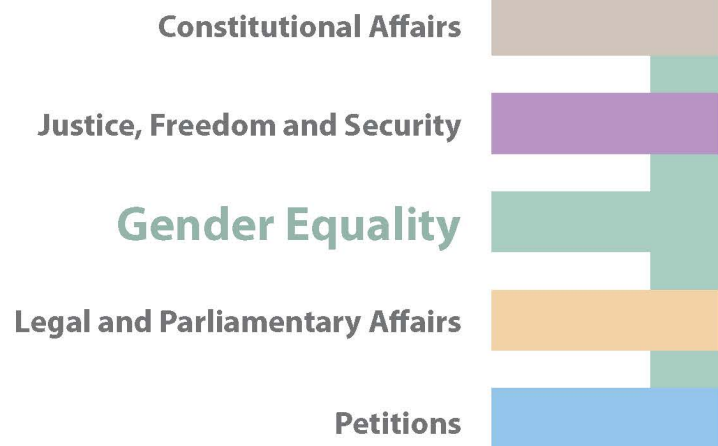


DIRECTORATE-GENERAL FOR INTERNAL POLICIES
POLICY DEPARTMENT **C**
CITIZENS' RIGHTS AND CONSTITUTIONAL AFFAIRS



Barcelona Targets Revisited

WORKSHOP





DIRECTORATE GENERAL FOR INTERNAL POLICIES
POLICY DEPARTMENT C: CITIZENS' RIGHTS AND
CONSTITUTIONAL AFFAIRS

WOMEN'S RIGHTS AND GENDER EQUALITY

Barcelona Targets Revisited

Compilation of briefing notes

WORKSHOP
25 November 2013

Abstract

In 2002, the European Council decided in Barcelona to set targets for the availability of childcare facilities. Member States agreed to provide childcare by 2010 to at least 90 % of children between 3 years old and the mandatory school age and to at least 33 % of children under 3 years of age. The Workshop organised by the Policy Department takes stock of the situation in Belgium, France, Germany, Latvia, the Netherlands, and Slovakia. Besides, analyses are presented of the effects of the crisis and to what extent the offer of childcare services has been combined with other policies to encourage female employment and the reconciliation of work and family life.

This document was requested by the European Parliament's Committee on Women's Rights and Gender Equality.

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- CEGO** Centrum voor Ervaringsgericht Onderwijs - Centre for Experiential Education
Catholic University of Leuven
- CNAF** Caisse Nationale des Allocations Familiales
- CSR** Country specific recommendation
- DREES** Direction de la Recherche, des Etudes, de l'Evaluation et des Statistiques du Ministère des Affaires Sociales
- ECEC** Early Childhood Education and Care (0 to 6)
- ECERS** Early Childhood Environment Rating Scale
- EU** European Union
- GDP** Gross Domestic Product
- GGD** Municipal health services
- HCF** Haut Conseil de la Famille
- ITERS** Infant Toddler Environmental Rating Scale
- MeMoQ** Measuring and Monitoring Quality
- MESRaS of SR** The Ministry of Education, Science, Research and Sport of the Slovak Republic
- MLSAaF of SR** Ministry of Labour, Social Affairs and Family of the Slovak Republic
- NRP** National Reform Programme
- O.N.E.** Office de la Naissance et de l'Enfance
- PAJE** Prestation d'Accueil du Jeune Enfant
- PSU** Prestation de Service Unique

"RECONCILIATION OF WORK AND PRIVATE LIFE" WITH A FOCUS ON THE ROLE OF CHILDCARE FACILITIES

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Abstract

Starting with the Barcelona targets on child care facilities, this paper assesses the European state of affairs in 2011. It appears that several EU Member States have met the Barcelona targets. Only a few countries however, with the Nordic countries as the most well know examples, have developed a system of childcare arrangements that seems to be based on the assumption that fathers and mothers will be fully engaged in the labour market.

