalents, have high payoffs for children, women, families and society.

Child development payoff

Investing in the childcare sector is imperative to build future human capital. The foundations of child development are laid before the age of 3, and during the period from ages 3 to 5 children are primed for school-based learning. Evidence shows that investment in these early years, through activities and experiences that are intended to effect developmental changes in children prior to their entry into elementary school, leads to an educated labour force capable of acquiring new skills while producing citizens who are less likely to require social assistance or commit crimes, and more likely to contribute to society, including payment of taxes. Investment in programs for disadvantaged children under 5 years old can lead to at least 13% annual return per child from better socioeconomic outcomes in their adult yearsⁱⁱ. The return is higher than the 7-19% return of preschool programs for 3-4-year-olds.

The cost of investment is small relative to what could be required later for remedial education and/or welfare programs. By targeting quality programs to the most disadvantaged families, childcare investments in emerging economies have proven to equalise opportunities for children and reduce intergenerational transmission of inequalityⁱⁱⁱ.

Maternal employment payoff

Evidence from around the world suggests that public spending on family benefits (including childcare) drives female employment^{iv}. Higher public spending as a proportion of GDP leads to a higher ratio of employed women to overall population^v. Additionally, investments that reduce barriers to women's economic participation increase the country's economic potential by using all available talent and accelerating economic growth. McKinsey estimates that empowering women and closing gender gaps in labour force participation could increase Indonesia's growth by 9% from the estimation under business-as-usual scenario or add IDR 135 billion per year by 2025^{vi}. The World Bank finds that an increase of 25% in female labour force participation by 2025 could add USD 62 billion in economic activity and increase GDP by 2.9%^{vii}.

At 53%, women's labour force participation in Indonesia is significantly lower than men's (82%) among the working-age population^{viii}. Female participation rates have stalled over the last 20 years, despite the country's significant economic progress during that time.^{ix} The gender gap in labour force participation is especially stark among married women with children. Despite gains made in narrowing the education gap and girls outperforming boys in educational achievement, women continue to drop out of the labour market or take informal, flexible jobs that tend to provide lower pay in order to better balance work with care responsibilities. Prevailing social norms and practices dictate that women should prioritise their roles as mothers or wives^x. These norms are reinforced by a lack of affordable non-parental care options that women can trust. Where such services are present in Indonesia, a recent study by the World Bank found that the availability of one public preschool per 1,000 children resulted in an increase in female labour force participation of 9.1%^{xi}.

Job creation payoff

Expanding the ECEC sector – which is dominated by female workers, both paid and unpaid – offers substantial employment opportunities for women. Unlike other sectors, childcare is highly labour-intensive and less likely to be affected by automation. In Indonesia, workers in the care sector numbered 6.9 million in 2015.^{xii} By 2030, this number is expected to grow more than fourfold to 32

million. While this trend presents enhanced employment opportunities for women in Indonesia, the quality of the work and how much childcare workers are compensated remain serious concerns.

Interlinked policy objectives for inclusive recovery

While it is tempting to view these three payoffs separately, they are deeply linked and are best viewed as intertwined policy objectives that affect parents, caregivers and children. There is no single answer to the question ‘what the best way is to look after children’, yet whatever solution is adopted will have massive consequences for the working lives of mothers. Furthermore, ‘what is clear is that to give our children the best start in life, childcare cannot be treated as unpaid work, but must become an essential part of our social investment’^{xiii}.

As a caregiver consulted for this review put it, ‘it is hard work to teach and look after children ... if our welfare is ensured, parents will entrust their children to us.’ Decent work^{xiv} for care workers is vital for quality care provision^{xv} and, in turn, investments in quality childcare services can achieve ‘triple dividends’ – facilitating women’s participation in the labour market, enhancing children’s capabilities and creating valuable paid jobs^{xvi}.

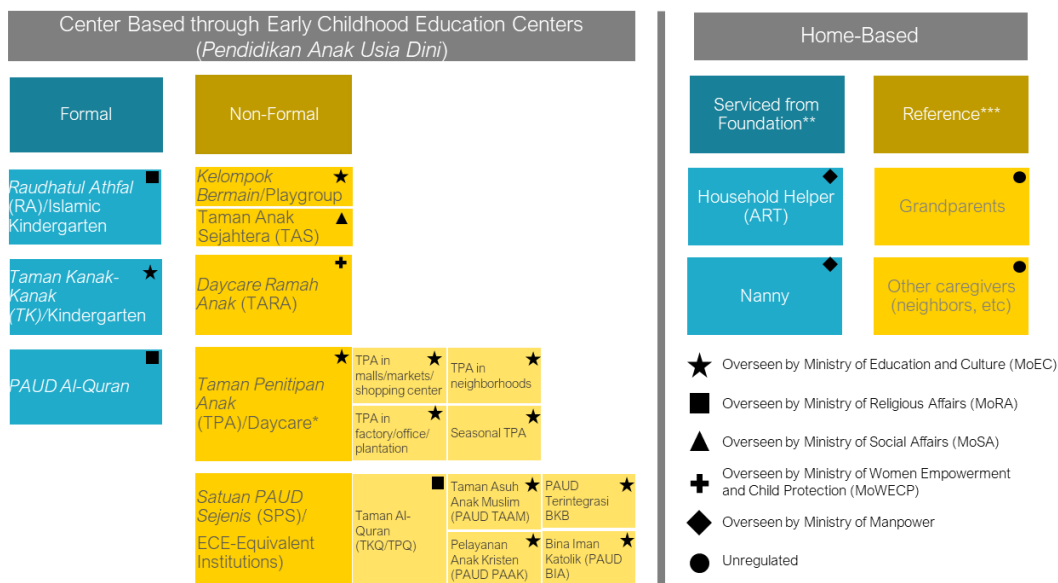
The Covid-19 pandemic has further highlighted the urgency to invest in policies to reduce women’s unpaid care work, as it exposed and exacerbated long-standing inequalities in the division of unpaid care work^{xvii}. Recent analyses in Indonesia show that women saw a larger increase in time spent on unpaid and domestic care work due to home schooling and the need to care for sick family members (UN Women and ADB forthcoming). Nationwide, mothers were three times more likely than fathers to accompany their children in studying from home, while half of them were still engaged in paid work^{xviii}. Besides the mental distress and exhaustion that such a disproportionate burden has engendered, the labour participation of women of childbearing age has also suffered noticeably^{xix}; Prospera and MoF, forthcoming), yet their participation is even more critical for Indonesia’s journey towards inclusive recovery from the pandemic.

