

Phulki



phulkibd.org



The Care Economy
Knowledge Hub

the-care-economy-knowledge-hub.org

Profiling Businesses in the Care Economy

The care economy consists of paid and unpaid labor and services that support caregiving in all its forms. In Africa, Asia and Latin America, women spend between three to five times as many hours on unpaid care and domestic work as men. This represents 80 percent of a household's total hours devoted to unpaid care work.

Care economy businesses can help recognize, redistribute, reduce and reward – also known as the 4 Rs – unpaid and paid care and domestic work in the following ways:



Recognize: Initiatives that increase visibility and recognition of paid and unpaid care and domestic activity as "productive" work that creates real value and contributes to economies and societies.



Redistribute: Services and initiatives that redistribute care work from individuals to public and private sector entities, and redistribute care and domestic work within the household.



Reduce: Products and initiatives that reduce the time spent on and burden of unpaid care and domestic work.



Reward: Products, services and initiatives that ensure that care and domestic workers are paid fairly and have professional growth potential. This provides them with financial reward and security.

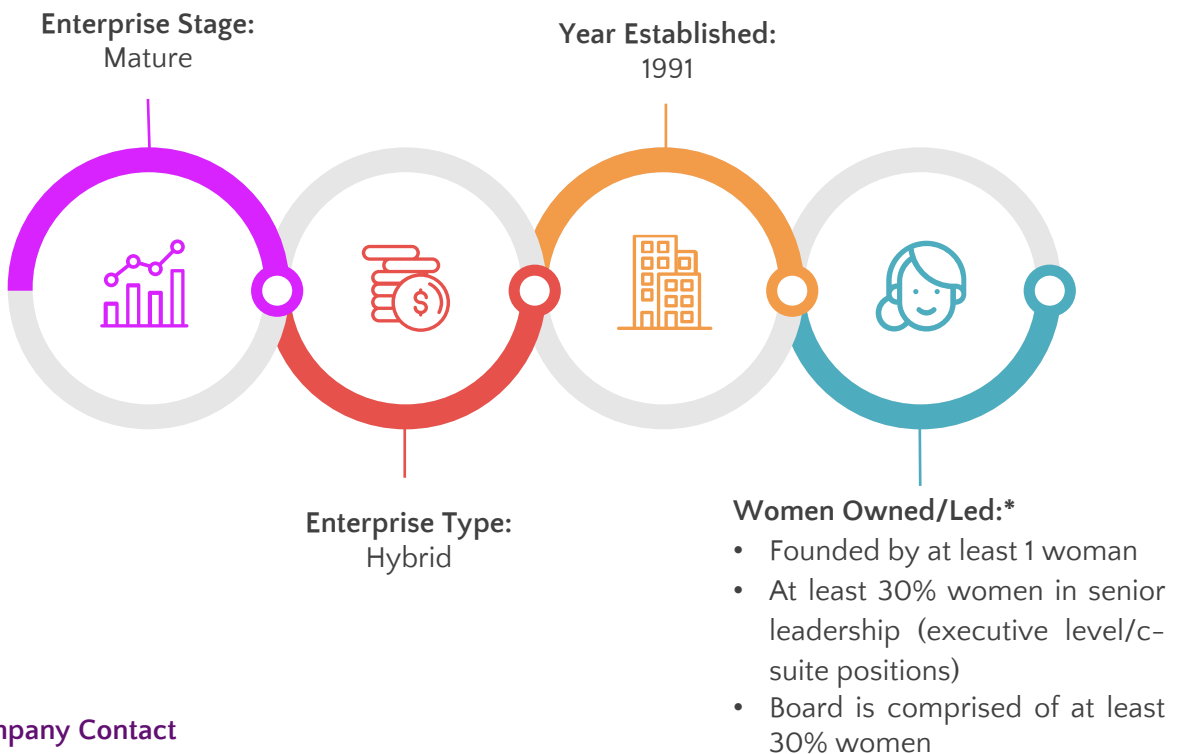
The Care Economy Knowledge Hub aims to address the knowledge gap around care businesses by showcasing various business models and creating a resource base for relevant stakeholders. It also aims to raise awareness and increase knowledge of the state of impact-driven care economy business models and attract a broad range of funders to invest in care economy solutions by showcasing opportunities. These business profiles are intended to showcase said potential investment opportunities. They have been created from information and data provided by the business itself.