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EXECUTIVE SUMMARY

Background

Over the last decades, European employment rates are steadily increasing to a large extent because of the changing labour market behaviour of women. As a result of the strong increase in female employment, the gender gap in employment rates has narrowed to 12,2 in 2012 compared to a gap of almost 18 percentage points in 2000. The increasing female participation rate has made the reconciliation of work and family life one of the major topics of the European social agenda. Also family support programmes over the last decades have changed rather dramatically in focus. Instead of simply providing cash benefits to families in need, family support programs now also include childcare services and time related provisions such as parental leave. The extent of public involvement, however, differs extensively among the EU Member States, both in terms of generosity and in terms of the specific policy packages.

Aim

The purpose of this paper is to describe the situation in 2011, and to illustrate the changing care infrastructure in the different EU Member States, focusing especially on child care services. It appears that several countries are in a process of making their care infrastructure more compatible with the demand of the adult worker model. At the same time, however, the European Union still exhibits a highly diverse picture; although the male breadwinner model has eroded, it is still far from being replaced by an adult worker model and a gender equal division of paid and unpaid work.

Key Findings

It appears that 10 EU Member States (Belgium, Denmark, France, Luxembourg, the Netherlands, Portugal, Slovenia, Spain, Sweden, and the United Kingdom²) meet the Barcelona target of 33% for the age category 0-2. In addition, another 10 EU Member States (Belgium, Denmark, Estonia, France, Germany, Italy, the Netherlands, Slovenia, Sweden, and the United Kingdom) meet the Barcelona target of 90% for the children in the age category from 3 years of age to mandatory school age or at least score rather high.

The available statistics also indicate that formal arrangements are not always organized on a full-time basis (or at least for 30 hours or more). Especially in the Netherlands and the UK, the use of **part-time child care services** is high. It also appears that 'other arrangements' (covering family and friends) are an important complement to formal child care arrangements.

Only a few countries, with the Nordic countries as the most well-known example, have developed a system of child care arrangements that seems to be based on the assumption that fathers and mothers will be fully engaged in the labour market. Perhaps one of the basic problems of the reconciliation agenda is that care policy can only to a certain extent be redesigned as 'employment led'. Whereas fiscal policy and social security policy becomes more and more targeted towards increasing the employment rate, care policies are also

² For ranking, see tables in the note.

motivated by different issues, like **fertility rate**, **family values** and **child well-being**, which may not always be in line with the increasing employment rate of women

Yet, despite all the difficulties, there appears to be a certain consensus on the importance of available and affordable child care services within the context of a gender equal adult worker model. Care services seem to escape the trade-offs between facilitating care and stimulating labour supply as there is strong evidence that the availability of good quality child care services has positive impact on the one hand on female participation rates and on the other on increasing fertility rates by making a child less costly in terms of income and career opportunities. In fact, the increasing participation rate has been a decisive factor in formulating the Barcelona child care targets as part of the European employment strategy. The outcomes of the overview seem to suggest that redesigning the care infrastructure will remain an important policy priority also in the near future.

INTRODUCTION

Background

Over the last decades, European employment rates have been steadily increasing to a large extent because of the **changing labour market behavior of women**. As a result of the strong increase in female employment, the gender gap in employment rates has narrowed to 12,2 in 2012 compared to a gap of almost 18 percentage points in 2000 (calculation based on EU27). This development has been referred to by Jane Lewis as the rise of the **adult worker model** (Lewis 2001). The male breadwinner model, with the gendered division of paid and unpaid work, no longer describes the behaviour of a significant proportion of families. The adult worker model which assumes that both men and women are active at the labour market, now rather serves as a normative framework, inspiring both the labour market behaviour of individual men and women as well as the policy measures at national and international level.

The increasing female participation rate has made the **reconciliation of work and family life** one of the major topics of the European social agenda. At the level of the EU Member States, it has changed the family support programmes over the last decade rather dramatically in focus. Instead of simply providing cash benefits to families in need, **family support programs** now also include childcare services and time related provisions such as parental leave. The extent of public involvement, however, differs extensively among the EU Member States, both in terms of generosity and in terms of the specific policy packages. Some countries provide elaborate systems of parental leave for example, while others are oriented much more towards financial support and/or child care services. Whereas in all instances, the overall idea is to support young families, the impact in terms of employment patterns, fertility rates and gender equality can be rather different.