An inclusive and resilient recovery necessitates concerted efforts to recognise care work, reduce unpaid care work, redistribute the care work within the family, and reward care workers and ensure their representation in social dialogue or collective bargaining^{xx}. Based on evidence from Indonesia and elsewhere, public and private investment in ECEC can play a significant role in achieving this vision. In Indonesia, expanding access to ECEC services may increase the work participation of mothers of preschool-age children ^{xxi} and close the achievement gap of children from different socioeconomic backgrounds^{xxii}.

This note is based on an ongoing review of the state of childcare in Indonesia led by Prospera, with a focus on the urban areas of Greater Jakarta and Surabaya. It draws on an analysis of primary and secondary data from Indonesia, benchmarking data from other countries, and feedback and inputs received from stakeholders who participated on the “Knowledge Share and Discussion on Good Practice Guidelines on Employer-supported Childcare” (24 May 2022) where the first draft of this brief was presented.

Overview of the ECEC landscape in Indonesia

Figure 1. Mapping of Indonesia's ECEC^{xxiii}



Note:

- * Can be in a form of employer-supported childcare
- ** While most of them are informal, there is Ministry of Manpower Regulation Number 2 of 2015 on Protection of Household Helper (ART) and ongoing discussion on ART Bill
- *** Can be provided as in-home care (parent's house) or in the caregiver's house

The ECEC landscape in Indonesia is complex, as childcare is provided in various forms, including 'split' where early childhood education and care services are provided separately by different types of ECE institutions and 'mixed', which combines provision education and care for children under 6 years old in one facility. According to the Indonesian National Education Systems Law 20/2003, ECEC precedes basic compulsory education (primary and junior secondary schools) and includes formal, non-formal, and informal classifications. A wide range of government agencies are involved in service provision and/or regulating the establishment and maintenance of childcare facilities at national and local levels. The sector can be broadly categorized into two types of childcares: centre-based and home-based, as reflected in Figure 1.

Centre-based childcare

This includes **'formal'** preschools accommodating children aged 4–6 under the authority of the Ministry of Education, Culture, Research and Technology (Kindergartens/*Taman Kanak-kanak* or TK) or of the Ministry of Religious Affairs (Islamic Kindergartens/*Raudhatul Atfal* or RA), and **'non-formal'** centres, namely, playgroups (Playgroups/*Kelompok Bermain* for children aged 2–4), day care centres (*Taman Penitipan Anak*, or TPA, for children aged 2 months to 6 years), units resembling ECE institutions (*Satuan PAUD Sejenis* or SPS), and a day care program run by the Ministry of Social Affairs (*Taman Anak Sejahtera*, or TAS, for children from 2 months to 8 years old). While kindergartens and playgroups focus on early childhood education, day care centres emphasise care services. There are also services that offer both education and care, such as those implementing the Holistic and Integrated Early Childhood Development (*Pengembangan Anak Usia Dini Holistik dan Integratif/PAUD HI*) approach.

Home-based childcare

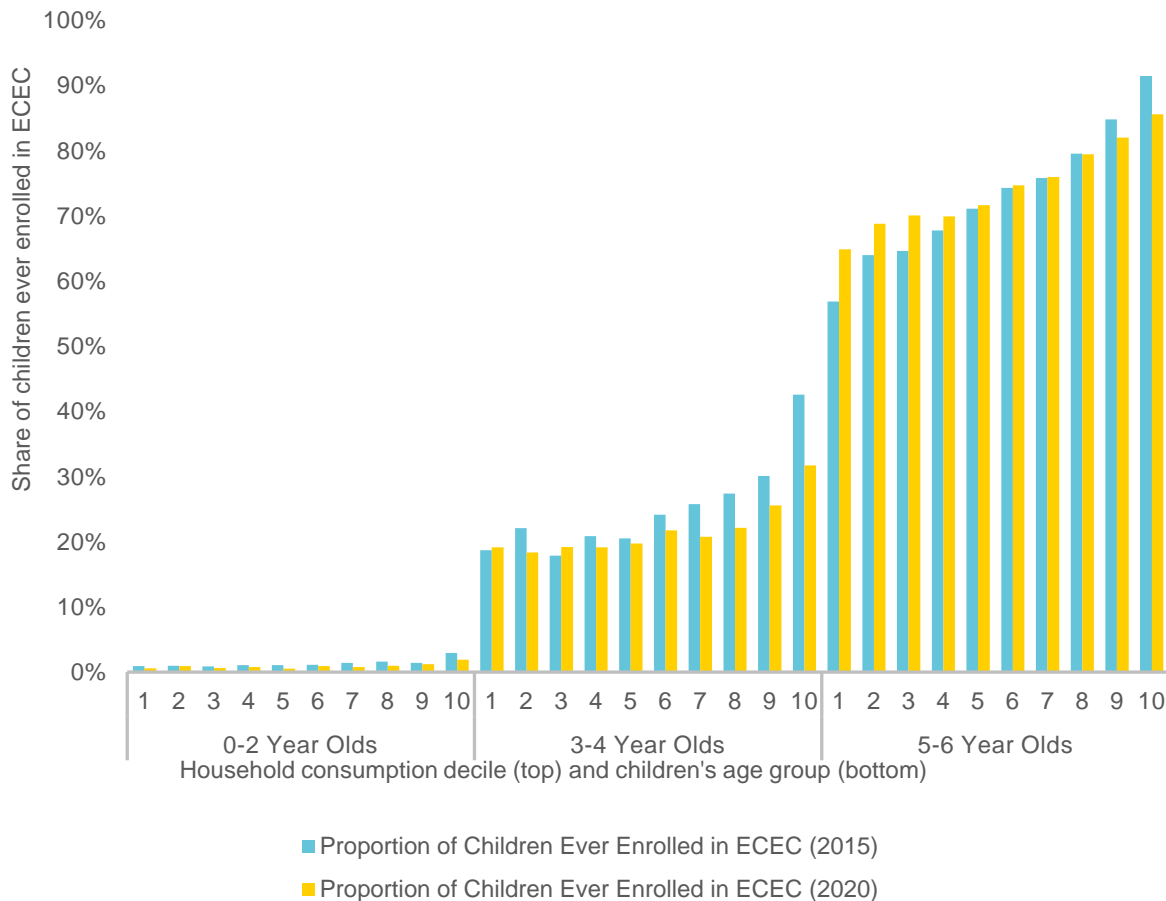
This refers to a wide range of largely **informal** arrangements organised in the homes of parents or caregivers, focusing mostly on care and less on education. Many households rely on grandparents or extended family, while others employ domestic helpers/nannies/babysitters who provide childcare support. Domestic care providers can be hired either through personal referrals or with the help of domestic staff placement services or foundations (Yayasan). This brief discusses centre-based childcare arrangements only.^{xxiv}

Findings

Key finding 1: Demand for ECEC services is low and unequal as reflected by the enrolment rate and willingness to pay.

