#### **ISSUE PAPER**

INVESTING IN EARLY CHILDHOOD EDUCATION AND CARE IN KYRGYZ REPUBLIC: An Assessment of Care Deficits, Costs and Impact on Employment, Gender Equality and Fiscal Returns



APRIL 2019 UN WOMEN





NATIONAL INSTITUTE FOR HEALTH AND WELFARE FINLAND



This report is a joint production of the Macroeconomic Team of the Economic Empowerment Section at UN Women, and UN Women's Country Team in Kyrgyz Republic. The main authors of the report are Ipek Ilkkaracan, Istanbul Technical University, Turkey and Kijong Kim, Levy Economics Institute of Bard College, New York, United States of America. Research and Data assistance were provided by Mehrigiul Ablezova, Department of Sociology, American University of Central Asia, Bishkek, Kyrgyz Republic and by Gulkhumar Abdullaeva, National Statistical Committee of Kyrgyz Republic. Bobo Diallo, Economics Specialist, Macroeconomics, UN Women, and Nurai Mamytova, Programme Specialist, UN Women Country Office in Kyrgyz Republic led the report's overall coordination and supervision.

The team would also like to thank Akylbek Sultanov, Chief Statistician, National Statistics Committee and other statistics staff including Galina Samokhleb, Zhyldyz Rakhmanova, Gulnara Dzhailoobaeva, Malika Abdukadirova and Elvira Isenkulova for their support during the collection and translation of the report's data. The team thanks the representatives of state bodies, civil society organizations and other development partners for their active contributions to discussions on the report's methodology during both the Gender Thematic Group meeting and the official study launch event held in Bishkek, Kyrgyzstan in September and October 2018. The team also wishes to acknowledge the valuable contributions received from Nargis Azizova, Programme Specialist, UN Women Regional Office for Europe and Central Asia, and Maha Muna, Regional Gender Adviser, UNICEF Regional Office for Europe and Central Asia.

The team would also like to extend its gratitude to Dr. Timo Voipio, Chief Expert, THL (National Institute for Health and Welfare), Government of Finland, for his unwavering support during the process leading from conception to completion of this report. We gratefully acknowledge financial support from the Organisation for Economic Co-operation and Development (OECD) and the Government of Finland EU Social Protection Systems Programme (EU-SPS).

#### Disclaimer:

This report contributes to public debate on issues concerning development policy. The views and recommendations expressed are those of the contributors, noted above, and do not necessarily reflect the position of their respective organizations.

Copy Editor: Kelly O'Neill Design: Dammsavage Inc. Production Coordination: Bobo Diallo

© 2019 UN Women. All rights reserved.

### ACADEMIC PAPER

INVESTING IN EARLY CHILDHOOD EDUCATION AND CARE IN KYRGYZ REPUBLIC: An Assessment of Care Deficits, Costs and Impact on Employment, Gender Equality and Fiscal Returns



**UN WOMEN** New York, April, 2019



## FIGURES AND TABLES

### **Figures**

Figure 1. Labour-force/economically active population rates by gender	13
Figure 2. Unemployment rates by gender	14
Figure 3. Employment rates by gender and ratio of female to male wage	15
Figure 4. Gender gap in employment rates by age groups in 2016	16
Figure 5. Reasons for non-participation in the labour market by gender, 2017	16
Figure 6. The number of preschool institutions in Kyrgyz Republic 1990–2017	19

#### **Tables**

Table I. Assessment of ECEC Service Deficit and Expansion Costs		
Table II. Employment Impact of ECEC Expansion vs. Construction Boom	4	
Table II. Fiscal Returns, SDG-based versus Construction	5	
Table 1. Applied studies on short-run returns from public investments in ECEC	11	
Table 2. Time Use Survey 2015	17	
Table 3. ECEC enrolment rate for children (aged 6 and younger, %)	20	
Table 4. Selected indicators on Kyrgyz Republic and other Central Asian countries	23	
Table 5. The breakdown of state expenditures	24	
Table 6. Policy scenarios on ECEC service expansion	27	
Table 7. Assessment of ECEC service deficit and costs	30	
Table 8. Direct employment generation in the ECEC sector	31	
Table 9. Indirect employment generation in other sectors	32	
Table 10. Employment impact summary	34	
Table 11. Fiscal returns, SDG-based and regional best expansion	35	
Table 12. Fiscal returns, construction	36	
Table A1. The original distribution of inputs in the state budget expenditure	40	
Table A2. Intermediate input composition of education sector in the IO and the synthetic ECEC sector	41	

# TABLE OF CONTENTS

<ul> <li>5. FINDINGS</li> <li>5. a. Assessment of the deficit in ECEC services and costing</li> <li>5. b. Employment generation and composition</li> </ul>	30 30 31
5. FINDINGS	30
4. DATA AND METHODOLOGY	25
3. ECONOMICS OF INVESTMENT IN ECEC KYRGYZSTANI NATIONAL CONTEXT	12
2. ECONOMICS OF INVESTMENT IN ECEC THE GLOBAL CONTEXT	8
1. INTRODUCTION	6
EXECUTIVE SUMMARY	1