This project is supported by Canada's International Development Research Center, in partnership with the Soros Economic Development Fund at the Open Society Foundations. Building on their track record and commitment to transforming the care economy and mobilizing finance for gender equality, they have jointly launched this action research program to help transform the care economy through impact business and investment.

Executive Summary



Founded in 1991, Phulki is a non-profit enterprise that provides affordable daycare facilities for children of low and middle-income households in urban areas of Bangladesh. Phulki has also set up childcare facilities in garment factories in Bangladesh, as they largely employ women. The enterprise conducts training and awareness sessions on health issues and women's rights for caregivers, as well as trains domestic workers to improve their skills. The enterprise had a revenue of US\$ 901,952 in 2021 and currently has over 270 employees.



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*According to 2X "women entrepreneurship" and "women leadership" criteria; [2X Challenge Criteria](#)

1. About The Enterprise

1.1 Problem

Women in Bangladesh face various challenges, including the informal nature of work, lack of access to affordable daycares and social protection schemes, and limited awareness of rights. Each of the above poses challenges to participation in the labor market. Furthermore, women primarily bear the burden of unpaid domestic work and childcare in Bangladesh. Results from a Gender, Inclusion and Poverty (or DIGNITY) survey¹ showed that women in low-income areas of Dhaka spent 5.16 hours on childcare and domestic work, whereas men spent only 0.34 hours.² Thus, a lack of affordable childcare facilities is one of the main factors that impede women from effectively participating in the workforce. In a survey conducted in 2018, nearly 24% of women respondents in Dhaka reported having turned down a work opportunity due to a lack of childcare support.³

As per the law in Bangladesh, any factory with more than 40 women employees must provide daycare facilities. However, results from an International Finance Corporation (IFC) survey show that 77% of the surveyed companies in Bangladesh do not offer childcare options.⁴ In addition, when childcare is provided, uptake is low. A survey by UNICEF showed that nearly 97% of women who had access to daycare facilities in their workplaces did not use them. Some reasons for non-utilization included a lack of quality services, a preference for keeping children with grandparents, and the challenge of taking children to work on foot or on crowded public transport.⁵

For example, the garment industry is a major employer of women in the country, employing nearly 3.2 million women. A survey of garment factory workers found that 68% left their children with grandparents.⁶ The major challenges related to existing daycare facilities in the report were that their workplaces' daycare centers had an insufficient number of caregivers, caregivers were insufficiently trained, and there was a lack of adequate space.⁷

¹ This survey was conducted by the World Bank. It analyzes data from 1,300 urban households in low-income areas of Dhaka City.

² International Finance Corporation. (2019). Tackling Childcare: The Business Benefits and Challenges of Employer-supported Childcare in Bangladesh. https://www.ifc.org/wps/wcm/connect/REGION_EXT_Content/IFC_External_Corporate_Site/South+Asia/Resources/Tackling+Childcare+The+Business+Benefits+and+Challenges+of+Employer-supported+Childcare+in+Bangladesh

³ Else, H., Fieroz, F., Shawon, R. A., Nasreen, S., Hicks, J. P., Das, M., Huque, R., Hirano, I., Wallace, H. J., & Saidur, M. (2020). Understanding demand for, and feasibility of, centre-based child-care for poor urban households: A mixed methods study in Dhaka, Bangladesh. *BMC Public Health*, 20(1), 1899. <https://doi.org/10.1186/s12889-020-09891-z>