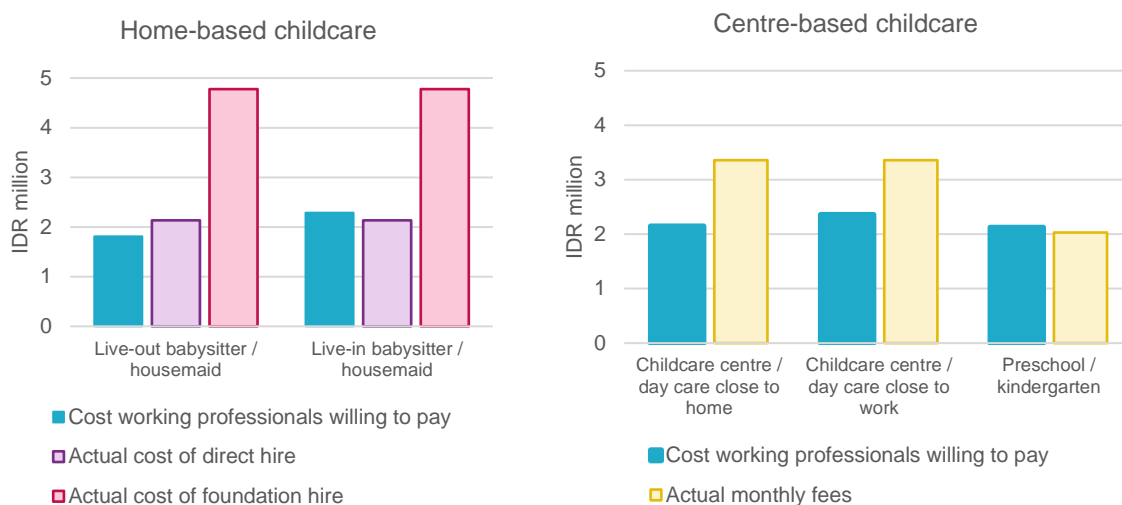
As Figure 2 shows, older children (ages 5–6) and those coming from wealthier households were more likely to be enrolled in ECE. In 2020, 73.2% of children aged 5–6 was ever enrolled in ECE, compared to just 21.2% for ages 3–4 and 0.9% for ages 0–2. The period between 2015 and 2020 also saw a drop in proportion of children aged 0-6 years old who were ever enrolled in ECE. While enrolment slightly picked up among children aged 5-6 years old in the poorest household consumption deciles, roughly one in three remains never being enrolled in ECE. Such low enrolment of children below the age of five reflects lagging demand for ECEC because care of young children is seen as each mother’s responsibility rather than a shared one. Other studies in Indonesia have noted that the level of awareness of the benefits of early childcare and education is closely associated with willingness to place children in day care service. However, many poor families are not yet aware of the benefits, and that encouraging them to do so requires investment in cultural habit breaking and trust-building^{xxv}.

Figure 2. Comparison of enrolment in ECEC by household consumption decile and age group^{xxvi}



Furthermore, middle-income families’ willingness to pay for facilities is below the market rate, as seen in Figure 3. This is because, unlike primary and secondary education, which has a mature system of quality assurance, the quality of ECEC is harder to ascertain, making it all the more important to have robust licensing and quality assurance systems to ensure that parents have confidence in ECEC facilities.

Figure 3. Average monthly childcare costs for middle income families in Jakarta^{xxvii}



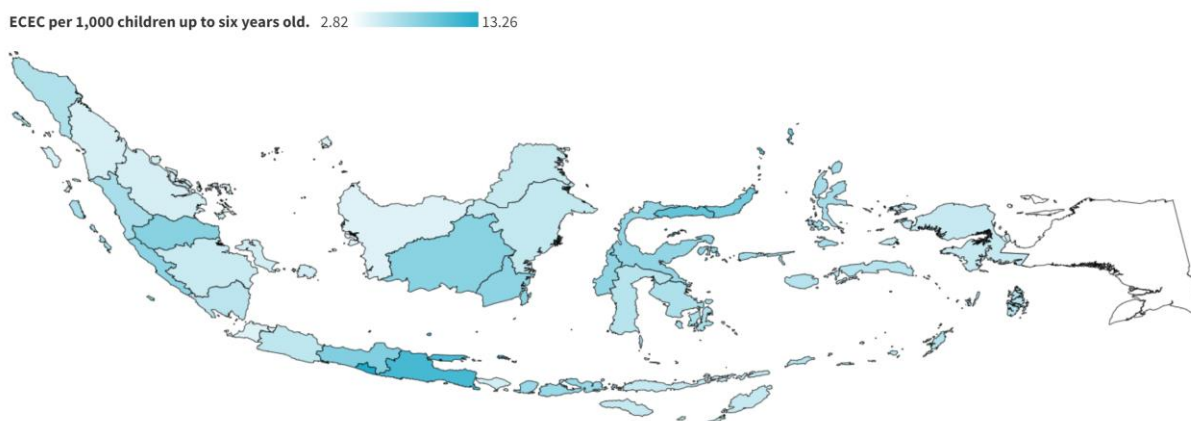
Key finding 2: On the supply side, existing childcare services and ones that cater to the needs of working parents are limited and geographically concentrated.

At the national level, there is a dearth of childcare services – only 6.8 childcare facilities are available for every 1,000 children aged 0–6. The distribution of these services is very uneven, with most of them concentrated on the island of Java.

Meanwhile, there are even fewer services that cater to parents’ needs – working parents (dual earners and/or single mothers) need access to full day services to be able to work. Most of the childcare services available are provided by kindergarten or play groups, which pursue the objective of early childhood development and operate for less than a full day (3-5 hours/per day). Such services require parents to assume the responsibility of caretaking by midday after the children return from school. Day cares or integrated services, which generally provide full-day services, only make up 1.0% of the total number of ECECs in Indonesia. Unfortunately, such services are even very limited in supply, geographically concentrated, and mostly unregistered.