Outline

This paper illustrates the **changing care infrastructure** in the different EU Member States, focusing especially on child care services. It appears that several countries are in a process of making their care infrastructure more **compatible with the demand** of the adult worker model. At the same time, however, the European Union still exhibits a highly diverse picture; although the male breadwinner model has eroded, it is still far from being

replaced by an adult worker model and a gender equal division of paid and unpaid work (see Plantenga and Remery (2013) for more details).

1 CHILD CARE FACILITIES

KEY FINDINGS

- In 2011, **10** EU Member States (Belgium, Denmark, France, Luxembourg, the Netherlands, Portugal, Slovenia, Spain, Sweden, and the United Kingdom) **meet the Barcelona target of 33% for the age category 0-2.**
- In 2011, **10** EU Member States meet the **Barcelona target of 90% for the children in the age category 3 to mandatory school age** or at least score rather high: Belgium, Denmark, Estonia, France, Germany, Italy, the Netherlands, Slovenia, Sweden, and the United Kingdom. Other countries score at least 50 per cent, the only exception being Poland and Romania.
- **Other arrangements** (covering family and friends) are an important complement to formal child care arrangements.
- Formal arrangements are not always organized on a full-time basis (or at least for 30 hours or more). Especially in the Netherlands and the UK the use of **part-time child care services** is high.

Personal services are extremely important in the lives of working parents. This applies in particular to childcare services as care responsibilities constitute a major obstacle to (full) employment. Indeed, numerous studies show that the availability of good-quality childcare services has a **positive impact** on the female participation rate (for overviews, see Blau and Currie 2004; OECD 2007; Hegewisch and Gornick 2011).

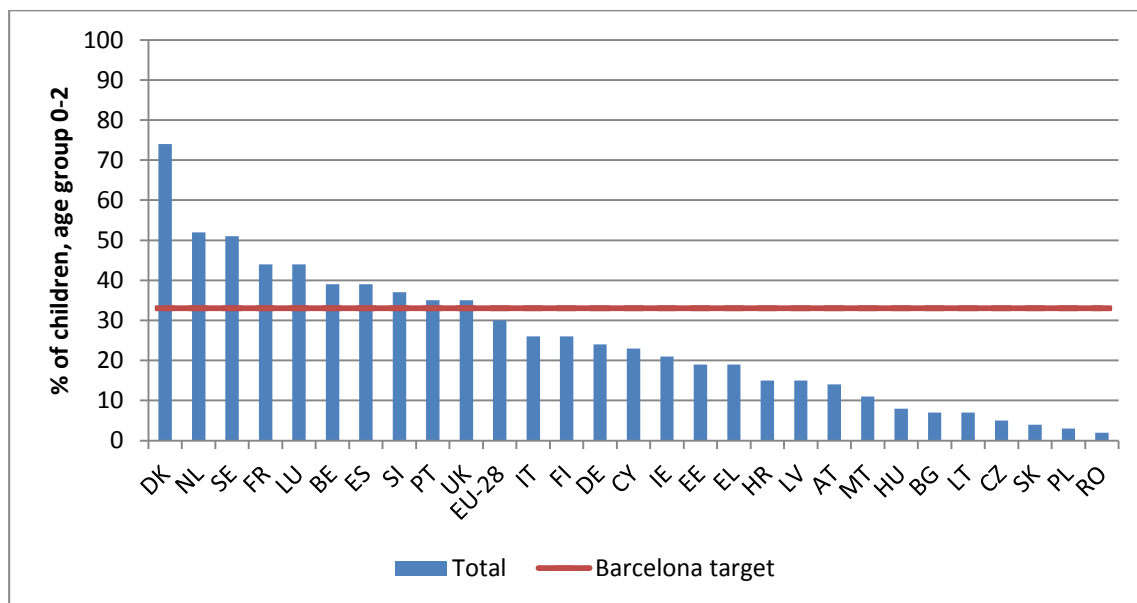
The European Council and European Union have long recognized the importance of affordable and accessible quality childcare provision. In March 1992, the **Council** of the EU passed a recommendation on childcare to the effect that Member States 'should take and/or progressively encourage initiatives to enable women and men to reconcile their occupational, family and upbringing responsibilities arising for the care of children' (92/241/EEC). Ten years later, at the 2002 **Barcelona Summit**, the aims were formulated more explicitly and targets were set with regard to childcare. Confirming the goal of full employment, the European Council agreed that Member States should remove disincentives to female labour force participation and, taking into account the demand for childcare facilities and in line with national patterns of provisions, strive to provide childcare by 2010 for at least 90 per cent of children between three years old and the mandatory school age and at least 33 per cent of children under three years of age. Yet, many EU Member States are still far from reaching the Barcelona child care targets. The actual state of affairs is summarized in **Figures 1 to 4.**