⁴ International Finance Corporation. (2019, November 6). Nearly three-quarters of Bangladeshi firms don't offer childcare, says IFC study. IFC. <https://ifcpressreleasesprod.aseprod.ifc.org/all/pages/PressDetail.aspx?ID=17694>

⁵ UNICEF. (2014). *Better Business for Children: Understanding Children's Rights and the Ready-Made Garment Sector in Bangladesh*. UNICEF. Retrieved December 9, 2022, from <https://www.unicef.org/bangladesh/media/301/file/BB4C%20Report.pdf>

⁶ UNICEF. (2014). *Better Business for Children: Understanding Children's Rights and the Ready-Made Garment Sector in Bangladesh*. UNICEF. Retrieved December 9, 2022, from <https://www.unicef.org/bangladesh/media/301/file/BB4C%20Report.pdf>

⁷ Alam, S. (2019, November). *Perception of RMG Working Mothers on Caregiver Quality for Children's Development at Factory Based Child Care Center*. BRAC University. http://dspace.bracu.ac.bd/xmlui/bitstream/handle/10361/15144/18155013_BIFD.pdf?sequence=1

The domestic help industry is also a major employer of women in the country. It is estimated that there are 10.5 million domestic workers in Bangladesh, of which 90% are women.⁸ Similar to garment workers, domestic workers were unwilling to put children into community-based childcare centers due to poor service quality and unaffordability. Nearly 25% reported taking their children to their workplaces, in the absence of another option. Many women working as domestic laborers also dropped out of the workforce until one child, usually, a daughter, was old enough to take care of younger siblings.⁹ Domestic work is informal and therefore workers are largely excluded from social protection. This lack of formal protection leaves domestic workers vulnerable to exploitation, such as long working hours and low wage rates.¹⁰ Women domestic workers also face safety concerns, mistreatment, verbal abuse, physical assault, and sexual harassment. Consequently, there is a need to provide domestic workers with training and awareness to increase incomes and reduce possible exploitation.

While Bangladesh is making efforts to widen its network of childcare centers, a variation in quality, lack of affordable options, and logistical challenges discourage women from using them.¹¹ There are currently no standard certifications to regulate caregiver quality.¹² This lack of standardization has led to fears about child safety. These need to be addressed to enhance the women's uptake of childcare services.¹³

1.2 Solution

Phulki addresses challenges related to access of affordable childcare facilities in urban areas of Bangladesh. The enterprise has enabled garment factories and corporations to provide on-site daycare facilities, as well as established daycare facilities in low and middle-income communities. The enterprise also trains domestic workers to enhance their skills and conducts sessions for women and domestic workers to provide them with information regarding their rights. Phulki's key offerings are as follows:

⁸ Global Affairs Canada. (2022, March 29). *Shining a light on the rights of domestic workers in Bangladesh*. <https://www.international.gc.ca/world-monde/stories-histoires/2022/domestic-rights-droits-domestique.aspx?lang=eng>

⁹ WIEGO. (2020). *The Costs of Insecurity: Domestic Workers' Access to Social Protection and Services in Dhaka, Bangladesh*. Women in Informal Employment: Globalizing and Organizing. https://www.wiego.org/sites/default/files/publications/file/WIEGO_PolicyBrief_N19_Bangladesh%20for%20Web.pdf

¹⁰ WIEGO. (2020). *The Costs of Insecurity: Domestic Workers' Access to Social Protection and Services in Dhaka, Bangladesh*. Women in Informal Employment: Globalizing and Organizing. https://www.wiego.org/sites/default/files/publications/file/WIEGO_PolicyBrief_N19_Bangladesh%20for%20Web.pdf

¹¹ Rahman, T., Arnold, T., Shams, F., & Rahman, M. (2022). *Raising the Quality of Child Caregiving in Bangladesh*. World Bank Knowledge Portal. <https://openknowledge.worldbank.org/bitstream/handle/10986/37093/Raising-the-Quality-of-Child-Caregiving-in-Bangladesh.pdf?sequence=1>