Childcare providers consulted as a part of this review lamented that poor parents are less willing to enrol their children below the ages of 5 to childcare services that operate half time because of the costs (e.g., fees, transport, foregone income loss) associated with using such services. Such costs are even higher in urban metropolis, such as Jakarta, which have heavy traffic jams and poor public transport. Unfortunately, such children are also the ones who would stand to benefit the most from quality early intervention, indicating that operating hours of childcare services matter for both parents and children.

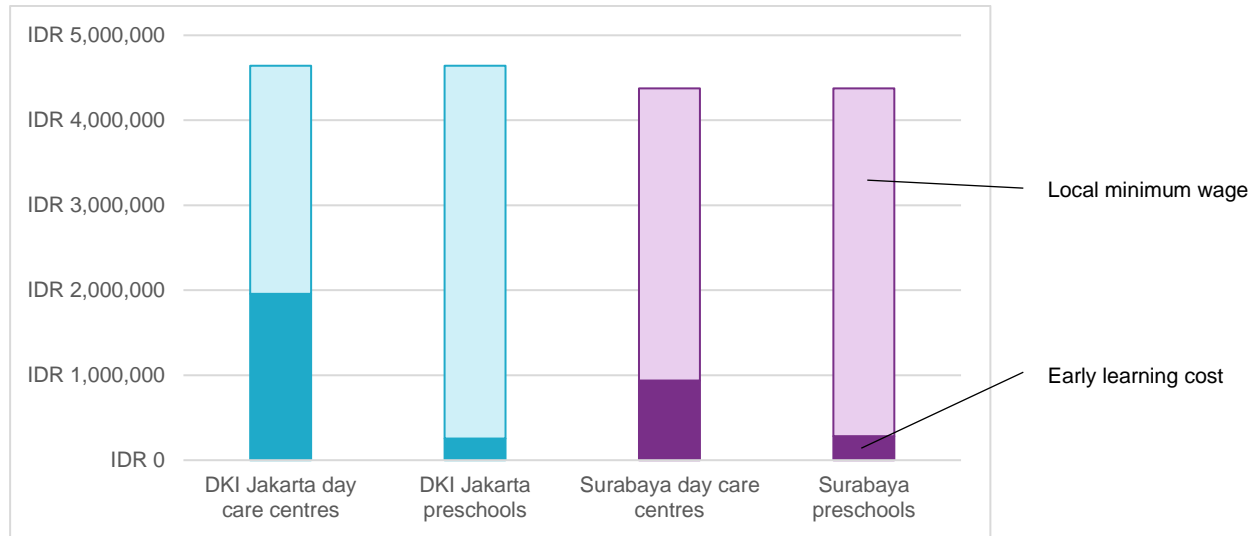
Figure 4. Distribution of childcare facilities for children up to six years old in Indonesia^{xxviii}



Key finding 3: Where they are available, existing full-time services are unaffordable for low-income earners.

Fees charged by surveyed day care centres in Jakarta amount to 46% of DKI Jakarta’s minimum wage and 54% of the poorest quintile’s monthly household expenditure. Day care costs in Surabaya among surveyed centres amount to 22% of the Surabaya minimum wage. The main reason is that childcare is highly labour-intensive work – the younger the children, the costlier to look after them. For comparison, in OECD countries the net childcare cost for parents earning minimum wage with two children is equal to just 10% of household income^{xxix}. Childcare services (preschools and playgroups) are also open for limited hours, freeing up limited time for women to pursue paid work while reducing their incentives to use available services.

Figure 5. Cost of surveyed day care centres and preschools relative to local minimum wage^{xxx}



Key finding 4: Despite the social returns of ECEC, public investment in the provision and regulatory coherence of ECEC remains low

Indonesia’s policies related to childcare and women’s economic participation are well documented in the country’s development plans. Despite this, early childhood care remains the responsibility of the family and is not sufficiently addressed in the public domain. This is evidenced by the small budget allocated to ECEC: Indonesia’s 2020 allocation was just 0.033% of GDP^{xxxi}, while OECD countries, on average, spent 0.7% of GDP^{xxxii} on ECEC in 2017. Even within ECEC services, ‘day cares’ enjoy the least amount of support or funding^{xxxiii}.

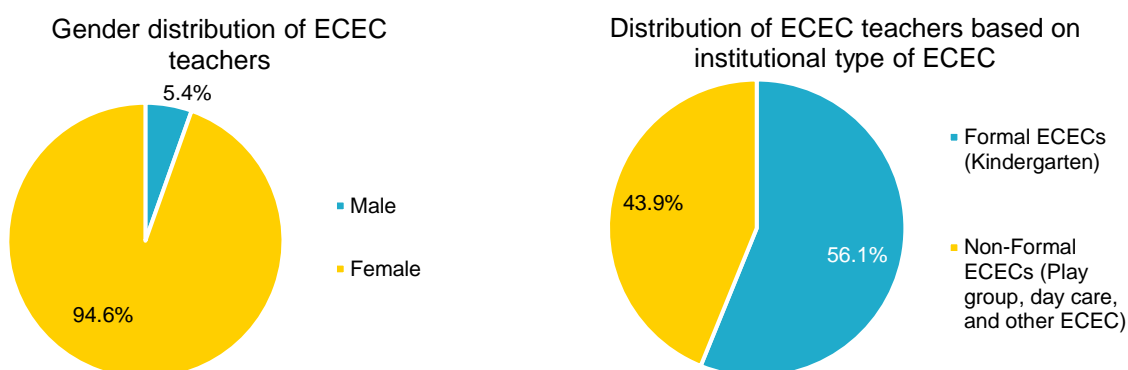
While registered day care and early childhood centres are eligible for public support through the School Operational Assistance program (BOP PAUD or BOP RA), the allocation only covers one-fifth of the average fee per student. Moreover, until very recently there was limited flexibility in the way that childcare providers could spend these funds. Before 2022, childcare providers had to spend at least 50% of the funds to support learning and playing activities, and they were barred from using them to buy electronic hardware or to pay teachers or carers.

Key finding 5: Employment in ECEC is highly feminized (9 out of 10 are women) and inadequately remunerated; it also perpetuates inequality.

The current expansion of early childhood education services for children aged 5–6 (kindergarten) has perpetuated a dual system of ‘formal’ services provided by the government and ‘non-formal’ services that are registered but are offered by local communities working voluntarily with limited to no or limited compensation. Non-formal services are easier to set up and do not require head teachers with certified qualifications, but the women working in non-formal services are entitled to neither training nor the same living wage as those working in formal ECEs^{xxxiv}.