1.1 Use of childcare for children aged 0–2

Figure 1 summarises the use of childcare services for children in the youngest age category, on the basis of the EU-SILC statistics for the year 2011. This data source covers children cared for in formal and other arrangements, as a proportion of all children of the

same age group. Formal arrangements in this respect refer to the following services: pre-school or equivalent, compulsory education, centre-based services outside school hours, a collective crèche or another day-care centre including family day care, and professional certified child-minders; other arrangements are defined as care provided by family members, neighbours or non-certified child-minders.

Figure 1: Use of formal childcare arrangements, 0-2 year-olds, 2011



Source: EU SILC 2011

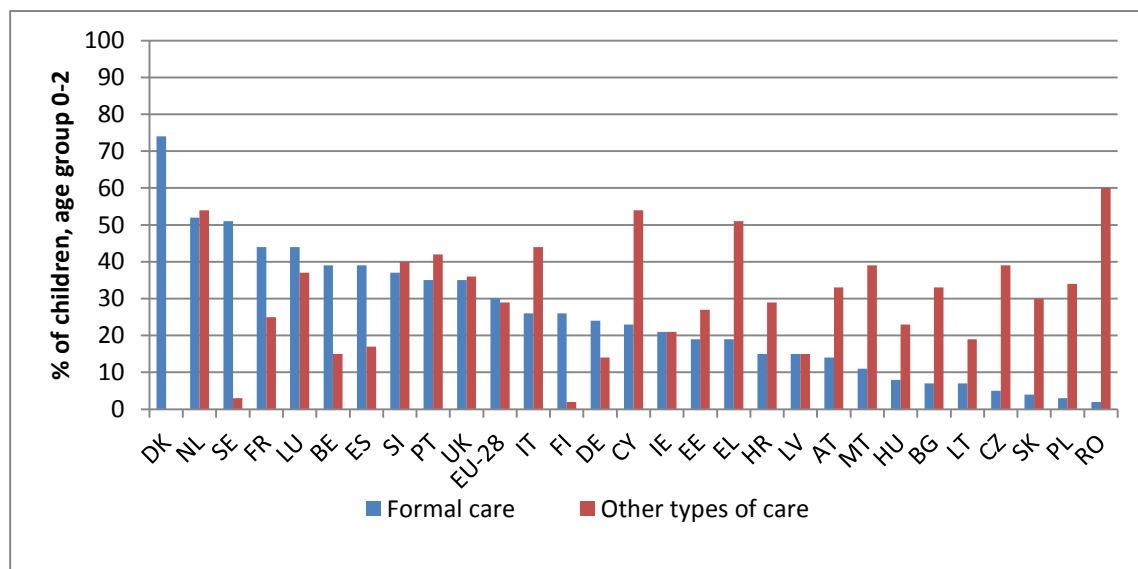
The use of formal childcare facilities is the most important indicator to **monitor** the provision of childcare facilities in the different Member States. On the basis of this indicator, it appears that **10 EU Member States** (Denmark, Netherlands, Sweden, France, Luxembourg, Belgium Spain, Slovenia, Portugal, and the United Kingdom) have already met the Barcelona target. At the lower end of the ranking we see Czech Republic, Slovakia, **Poland** and **Romania** with a score of 5 per cent or less.