¹² Helmerhorst, K. O. W., Dutta, M., Khanom, F., Zaman, S. S., & Gevers Deynoot-Schaub, M. J. J. M. (2021, October 15). Quality of Caregiver-child Interactions in Early Child Care Centers in Bangladesh: Measurement and Training. *Early Education and Development*, 34(1), 208–227. <https://doi.org/10.1080/10409289.2021.1988035>

¹³ Rahman, T., Shams, F., & Urzua, T. (2022, March 17). How to raise the quality of child caregiving in Bangladesh? World Bank Blogs. <https://blogs.worldbank.org/endpovertyinsouthasia/how-raise-quality-child-caregiving-bangladesh>

- **Workplace childcare facilities:** The enterprise establishes and manages childcare facilities for garment factories and corporations in the country. These childcare facilities provide daycare services and preschool education. The workplace pays Phulki a fee in order to establish the facility. After six months, the factory/corporation can take over management or choose to continue to pay a fee to Phulki to provide services.
- **Community-based childcare facilities:** The enterprise establishes and manages community childcare facilities to support women in low and middle-income communities.
- **Caregiver training:** The enterprise provides caregivers (employed at daycares, factories, and businesses) with certified caregiver training on early childhood development. This training takes 5–8 working days.
- **Vocational training:** The enterprise provides training on domestic work to women and adolescent girls who reside in informal settlements. This enables them to enhance their skills. In addition, interested women and older adolescent girls are also provided with vocational training, such as beautician programs.
- **Awareness sessions:** The enterprise conducts awareness sessions for garment factory workers, domestic workers, and persons living in informal urban settlements. These sessions provide women with information on their rights at work and at home. The enterprise has also conducted awareness sessions for women and girls on sexual and reproductive health and rights (SRHR), as well as menstrual health management (MHM).
- **Access to products:** The enterprise provides women and girls with access to products (such as affordable sanitary napkins) through childcare facilities in both factories and communities.

1.3 Customer Segment

Customer Segment	Product / Service Provided	Paid / Unpaid
Garment factories and corporations	The enterprise establishes and manages daycare facilities to provide childcare and preschool education. At these childcare facilities, women may also purchase sanitary napkins.	Paid <ul style="list-style-type: none"> • The businesses pay Phulki a fee to establish and manage the childcare facilities. In some cases, the factory and the employees share these management fees. In other cases, the factory may provide these services for free to its employees.

Customer Segment	Product / Service Provided	Paid / Unpaid
		<ul style="list-style-type: none"> The enterprise purchases sanitary napkins in bulk and sells them to garment factory workers for a profit.
Low-income households	<p>The enterprise establishes and manages community-based daycare facilities that provide childcare and preschool education. At these childcare facilities, women may also purchase sanitary napkins.</p> <p>The enterprise also conducts awareness-raising sessions for individuals that live in these communities.</p>	<p>Paid</p> <ul style="list-style-type: none"> The women pay a subsidized fee for accessing childcare services. The fee is subsidized through grants and donations received by Phulki. The community does not pay any fees for awareness sessions. The enterprise purchases sanitary napkins in bulk and sells them to customers for a profit.
Middle-income households ¹⁴	The enterprise establishes and manages community-based daycare facilities that provide childcare and preschool education.	<p>Paid</p> <ul style="list-style-type: none"> The women pay for the childcare services that have been provided.
Factories and corporations	The enterprise provides certified training on early childhood development.	<p>Paid</p> <ul style="list-style-type: none"> The factory/corporation pays for personnel training.
Daycare personnel		<ul style="list-style-type: none"> Daycare personnel pay for the training.
Women and adolescent girls in low-income urban settlements	The enterprise provides training on domestic work, vocational training, and access to awareness sessions.	<p>Unpaid</p> <ul style="list-style-type: none"> The enterprise provides these services for free, as it covers its costs through grant funding.