Indeed, regulatory inconsistencies on who is a teacher and who is not has resulted in the bifurcation of benefits that teachers in formal and nonformal ECEs may receive. Law Number 14 of 2005 defines teachers as those teaching in formal institutions, thus precluding non-formal teachers from certification scheme and guarantee for living wage^{xxxv}. At the same time, day care facilities mostly catering to children younger than 5, see higher demand in female carers due to higher child per carer ratio, yet their work remains deeply undervalued and underpaid. The current modality, therefore, perpetuates inequalities in wages and status between formal and non-formal teachers, exploiting some workers while undermining quality provision to poorer children.

Figure 6. ECEC teacher profile^{xxxvi}



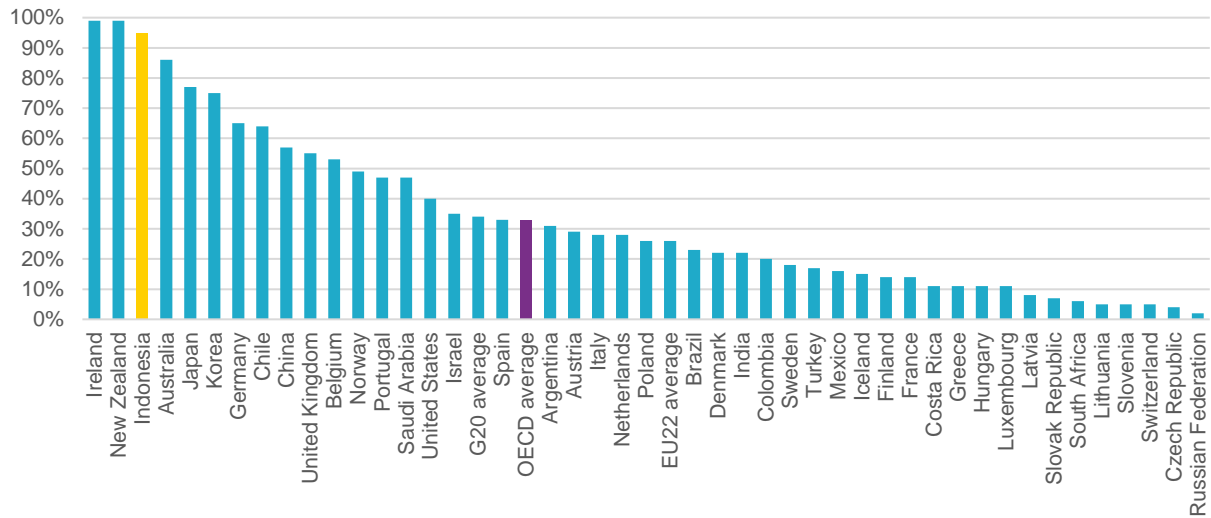
Key finding 6: ECEC in Indonesia depends on private sector provision, yet huge barriers to entry persist

Day cares across Indonesia are mainly run by local, private foundations, community self-help organizations, and some companies who run/manage plantations, markets and factories (Berman & Hartanto, 2016). Among its peer emerging and high-income countries, Indonesia has the highest share of children in pre-primary education that attend private institutions, according to the benchmarking data shown below. Experience in OECD countries shows that private providers can be more agile and respond to market demand. However, private providers cannot be expected to self-regulate to keep childcare services affordable and accessible for parents of all economic levels. Indeed, private providers tend to shy away from poorer neighbourhoods and remote areas. Regulation or a residual public role needs to underpin the provision of these services^{xxxvii}.

In addition, existing private childcare providers in Indonesia lament the complicated process and prerequisites for registration. There are parallel and competing licensing processes, with the Ministry of Education, Culture, Research, and Technology (MoEC), Ministry of Religious Affairs (MoRA) and Ministry of Social Affairs (MoSA) each having their own system.

For facilities seeking to register with MoEC, the Online Single Submission (OSS) system was used previously. However, facilities reported to Prospera that the OSS registration process was lengthy and uncertain. This led to private providers that cater to higher-income families opting to ‘exit’ from formalized childcare services landscape. Meanwhile, private providers catering to low-income families were excluded from the process of formalization, preventing them from accessing the limited public support that is available (BOP PAUD or School Operational Assistance for ECEC). Both instances contribute to systemic challenges related to a lack of oversight, accountability, and ultimately ‘trust’ in the ECEC systems.

Figure 7. Share of children in pre-primary education attending private institutions (government-dependent and independent private), OECD and key partner countries, 2019^{xxxviii}

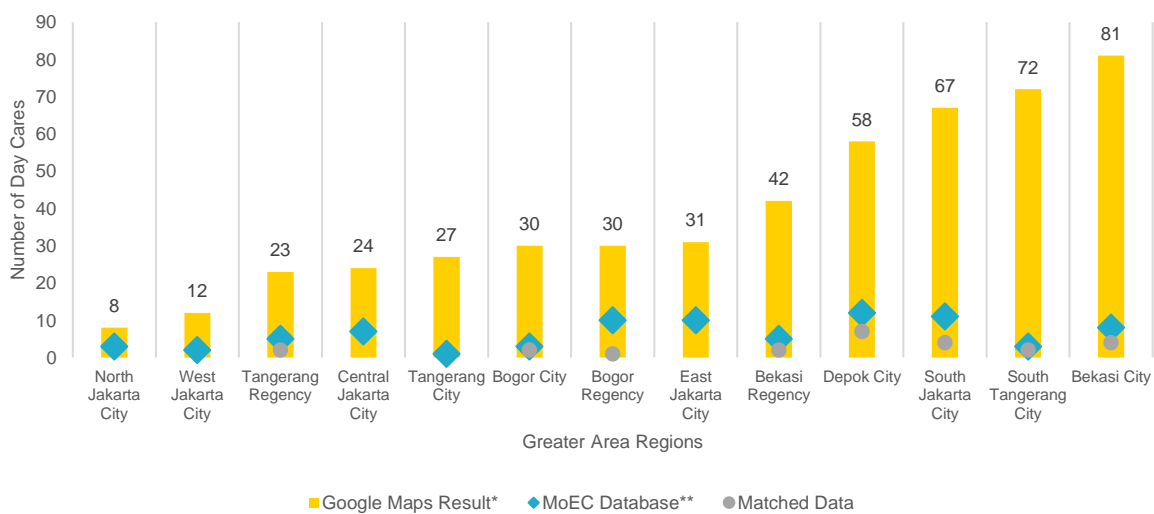


Key finding 7: In order to build trust and ensure accountability, existing accreditation and quality assurance systems also need strengthening, and the information deficit among parents and users must be addressed.