1	6. CONCLUSIONS	37
6	APPENDIX	39
:: 8	REFERENCES	42
:	ENDNOTES	44

## EXECUTIVE SUMMARY

Access to quality formal services in early childhood education and care (ECEC)<sup>1</sup> plays a crucial role from the perspective of two stakeholders: foremost, children as receivers of care and parents as primary providers of care. Quality ECEC centres (nurseries, kindergartens and preschools) constitute an important component of ECEC infrastructure, supporting early development of children with lasting effects over the life cycle. Access to centre-based services enables more active participation by parents in the labour market and enhances their abilities as family providers. For mothers, ECEC can support their equal access to jobs and contribute to their empowerment as individuals and as parents. It is essential that ECEC centres complement parental care so that children can benefit both from professional services as well as time spent with their parents and parents can simultaneously take care of their children and pursue careers. It is critical, therefore, to supplement centre-based ECEC services with labour market regulatory measures such as parental leave and regulated workplace hours to support work-life balance as well as other social care services targeting older persons, people living with disabilities and those who are ill.<sup>2</sup>

Countries with widespread access to ECEC centres feature either publicly-provisioned or subsidized services. When public provisioning or subsidization is of limited scope, a market for private centre-based services exists predominantly for high-income households. Consequently, lack of public intervention not only reinforces inequality among children and parents (especially for mothers) by socioeconomic status, it also entrenches gender gaps in the labour market. Expansion of ECEC services for all is a matter of the choices made regarding the allocation of public resources. As such, it is as much an issue of children's well-being and gender equality as it is an issue of economic policy and fiscal allocation. Fiscal policy design is of a short-run nature with public budget plans formed and assessed on an annual basis. Hence, even when fiscal policymakers acknowledge long-run returns from a resource allocation, it is likely to be outweighed by the assessment of short-run returns. This study contributes to the policy debate on ECEC expansion in Kyrgyz Republic<sup>3</sup> – particularly from a fiscal policy perspective that focuses on potential short-run economic returns.

Following in the footsteps of recent country policy studies, this research report estimates the required increase in public expenditures on ECEC centres according to different policy scenarios specific to Kyrgyz Republic. The report estimates short-run, demand-side economic returns regarding employment creation, the gender employment gap, and the fiscal sustainability of the initial outlay of expenditures through increased tax revenues. The simulation for ECEC service expansion is compared to the counterfactual scenario where fiscal expenditure of identical magnitude is allocated towards physical infrastructure and construction projects, a common target sector for public spending. Importantly, the research indicates that increased ECEC public expenditures result in the following:

- robust generation of new jobs both directly in the ECEC sector as well as indirectly in other sectors through backward linkages;
- emerging labour demand that is pro-women and therefore contributes to a demand-driven narrowing down of the gender employment gap while raising the overall employment rate; and

• potential for self-financing through increased tax revenues is non-negligible.

In recent years, there has been a substantial increase in early childhood education and care services in Kyrgyz Republic. Nevertheless, as of 2017 the **ECEC enrolment rate for children under the mandatory school age (o-6 years old) stands at 24 per cent, the lowest in the Central Asia region after Republic of Tajikistan.4 This means that on average, three out of every four children do not have any access to childcare centres or preschools.** Inequality in access prevails against children in rural areas and from low-income families. Only 18 per cent of rural children,<sup>5</sup> and just 12 per cent of children from the lowest income quartile are enrolled in an ECEC centre (NSC, 2014).

Beyond undesirable implications for children's wellbeing, a weak ECEC infrastructure also negatively impacts women's equal access to employment and income generation. Recent research and policy documents highlight **women's unpaid care workload as an important source of the gender employment gap** – a difference which stands at 30 percentage points, the highest in Central Asia by a wide margin.<sup>6</sup>

The lack of sufficient decent jobs<sup>7</sup> for women is another important factor contributing to the wide gender employment gap. Customary roles as primary caretakers and secondary earners, weak labour demand and poor working conditions lock women into traditional homemaker roles. At the same time, the lack of decent work opportunities leads many women and men to migrate to other countries in the region in search of work. This outmigration also means that many children are unable to receive proper care in their unable to receive proper care in their formative years since their parents migrate to other countries to seek employment. An estimate based on official figures of migrants who went abroad suggests that about 200,000 children in Kyrgyz Republic are without parental care; these children are often referred to as "social orphans". Children left behind are less likely to attend kindergartens and schools, and consequently tend not to pursue vocational and higher education.

Recent national policy documents on education, as well as on women in employment, underscore consensus on the need to expand access to ECEC centres as a tool to both improve child well-being and women's positioning in the labour market. The government plan 2018–2022 sets a target enrolment rate for preschool education at 80 per cent by 2022.8 While there is no specification of age group or duration, the target is likely set on the share of children engaged in one year of organized learning prior to starting school. Under a recent inter-ministerial initiative with the technical support of the UNICEF Country Office - Child Development Centres are being piloted in eight libraries across the country. These centres are intended to offer developmental activities overseen by staff trained in early childhood development and to support parents and children in joint activities.

The policy simulations undertaken in this report foresee a more comprehensive system of ECEC service provisioning based on full-time continuous access to ECEC centres for three- to six-year- old children and part-time access for children up to two years old in line with the developmental needs of each age group. The centres are under full supervision of professional staff and require parental accompaniment. The simulation

### 预览已结束,完整报告链接和二维码如下:

https://www.yunbaogao.cn/report/index/report?reportId=5\_21949