¹⁴ Due to COVID-19, the enterprise had to close down the childcare facility for middle income women. The enterprise had not restarted this service at the time of writing (February 2023).

1.4 Team And Governance Structure

Phulki has 3 permanent employees and 261 contracted employees,¹⁵ 100% of whom are women. The 3 permanent employees include the Executive Director, the Accounts Lead, and the HR Lead. All other employees are contracted annually. The enterprise has an executive board that consists of 8 members, 5 of whom are women.

1.5 Enterprise Policies

Policy	Yes / No
Overall HR Policy	Yes
Equal pay for equivalent work policy	Yes
Non-discrimination / Equal employment opportunity / Diversity and inclusion policy (gender, LGBTQ, PWD, etc.)	Yes
Anti bullying and sexual harassment policy / Respectful workplaces	Yes
Whistleblower policy / Employee grievance mechanism	Yes
Maternity / Paternity leave policy	Yes
Safeguarding policies for vulnerable groups (children, elderly, PWDs)	Yes
Safeguarding policies for the environment or to reduce detrimental impact on the environment (covers reducing carbon footprint, reduced water consumption etc.)	No

¹⁵ Employee contracts are reviewed and renewed every year. These employees work on implementing Phulki's programs.

2. Impact

2.1 Mission Statement

Phulki envisages a future where children can grow in an environment that is secure and healthy and provides them with proper education with which they can face the future.

2.2 Intended Impact

Phulki's model benefits the following 3 R's:

- The enterprise **reduces** the burden of unpaid care work, by helping households across different income groups.
- It **redistributes** unpaid care and domestic work to care workers, who are paid for the work.
- It **rewards** care and domestic workers by providing them with training to improve their skills and abilities.

2.3 Monitoring And Measurement

Phulki records the products, services, and activities conducted after the completion of each project:

- Number of factory and community-based daycare centers opened
- Number of childcare centers set up in low-income areas
- Number of children from Early Childhood Development (ECD) centers that transfer to primary school
- Number of domestic workers supported through training programs
- Number of trainings conducted for domestic workers
- Number of trainings conducted for childcare staff in ECD centers
- Number of sanitary pad packets sold

The enterprise measures the quality of its services through monthly reviews and by obtaining feedback directly from the community. In 2020, the enterprise conducted a study to assess the impact of its daycare program.

2.4 Results To Date

Phulki has achieved the following results:

- Number of factory and community-based daycare centers opened: 97
- Number of childcare centers set up in low-income areas: 21
- Number of children from ECD centers that transferred to primary school: 10,061
- Number of domestic workers supported through training programs: 1,469
- Number of trainings conducted for domestic workers: 820
- Number of trainings conducted for childcare staff in ECD centers: 768
- Number of sanitary pad packets sold: 300,000 (over 3 years)

Phulki's work is aligned with the following Sustainable Development Goals (SDGs):



3. Financials

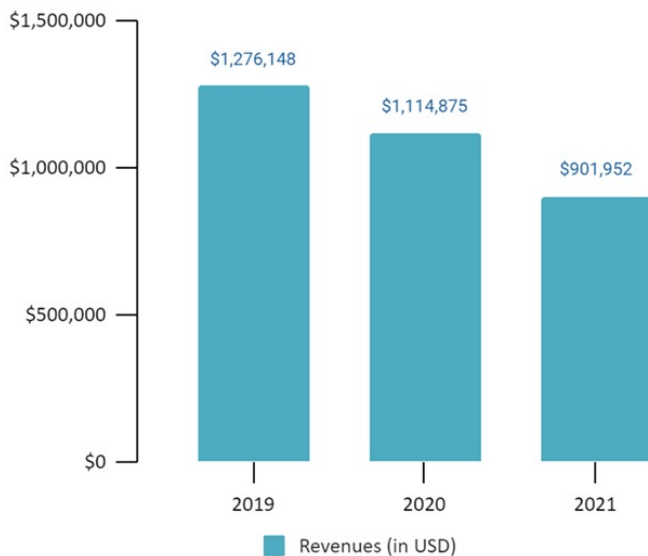
3.1 Financial Status

The enterprise is a non-profit and is financially sustainable through grants. It aims to reinvest any profits to enhance its programs to support women and children in Bangladesh.