Objective criteria for assessing quality of childcare services in early childhood development includes a combination of ‘structural factors’ (such as basic infrastructure, staff qualifications, remuneration and staff-to-child ratio) and ‘process factors’ (quality of interaction between staff and children, staff and parents, and among children)^{xxxix}. Having such factors in place and transmitting that information in an accessible way to parents are critical for building trust in the facilities. Then only can uptake be better assured, and childcare regulators can have improved oversight of the system.

In Indonesia, the most accessible form of quality assurance comes is information on accreditation. However, accreditation requires registration, and in the Greater Jakarta area, where information can be better compiled, the gap between registered and unregistered childcare facilities is stark (see graph below). Of those which are registered in 2019, only 23,7% of registered childcare centres were accredited (51,882 out of 218,503)^{xl}. With the low rate of registration and accreditation among childcare facilities, parents lack the information to discern high-quality services from low-quality ones.

Figure 8. Day care centre distribution in Greater Jakarta^{xli}



One main reason is because even when a large chunk of childcare facilities is under the oversight of the Directorate of Early Childhood Education of MoECRT, the directorate is absent from the responsibility for quality assurance of ECE educators and personnel^{xlii}. Several quality assurance systems with various stakeholders from centre to local government level exist^{xliii}, but they have yet to work systematically with clear coordination.

Key finding 8: The childcare crisis worsened during the pandemic as service providers struggled to stay afloat.

The uncertainty of the pandemic resulted in several blows to childcare providers. First, the transition to online learning was not smooth. Teachers lamented how difficult it was to translate early childhood learning to an online setting. Most childcare providers also lacked adequate tools to conduct online instruction. Second, parents were less likely to enrol their children in ECEC due to economic precarity, putting a dent in the revenues ECEC providers usually receive. The shock to providers' cash flows resulted in spending reductions, with educators and carers reporting not being paid or experiencing significant pay cuts^{xliv}.

Key finding 9: Promising policy and regulatory reforms are underway and must be closely monitored.

The ratification of Ministerial Regulation No. 2 of 2022 for BOP PAUD could be beneficial for children and care givers. The regulation allows for more flexible use of the BOP PAUD fund, as it revokes minimum proportions of spending on certain categories. The fund can now be used to procure laptops, printers and other electronic hardware that can aid learning. Additionally, the fund can be used to pay for both educators (*pendidik*) and supporting staff (*tenaga kependidikan*), including the head of the facility. Teacher performance development may also be funded using BOP PAUD.

During the pandemic, childcare providers lamented the requirement of having a minimum number of students registered in the ECEC facility to be eligible for assistance, as they faced decreasing numbers of enrolled children. The latest regulation repeals this requirement. Furthermore, starting in 2022 the amount of assistance that each student receives every year will differ by region, commensurate with each region's Construction Cost Index and Student Index.

In parallel, the registration process for ECEC facilities has now reverted to Ministry of Education Regulation No. 84 of 2014, where local governments have authority to grant operating licenses with less documentation. However, it remains to be seen whether long-standing challenges with licensing will be resolved through this move.

The most recent draft of 'Maternal and Child welfare Bill' (9 June 2022) initiated in parliament has the potential to pave the way for more investment in childcare. The bill mentions 'childcare' as one of the facilities to be provided by public facility providers. This is in addition to extending maternity and paternity leave, leave following a miscarriage and rights for breastfeeding mothers. At the time of the production of this Prospera-CIPS brief, the draft was undergoing a process of harmonization by the House Legislative body to ensure that it will not overlap or misalign with other existing regulations. While most commentators have hailed the Bill for paving the way for greater gender equality in the workplace, some noted that public-private sector cost sharing arrangements for implementation have not been specified, raising concerns employers may not apply the legislation or be discouraged from recruiting women because of additional costs.

Guidance for policy and action

Policies to improve and extend quality childcare services should have three objectives:

1. Give all children a head start in life,
2. Increase maternal employment, and
3. Generate economic opportunities in the care sector.

A comprehensive package of policies is needed to bring together the different pieces of the ECEC puzzle. This briefing note offers policy guidance for regulators to design and publicly invest in a better childcare system for children, women, and care givers in urban Indonesia and beyond, as detailed in the table below.

This policy guidance comes with a strong recommendation to constantly invest in data and evidence to monitor investments (e.g. number of facilities, quality of services, improvement in regulations) and evaluate their impact on the triple goal of children's development, women's economic participation, and teacher and care giver welfare and competence.

In parallel with the policy guidance for government childcare regulators on the following page, this note also recommends a set of actions to be pursued by childcare providers.

First, the endeavours to make good quality childcare accessible and affordable may be aided by making more information on childcare services available to the public and making services more affordable, perhaps through sibling discounts.

Second, to ensure the quality of services delivered, childcare providers must consider paying their workers decent living wages for workers and administer regular training as well as professional development for their staff. However, it should be noted that such efforts may be met with financial constraints.

Thus, the third recommendation is for childcare providers to find low-cost alternatives for their daily operations while securing financial sustainability through better business management models.

Finally, in getting the support needed, they should consider engaging with government officials through alliances and/or regular dialogues, and by presenting evidence on what will make a difference.

Table 1. Findings from diagnostic study and policy guidance for childcare regulators

