

Women-Owned Childcare Centers: Essential Infrastructure for Household Economic Participation and Child Wellbeing in Kenya



KEY MESSAGES

- 1 Women-run childcare enterprises are the primary childcare infrastructure for low-income households across Kenya**, yet they remain structurally under-resourced and largely invisible to policy.
- 2 Centers in Nairobi, Kisumu, and Vihiga operate as micro-enterprises with fragile financial models** — 93.8% depend exclusively on parent fees, creating a structural affordability dilemma.
- 3 Of the 32 mapped centers, 53.1% are sole proprietorships and 53.1% are unregistered** — reflecting structural barriers to compliance, not voluntary informality.
- 4 These centers are indispensable to working families:** 96.9% provide full-day care, with 56% operating from 5am to 6pm to accommodate informal labour schedules.
- 5 Investing in women childcare entrepreneurs delivers a triple dividend:** stronger child development, greater women's economic participation, and a more resilient national economy.

WHY THIS MATTERS FOR KENYA

Childcare is a cornerstone of the care economy and a critical lever for women's economic empowerment. A growing body of evidence demonstrates that access to affordable, quality childcare increases women's labour force participation, improves early childhood development outcomes, and generates broader economic returns for society (ILO, 2018; World Bank, 2021). UNICEF (2019) describes this as a triple dividend: benefits for children, empowerment for women, and stronger economies.

In Kenya, formal public childcare provision is extremely limited. The burden of care for children in low-income households falls primarily on informal, women-operated childcare centers located in urban informal settlements, peri-urban neighbourhoods, and rural trading centers. Research confirms that working mothers in Nairobi's informal settlements rely heavily on paid providers operating outside formal systems precisely because alternatives are unavailable (Clark et al., 2021; Hughes et al., 2021).

The ICRW Africa Women in Childcare (WiCC) project mapped 32 women-owned childcare centers across Nairobi, Kisumu, and Vihiga counties, encompassing urban, secondary-city, and rural childcare markets. The findings generate new evidence on the characteristics, operational constraints, and policy needs of this critical but systematically under-recognized sector.

As Kenya advances reforms under the **National Care Policy (2025)** and **Social Protection Act (2025)**, understanding the realities of women-run childcare enterprises is essential for building childcare systems that are both effective and equitable.

WHAT EVIDENCE SHOWS

32

centers mapped across Nairobi, Kisumu & Vihiga

96.9%

provide full-day childcare

93.8%

rely solely on parent fees

53.1%

are unregistered due to structural barriers

1. Women-Run Enterprises Dominate Provision for Low-Income Families

The childcare ecosystem serving low-income Kenyan families is composed almost entirely of micro-enterprises owned and managed by women. The WiCC mapping reveals that 53.1% operate as sole proprietorships, 28.1% are home-based centers, and 12.5% function as community-based facilities. These centers are concentrated in informal settlements, peri-urban communities, and rural market hubs — precisely where women work in informal employment in markets, transport nodes, fishing communities, and quarries.

The sector is also expanding rapidly, driven by rising female labour force participation. Some 41.9% of mapped centers were established between 2010 and 2020, and 38.7% opened after 2020 — a pattern consistent with evidence that growing informal employment among women is generating corresponding demand for childcare services (World Bank, 2021).

2. Centers Operate Long Hours to Serve Informal Workers

Women-run childcare centers have adapted their operations to meet the realities of informal employment. The WiC project found that 96.9% of centers provide full-day childcare: 56% operate from 5am to 6pm, and 16% oper-

ate from 5am to 9pm — schedules that accommodate parents who must leave home early and return late. Centers also serve very young children, with 81% caring for children aged two to three and 72% providing care for infants under one year. These services are filling a gap that no public or formal private sector provider currently covers.

3. Financial Models Are Fragile and Structurally Vulnerable

Women childcare entrepreneurs operate under profound financial constraints that reflect both household poverty and the absence of public subsidy. The study found that 93.8% rely primarily on parent fees, 46.9% draw on personal savings to maintain operations, and 28.1% resort to loans. Fee collection is irregular: 34.4% of centers collect fees daily, reflecting the week-to-week income instability of families they serve.

Providers report multiple concurrent pressures: inadequate funding (68.8%), inability of parents to pay fees (68.8%), high operational costs (65.6%), and low enrolment (53.1%). This reflects a structural affordability dilemma that is well-documented in global childcare research (ILO, 2018): providers must keep fees low enough to serve low-income clients while remaining unable to generate the revenue needed to invest in quality, safety, and staff compensation.