<i>Particular (Amounts in USD)</i>	FY2019	FY2020	FY2021
Total Revenue	1,276,148	1,114,875	901,952
Total Expenses	1,222,990	1,087,287	756,975
EBITDA OR Profit/Loss	53,158	27,588	144,977
EBITDA Margin	4.17%	2.47%	16.07%

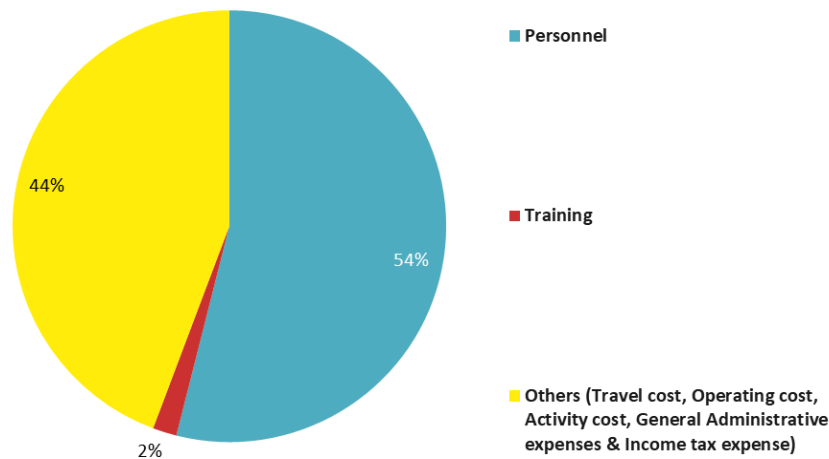
3.1.1 Revenue Streams

The key revenue streams for Phulki are grants and the sale of services. In 2021, 88% of its revenue was obtained from grants and 12% was from the sale of services. During this period, the enterprise's revenue has declined due to the COVID-19 pandemic. As a result of imposed mobility restrictions, the enterprise could not implement any new programs.



3.1.2 Expenses

The following pie chart provides details of the key areas of expenditure for the enterprise in the year 2021. The enterprise has included activity costs and operating costs as part of the “Others” cost category.



3.2 External Funding Sources (Past and Current)

The enterprise has received grants from various institutions:

- The enterprise has received grants to support its childcare programs from the Aga Khan Foundation, the Embassy of the Kingdom of the Netherlands, the Bangladesh Shishu Academy, and Adidas.
- The enterprise has received grants to support its programs for domestic workers from Shaplaneer.
- The enterprise has received a grant from Elevate to support its programs on awareness and safety for workers.
- The enterprise has received grant support from the government and DFIs for its childcare programs.

3.3 Challenges Faced In Accessing Capital

- **Limited access to grant funding:** There has been a reduction in the grant funding available for Bangladesh-based organizations, as the country is now a lower to middle-income country. Furthermore, the enterprise observes that grant-givers prefer to fund health-related initiatives.
- **Limited access to loans:** The enterprise has observed low interest among investors. This is likely due to a lack of examples of similar successful businesses/startups.

