



The Impact of Access to Free Childcare on Women's Labor Market Outcomes: Evidence from a Randomized Trial in Low-income Neighborhoods of Rio de Janeiro

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Country	Brazil
Organizing Theme	Economic Opportunities and Access to Assets
Status	Completed
Intervention Category	Preschool
Sector	Children & Youth
Abstract	<p>The impact evaluation of Rio de Janeiro's public day-care program aims to answer the following three questions. First, how large is the increase in labor force participation of mothers due to the increased access to free child care? Second, what does the increase in labor force participation, if any, suggest about the net cost of the policy (subsidies offered minus new tax revenue collected)? Fourth, does public provision crowd out private provision? Finally, what effect does any change in child care (and associated increases in labor force participation) have on child and family outcomes? GAP funds contributed toward an additional job seeking skills training intervention implemented in half of the sample. The authors find that access to free publicly provided child care services led to a very large increase in the use of care, a considerable increase in mothers' employment (from 36 to 46 percent), and a almost doubling in the employment of mothers who were not working before the lottery took place. The authors find no statistically significant impact on hours worked for mothers who were employed, however. This rise in mothers' employment is associated with a modest increase in household incomes of 16 percent (from an average of R\$569 to R\$661 per month). Finally, the authors also find robust evidence that the public provision of free child care crowds out private provision, even in low income neighborhoods. Therefore, given that the estimated income impacts are smaller than the cost of public provision, direct transfers via vouchers for child care may be more cost effective than subsidized care via public provision.</p>
Gender Connection	Gender Focused Intervention
Gender Outcomes	Women's labor force participation
IE Design	The program was intended to be randomly assigned. However, since assignment was not perfectly random, the authors used Instrumental Variable (IV) approach to estimate the Local Average Treatment Effect.
Intervention	The Rio de Janeiro Early Childhood Development Program provided center-based interventions including full time daycare, health services, food and instructional toys to children aged 0-3 in low income neighborhoods.
Intervention Period	The lottery for selection into ECD was carried out in 2007
Sample population	Each year, approximately 25,000 families apply for 10,000 slots at Rio center-based daycare. 10,000 children are randomly selected to be enrolled.



Comparison conditions	Control (standard treatment)
Unit of analysis	Individual Level
Evaluation Period	The survey was carried out between June and October 2008
Results	The program has large effects for female economic opportunities. For treated mothers, employment increases by 27%, labor force participation increases by 8% and maternal unemployment drops by 16%. For women who did not work in the 6 months prior to the program, employment increases by 97% from 9 % to 17%. There was strong evidence of crowding out of private childcare as no lottery winners enrolled their child in private healthcare. The treated families experienced an average increase of incomes of R\$92, but this is less than the R\$250 cost of the program.
Primary study limitations	
Funding Source	Gender Action Plan
Reference(s)	de Barros, R. P., Olinto, P., Lunde, T., & Carvalho, M. (2011). The Impact of Access to Free Childcare on Women's Labor Market Outcomes: Evidence from a Randomized Trial in Low-income Neighborhoods of Rio de Janeiro.
Link to Studies	http://siteresources.worldbank.org/DEC/Resources/84797-1104597464088/598413-1302096012728/Pedro-Olinto_access_to_free_childcare.pdf
Microdata	