



CHILDCARE SERVICES IN BIH

HOW COULD THE BUSINESS SECTOR BENEFIT?

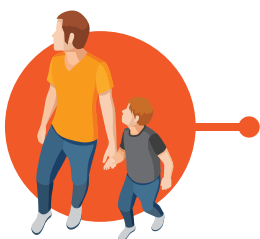


Childcare services are underdeveloped in Bosnia and Herzegovina. Often inaccessible or unaffordable to parents, capacities of childcare institutions – especially those in the public sector – are limited, leaving many children outside of preschool education and care. On the other side, the limitations in childcare availability contributes to labour shortages in those industries where the demand for labour exceeds the supply and where opportunity costs of long 'career breaks' are high.

● KEY FACTS ON CHILDCARE SERVICE PROVISION IN BIH



Children in preschool education is far below the EU-28 average: less than 20% of children from 4 years old to the starting age of compulsory education participate in preschool education, while the EU-28 average is 95%. For children up to 3 years of age, coverage is around 5% in BiH and around 33% in EU countries.



Over 3,500 children could not be enrolled in preschool education in 2018/2019 due to an under-supply of places and the inabilities of existing institutions to absorb them. Specifically, 11% of applications were rejected due to insufficient capacity leaving thousands of families forced into "plan B" options with either one parent not working or temporary childcare arrangements made with family and friends.



Outside of the official 'rejections', thousands of families are believed to not apply for any childcare services on the basis of both cost and prior knowledge of the limited number of free places. It can be estimated that around 180,000 children is outside of formal childcare.



Number of children enrolled in preschool education

Children not enrolled because of insufficient capacities

Children not enrolled in preschool education as % of the total number of applications

TOTAL

28.511

3.531

11%

Public Schools

19.325

2.920

13.1%

Private Schools

9.186

611

6.2%

● IMPACT ON WOMEN IN BIH SOCIETY

Women are acutely affected by the lack of affordable and accessible childcare services, with many studies highlighting the influence this has on labour market participation. This is especially relevant in rural and suburban areas (where childcare services are less accessible) and in more traditional families, where the caring role is assigned to women. Single mothers are especially at a disadvantage. Even in circumstances where women are not dropping-out from the labour market permanently, long 'career breaks' negatively affect their future prospects (i.e. outdated application of skillsets, difficulty in career progression, level of income, etc.).

● WHAT CAN BE DONE?

MarketMakers, a project financed by the Swiss government, is interested to invest in promoting and strengthening childcare provision in Bosnia and Herzegovina through private companies. Companies in high potential and high-growth sectors, specifically where skilled labour is under-supplied by the active labour market, have an incentive to support the expansion of existing and/or creation of new childcare institutions and services as a part of their strategy for talent attraction and retention.

MarketMakers recognises that larger companies or informal clusters of smaller and medium-sized companies could play a more central role in facilitating stable and low-cost childcare provision for their employees. MarketMakers is therefore promoting a new location-based model for shared company co-investment into new childcare provision for their current and future employees.

MarketMakers is encouraging companies to first 'express an interest' in this idea (see links below). Interested companies will be organised according to a small number of criteria, including geographic proximity to one another. MarketMakers can offer assistance with defining models of collaboration between companies, operational/business plan development for the childcare services, and seed/-expansion financing.

● COMPANIES CAN BENEFIT IN THE FOLLOWING WAY



Attracting new employees and improving staff retention, as meaningful non-salary benefits



Positively influencing overall labour supply by activating talented unemployed people with families who are now outside of the labour market



Improving workplace productivity by helping employees to better organise their working time and business activities by having trouble-free childcare provision – particularly relevant for those job positions where flexible hours are less possible.

Interested companies should get in touch

MarketMakers is inviting companies ready to co-invest in either strengthening the capacities of existing private childcare services or creating new high-quality childcare providers to express their interest to info@marketmakers.ba by **Friday 24th May 2019**. A simple expression of interest form with a short survey form attached can be found on the MarketMakers website <https://bit.ly/2Pv8Og1>. Note: Companies from suburban areas, small towns, and rural areas are encouraged to apply in coordination with other companies in close geographic proximity.