Finding	Policy guidance for childcare regulators
<p>1. Demand for ECEC services is low and unequal, as reflected by the enrolment rate and willingness to pay.</p>	<p>Gradually increase demand for quality childcare services through better information and by expanding access:</p> <ul style="list-style-type: none"> • Provide comprehensive information to parents on the availability and quality of childcare services. • Work with private sector employers to support childcare provision for both formal sector workers and contract workers.^{xiv} • Consider subsidies for childcare services for low-income households. • Involve parents in the running of childcare services so that they can build trust and improve quality.^{xlvi}
<p>2. On the supply side, existing childcare services that cater to the needs of working parents are limited and geographically concentrated.</p>	<p>Expand the supply of quality childcare services:</p> <ul style="list-style-type: none"> • Consider supporting and recognizing a range of operating models, including home-based day-cares businesses run by women; integrated day care and pre-schools or primary school; extended operating hours in pre-primary or primary schools. These can also be done through third party agreements with local governments, NGOs and community groups to offer such services^{xlvii}. • Increase financing available for range of operating models by increasing public spending or re-allocating existing budgets; pool together different sources of funding, including national, provincial and district budgets. • Incentivise co-contribution from the private sector, for example through corporate social responsibility contributions (e.g., India).^{xlviii} • Provide financial assistance on a concessionary basis to encourage more childcare facilities.^{xlix} • Continue to reduce regulatory barriers to setting up and running quality childcare centres.
<p>3. Where they are available, existing services are unaffordable for low-income earners</p>	<p>Leverage existing resources to offer affordable childcare services to those who need them:</p> <ul style="list-style-type: none"> • Continue complementary assistance to ECEC facilities while monitoring the impact of recent modifications to BOP Kinerja and BOP PAUD.ⁱ • Provide minimum guidance to keep childcare provision low-cost and affordable for low-income users while ensuring decent work for care givers.ⁱⁱ • Link with social protection programsⁱⁱⁱ so that existing women recipients who are studying or interested in looking for work can access subsidised services. On the supply side, support existing or new centre-based, home-based and/or community-run centres through grants and co-payments per enrolled childⁱⁱⁱⁱ and/or additional support measures to improve quality.^{liv} • Encourage municipalities to set aside space for childcare centres, such as in public areas and/or poor neighbourhoods.^{lv}
<p>4. Public investment in the provision and regulatory coherence of ECEC remains low.</p>	<p>Measure, regulate and monitor provision of childcare services:</p> <ul style="list-style-type: none"> • Foster better coordination among stakeholders by appointing one ministry, such as the Coordinating Ministry for Human Development and Cultural Affairs (CMHD), to provide oversight, including monitoring and quality assurance. Enable actual delivery (whether public or

Finding	Policy guidance for childcare regulators
	<p>private) to be decided at the local level to allow for flexibility to adapt to local conditions and use local knowledge.^{lvi}</p> <ul style="list-style-type: none"> • Strengthen national minimum standards in consultation with stakeholders and eliminate overlapping regulations. Provide guidance on how to translate the standards into action. • Monitor and reward good performance (and penalize bad performance) in childcare services. • Monitor, measure, and compare the budget allocated to support childcare services by national and local governments. • Evaluate outcomes of childcare investment on maternal employment, children’s development and job creation.
<p>5. Employment in ECEC is highly feminized and inadequately remunerated; it also perpetuates inequality.</p>	<p>Elevate childcare professions by ensuring decent remuneration and recognising skilled work:</p> <ul style="list-style-type: none"> • Mandate that childcare providers pay higher remuneration^{lvii} and/or offer other incentives to childcare workers.^{lviii} Fill in any gaps, e.g., through cost-sharing between central and local governments for centres catering to low-income users.^{lix} • Define key competencies of care givers, e.g., by distinguishing between ‘care coordinators’ and ‘care assistants’. • Enhance competence through training that adheres to childcare quality guidelines, including pre-training, in-service training that allows care assistants to earn professional qualifications while working, and/or through other continuous learning approaches.^{lx} • Support training providers to comply with government quality standards and offer new skills and qualifications to childcare workers servicing low-income families.
<p>6. ECEC in Indonesia depends on private sector provision, yet huge barriers to entry persist.</p>	<p>Simplify and incentivise the ECEC registration and accreditation process:</p> <ul style="list-style-type: none"> • Streamline and simplify the requirements for registration into a single, comprehensive list that all childcare facilities can follow.^{lxi} • Consolidate all existing registration mechanisms into a single system overseen by CMHD. • Develop a single database of all registered childcare facilities under different ministries.
<p>7. Accreditation and quality assurance systems need strengthening; the information deficit among parents and users must be addressed.</p>	

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Endnotes

ⁱ (Shafik, 2021; Samman, Presler-Marshall, & Jones, 2016; Tang, et al., 2021; Devercelli & Beaton-Day, 2020)

ⁱⁱ (Heckman, 2017)

ⁱⁱⁱ (Duncan & Magnuson, 27; Patrinos & Psacharopoulos, 2020; Engle, et al., 2007)

^{iv} (Halim, Perova, & Reynolds, 2021)

^v (OECD, 2015)

^{vi} (McKinsey, 2018)

^{vii} (The World Bank, 2021)

^{viii} (Sijapati Basnett, Riyanto et al. forthcoming)

^{ix} Between August 2019 and August 2020, the rate of women's participation in the labour force increased by 1.2 percentage points. However, that growth can be attributed to younger women aged 15–19 years entering the labour force. Participation among women in the child-bearing age of 20–29 dipped during the same period (Sijapati Basnett, Riyanto et al. forthcoming).

^x (AIPEG & Monash University, 2017; Cameron, Suarez, & Rowell, 2019; Setyonaluri, Nasution, Ayunisa, Kharistiyanti, & Sulistya, 2021)

^{xi} (Halim, Perova, & Reynolds, 2021)