4. Path To Scalability

4.1 Potential Avenues For Growth

The enterprise has identified the following avenues for growth:

- **Increase the number of childcare facilities at factories/corporations:** The enterprise aims to increase the number of onsite childcare facilities established and managed over the next 5 years. Specifically, Phulki aims to establish 10 new childcare facilities at factories/corporations every year.
- **Expand childcare services for middle-income households:** The enterprise aims to increase the number of childcare facilities for middle-income households in Bangladesh. Revenue from these facilities will be used to subsidize childcare facilities for low-income households. Over the next 5 years, the enterprise aims to establish 1 new childcare facility for middle-income households every year.
- **Develop afterschool services:** The enterprise aims to develop afterschool services to support school-aged children (6–12 years old). Fees will be charged depending on the capacity of the household to pay.
- **Sell early childhood development (ECD) materials to households:** The enterprise aims to expand sales of ECD materials to households in Bangladesh. The enterprise currently creates age-appropriate (handmade) toys for children 0–6 years of age. It sells these toys to households along with an ECD book.
- **Create product partnerships:** The enterprise aims to partner with a manufacturer in order to make biodegradable sanitary napkins. These can then be sold to women and girls in low-income urban settlements.

4.2 Risks And Challenges

- **Financing (access to grants):** The enterprise has experienced a reduction in the availability of grant funding, as Bangladesh is now a lower to middle-income country. Furthermore, the enterprise observes that grant-givers prefer to fund health-related initiatives.
- **Financing (exchange rate fluctuations):** The enterprise's operations and programs have been adversely impacted due to fluctuations in exchange rates, as grant budgets are agreed upon in foreign currencies.
- **Operations (marketing):** The enterprise seeks support to enhance its marketing strategy and brand to increase the uptake of its services by factories, corporations, and middle-income households. It also seeks to increase its visibility to stakeholders, such as policymakers, funders, and investors.

- **Technology:** The enterprise seeks support in developing digital modules for its awareness sessions and after-school programs.
- **Competition:** The enterprise faces competition from informal childcare centers in communities. These centers provide affordable services to low-income communities. However, such centers are unregulated and there are concerns related to the quality of care provided.
- **Social norms (households):** The enterprise has observed a reluctance to obtain childcare services outside of the household. Further, some middle-income households are concerned that if training is provided to domestic workers, they are more likely to leave their current place of employment and seek employment elsewhere.
- **Social norms (training & expectations):** There is a pervasive misconception that women inherently know how to do domestic work and therefore no training is required. This results in some domestic workers being uninterested in being trained.

4.3 COVID-19 Impact On The Enterprise

Due to mobility restrictions imposed during COVID-19, Phulki was forced to close some of its programs, as well as pause the implementation of new programs. Despite government restrictions, Phulki continued to run its community childcare facilities to support low-income women. It provided these services free of charge to women who could not afford to pay. The enterprise used its own funds to cover the cost of service provision, as there was limited grant funding available during this period. The enterprise is still facing challenges in restarting and expanding its programs, as there is some hesitancy among businesses and communities to send children back to childcare facilities.

4.4 Support Received To Date

In 2019, the enterprise received technical assistance support from the Embassy of the Netherlands. The institution helped the Phulki leadership team to develop its five-year strategic plan. It also provided capacity-strengthening training for its employees, to help Phulki to enhance its childcare services.

4.5 Inputs Required For Growth

Financial

- Over the next five years, the enterprise seeks US\$ 5 million in grant funding to expand the number of community (low-income) and middle-income childcare facilities and provide after-school services for children ages 6–12 years old. The cost of establishing and managing one community (low-income) childcare facility for a year is about US\$ 33,990. The cost to establish and manage one middle-income childcare facility for a year is about US\$ 51,700.

Non-Financial

- **Technology support (personnel):** The enterprise seeks personnel with IT expertise to develop digital modules for its awareness training sessions and after-school programs for children.
- **Fundraising support (personnel):** The enterprise seeks personnel with fundraising expertise to increase funding for scaling up of programs.
- **Marketing support:** The enterprise seeks support to build its brand and increase the visibility of its work amongst middle-income customers and other stakeholders (policymakers, funders, and investors).
- **Mentor support:** The enterprise seeks mentor support to strengthen its business model.