This dilemma cannot be resolved without external intervention. Without public subsidies, financing mechanisms, or regulatory simplification, the sector will remain trapped in low quality and high financial precarity — and the families it serves will remain without viable alternatives.

OPPORTUNITIES FOR KENYA'S CARE ECONOMY

Women's Economic Participation

Access to reliable childcare enables women to engage in paid work, maintain employment continuity, and invest in business growth. Evidence consistently shows childcare availability significantly increases women's labour force participation (World Bank, 2021).

Child Development Outcomes

Quality early childhood environments are foundational to cognitive, social, and emotional development. Strengthening community-based centers can directly improve learning outcomes and long-term wellbeing for children in low-income households (UNICEF, 2019).

Local Employment Creation

Childcare centers create direct employment for caregivers, assistants, and cooks — jobs that are particularly accessible to women with limited formal education — while generating secondary economic activity in local communities.

Progressive Formalization

Because women-run centers already exist within communities and are trusted by families, they offer a practical foundation for incremental formalization through enabling regulatory frameworks — rather than requiring the construction of new provision from scratch.

RISKS OF INACTION

Risk	Implication
Persistent safety and quality gaps	Without oversight and investment, substandard physical environments and under-trained caregivers put children at risk.
Sector instability and care disruptions	Fragile financial models leave centers vulnerable to sudden closure, removing childcare from working families without notice.
Deepening inequalities in access	As urban formal childcare expands for higher-income families, low-income communities' risk being further left behind.
Missed reform window	Kenya's ongoing care economy legislative reforms present a time-limited opportunity to formalize and invest in this sector.

POLICY DIRECTIONS

Realizing the sector's potential requires coordinated action across national and county governments and the development of the finance community. The following actions are prioritized based on the evidence

Level	Recommended Actions
National Government	<ol style="list-style-type: none"> 1. Formally recognize private and community childcare enterprises as essential care economy infrastructure within the National Care Policy (2025) and Social Protection Act (2025), establishing a tiered classification system: home-based, community, and formal facility childcare. 2. Develop national operational guidelines and minimum standards for providers caring for infants and toddlers under age three, who are currently excluded from ECDE regulations. 3. Establish a National Childcare Enterprise Support Fund offering concessional loans, grants, and business development services to women-owned centers. 4. Create a national childcare workforce development program — including a training and certification pathway through TVET institutions — to professionalize the sector and improve care quality. 5. Launch a National Childcare Data Registry to track the location, capacity, registration status, service type, staffing levels, and infrastructure conditions of all childcare centers.

County Governments

- 1. Introduce** phased, proportionate licensing processes with simplified application requirements for small childcare enterprises, reducing compliance barriers without sacrificing safety.
- 2. Establish** county-level childcare infrastructure improvement grants to enable registered providers to upgrade facilities, equipment, and safety standards.
- 3. Create** County Childcare Coordination Units to provide supportive supervision, mentorship, and technical assistance — prioritizing compliance support over punitive enforcement.
- 4. Mainstream** childcare enterprise development into County Integrated Development Plans (CIDPs) and allocate dedicated budget lines for the sector.

Financial Institutions & Development Partners

- 1. Design** financial products tailored to the cash-flow patterns of childcare micro-enterprises, including flexible loan repayment schedules that reflect irregular fee collection.
- 2. Invest** in provider associations and peer networks that build collective bargaining power, share knowledge, and strengthen business resilience.
- 3. Fund** TVET-linked childcare training programs and support the development of a nationally recognized childcare provider credential.

CONCLUSION

Women-owned childcare centers are not peripheral to Kenya's childcare system — they are its operational core for millions of low-income families. Evidence from Nairobi, Kisumu, and Vihiga shows these providers operate at the intersection of household poverty, informal labour markets, and absent public provision. They deliver services that no other actor currently provides, under financial conditions that make their continued operation precarious.

Kenya's ongoing care economy reforms offer a generational opportunity to change this. By formally recognizing, financing, and supporting women childcare entrepreneurs within the frameworks of the National Care Policy and Social Protection Act, the Government of Kenya can simultaneously expand women's economic participation, improve child wellbeing, and build a more inclusive and resilient care economy.

The evidence is clear. The policy window is open. What is needed now is political will and investment to match.

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ABOUT THE WIC PROJECT

The Women in Childcare (WiCC) Project is a 2024–2026 research initiative led by the International Center for Research on Women (ICRW) Africa. The project generates evidence on the role of women-owned and women-operated childcare enterprises in expanding childcare access and supporting women's economic empowerment in Kenya. The WiCC Project is supported by Co-Impact Philanthropic Funds Inc. The views expressed in this document are those of the authors and do not necessarily reflect the views of Co-Impact Philanthropic Funds Inc.

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