- ^{xii} Based on ILO's (2018) estimates using the 2015 National Labour Force Survey, care workers include those employed in the education, health and social sector.
- ^{xiii} (Shafik, 2021, p. 34)
- ^{xiv} According to the [International Labor Organization](#), decent work is one that delivers fair income, workplace security and social protection for families, prospects for personal development and social integration, freedom to participate in decision-making that affect their lives, and equality of opportunity and treatment for all.
- ^{xv} (Esquivel, 2021)
- ^{xvi} (Staab, 2015)
- ^{xvii} (Tang, et al., 2021; UNESCAP, 2021; Gavrilovic, Rubio, Francesca, Hinton, & Staab, 2022)
- ^{xviii} (UNICEF, UNDP, PROSPERA and SMERU, 2021)
- ^{xix} (Kohkonen, 2021)
- ^{xx} (Gosh, 2021)
- ^{xxi} (Halim, Hillary, & Elizaveta, 2019)
- ^{xxii} (Jung & Hasan, 2014; World Bank, 2020)
- ^{xxiii} Prospera's own diagram analysis based on consultations with ECEC experts and desk-based study.
- ^{xxiv} The degree to which grandparents are involved in caregiving in East Asia (including Indonesia) is the second highest in the world. A study found that between 2000 and 2014, the growth in Indonesia's female labour force participation was proportional to the increase in households with a grandmother as the children's main caretaker. Additionally, for women in urban areas, having an elderly family member in the household increases the probability of going back to pre-pregnancy work levels within two years of childbirth, half of those living without elderly family member (Halim et al. 2017). Nevertheless, available data shows that such reliance may be limited, as only 33% of Indonesian households include an elderly family member who can care for children, and the percentage is even lower in urban areas. Also, residing with an elderly person in the household may add to, rather than alleviate, care responsibilities. From a children's development perspective, relying solely on grandparents for childcare comes with a caveat – 'grandparented' young children tend to perform better in vocabulary but worse in non-verbal reasoning and maths compared to those in formal childcare (Boca et al. 2018). Domestic workers have and continue to play a key role in childcare provision in Indonesia. However, they are also in limited supply and only affordable for the wealthy. In 2015, there were only 434,101 employers of live-in domestic workers, and only 32% of those were households with children under the age of 5 (ILO 2018). From the interview sample, the monthly salary for nannies and babysitters in DKI Jakarta and Surabaya ranges from IDR 1.4 million to IDR 3 million, which is unaffordable for low-income families. From a job creation perspective, domestic workers are still not recognised as formal workers, and their employment relationship is not addressed in national labour laws and other regulations. Given these challenges, the ILO (2019) notes that a strong reliance on domestic workers is an indicator of insufficient childcare services.
- ^{xxv} (Berman & Hartanto, 2016)
- ^{xxvi} Prospera's own calculations using the National Socio-Economic Survey (or SUSENAS), for March 2015 and 2020). ECEC includes kindergartens, playgroups, other ECEC, and day care centres.
- ^{xxvii} Based on Prospera online survey with 129 respondents. Both men and women respondents are concentrated in higher income bracket (IDR 8,000,000 and above). Data collected in Apr-May 2021. 80% of respondents live in Greater Jakarta Area
- ^{**}Based on data collected by CIPS/SPIRE through interviews with 27 centre-based facilities in Jakarta and 10 home-based foundation and non-foundation providers in Jakarta. Data collected in Mar-Aug 2020
- ^{xxviii} TK and RA data were sourced from Data Referensi Kementerian Pendidikan dan Kebudayaan, while KB, TPA, and SPS data were sourced from ECEC Statistics 2020/2021. The number of children up to 6 years old is was sourced from the National Socioeconomic Survey (March 2020).
- ^{xxix} (OECD Data, 2021)
- ^{xxx} Prospera's own calculations. The minimum wage in DKI Jakarta in 2020 was IDR 4,267,349 per month, while the minimum wage in Surabaya in 2020 was IDR 4,200,479 per month.
- ^{xxxi} The budget for ECEC includes a budget for the MoEC's Directorate of Early Childhood Education; Physical Assignment of Special Allocated Fund; and Non-Physical Special Allocated Fund for BOP PAUD.
- ^{xxxii} Data for 38 OECD member countries. Data for Romania and Cyprus refer to 2018; for Australia, to 2016.
- ^{xxxiii} Berman and Hartanto 2016
- ^{xxxiv} (Adriany, 2022)
- ^{xxxv} (Berman & Hartanto, 2016)
- ^{xxxvi} ECEC Statistics 2020/2021, MoECRT.
- ^{xxxvii} (PROSPERA & ADB, 2021)
- ^{xxxviii} Education at a Glance 2021: OECD Indicators, OECD Publishing, Paris, <https://doi.org/10.1787/b35a14e5-en>.
- ^{xxxix} (ILO & WIEGO, 2019; Araujo & Puyana, 2013)
- ^{xl} (BAN PAUD PNF, 2019)
- ^{xli} Day care centres are establishments currently in operation that came up during a search on Google Maps using the search term 'day care in [region]'. These establishments either have the phrase 'day care' or 'tempat penitipan anak' in their name or are categorised as day care/childcare agencies by Google Maps. Several day cares were found to be in both the MoEC database and the Google Maps search results, 2 in Tangerang Regencies, 2 in Bogor City, 1 in Bogor Regency, 2 in Bekasi Regency, 7 in Depok City, 4 in South Jakarta City, 2 in South Tangerang City and 4 in Bekasi City.
- ^{xlii} (Berman & Hartanto, 2016)
- ^{xliiii} Berman and Hartanto (2016) comprehensively listed the existing quality assurance system including the ECED national standards (Ministerial Decree 137 of 2014), Education Quality Assurance Body, Establishment of ECED supervisor positions in local level, online data monitoring, and accreditation system by BAN PAUD PNF.
- ^{xliv} (Pangastuti, 2020; Pangastuti, Adriany, & Siagian, 2020)
- ^{xlv} An example is Mobile Creche model of care services in India
- ^{xlvi} Examples include parent-teacher association, extending membership to governing bodies e.g. SEWA in India
- ^{xlvii} e.g. Ecuador
- ^{xlviii} (e.g. Scandinavian countries invest more on ECEC relative to higher levels)
- ^{xlix} (e.g. Sri Lanka)
- ¹ Starting in 2022, the Education Operational Assistance for ECEC facilities in Indonesia (BOP PAUD) will be divided into two types, namely, BOP PAUD and BOP Kinerja. BOP PAUD is the regular education operational assistance for ECECs in

Indonesia. All registered ECECs in the Dapodik system are eligible to receive it provided that they have updated the latest school data, have a bank account, have a permit to teach, and are not a *satuan Pendidikan kerja sama*. Meanwhile, only schools that are part of the *Sekolah Penggerak* program are eligible to receive BOP Kinerja.

^{li} e.g. India's National Guidelines for Setting up and Running Creches under Maternity Benefit Act 2017 serves as a 'floor' that even providers catering to very low-income families can/should follow.

^{lii} Such as 'Family Hope Program' (PKH)

^{liii} e.g. Mexico's PEI program

^{liiv} e.g. Kenya, Ecuador

^{liv} e.g. public markets in Jakarta

^{lvi} This recommendation is based on lessons from best performers in the OECD.

^{lvii} Such as the honorarium provided to care workers who are not public servants in Indonesia.

^{lviii} e.g. Minimum wage and social security in Ecuador and/or minimum semi-skilled wage and access to social protection in India.

^{lix} In India, the practice of cost-sharing of day care operations is common. For most regions in the country, the payment of 'Anganwadi workers' (childcare workers) is shared, 25% by the central government and 75% by the states.

^{lx} e.g. in Ecuador

^{lxi} Permendikbud 84/2014 includes provisions that state that the number and distance between one PAUD and another must be considered before approving a PAUD application. Standards in Permendikbud 137/2014 may be challenging to follow for providers catering to low-income families, e.g. the space requirement may be restricted in compact urban areas and/or the staff-to-child ratio may drive up the cost of facilities.