Formal arrangements may only be part of the story, however. Parents may have access to **other, informal arrangements** in order to cover their demand for child care services. In order to provide a fuller picture of the use of childcare services, **Figure 2** combines the information on formal arrangements of **Figure 1** with information on 'other arrangements'. Other arrangements, in this respect, are defined as the care provided by family members, neighbours or non-certified child-minders. It should be taken into account that the sum of the score on formal and informal arrangements may exceed 100% as parents might combine different arrangements to cover a full working day.

From the table it appears that **Member States** like the Netherlands, Luxembourg, Slovenia, Portugal, and the United Kingdom, score relatively high on formal arrangements but seem to combine these arrangements with an equally well-developed system of other arrangements. **Italy, Cyprus** and **Greece** combine a medium score on formal arrangements with a much higher score on other arrangements, whereas quite a number of countries that score low on formal arrangements have a high score for informal arrangements. This is in particular the case for the **Czech Republic, Slovakia, Poland** and **Romania**. Only three countries (Denmark, Sweden and Finland) do not seem to combine formal arrangements with childcare provided by friends and family. Countries that

score below 25% for both formal and other arrangements are Germany, Latvia, Hungary and Lithuania.

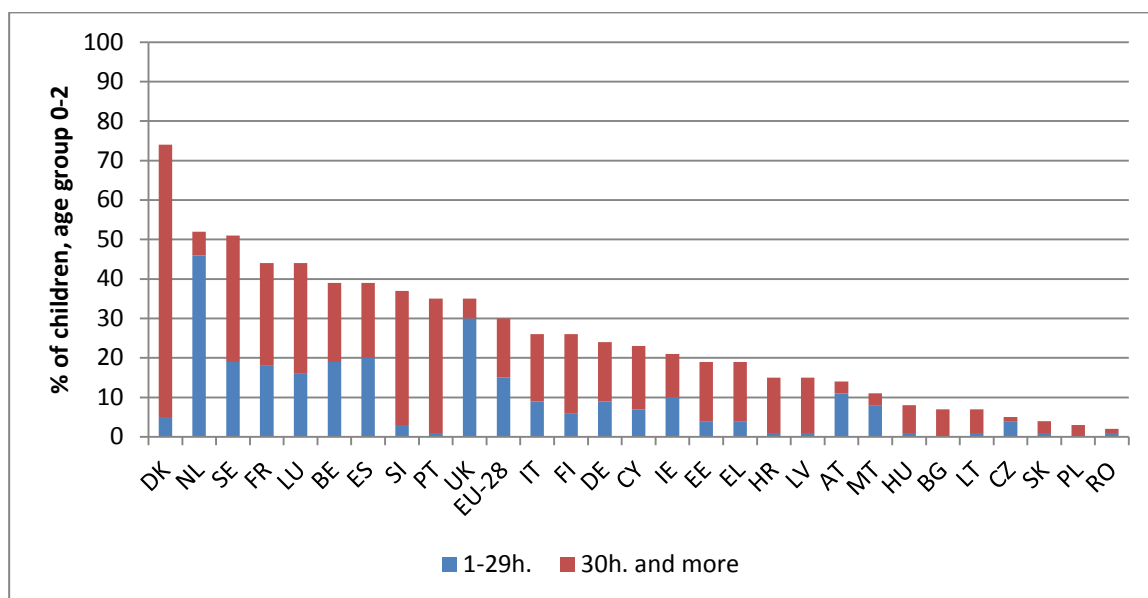
Figure 2: Use of formal and other types of childcare arrangements, 0-2 year-olds, 2011



Source: EU SILC 2011

The **time dimension** of the arrangements is another important issue in the life of (full-time) working parents; **Figure 3** provides some information about the number of hours that formal arrangements are used. It appears that in countries such as **Denmark**, **Slovenia** and **Portugal** most formal childcare services are used for 30 hours or more. Especially in Denmark, the social right to childcare seems to translate into a high full-time coverage rate. In other countries, part-time arrangements are much more common. In the Netherlands, childcare services are provided on a full-time basis, but the use of the facility may be limited to a few days per week, reflecting the high level of part-time employment in the Netherlands. As a result, only 6 per cent of the children make use of formal arrangements on a full-time basis. Also in the **United Kingdom**, employed mothers typically work part-time, which corresponds to a high part-time use of childcare services.

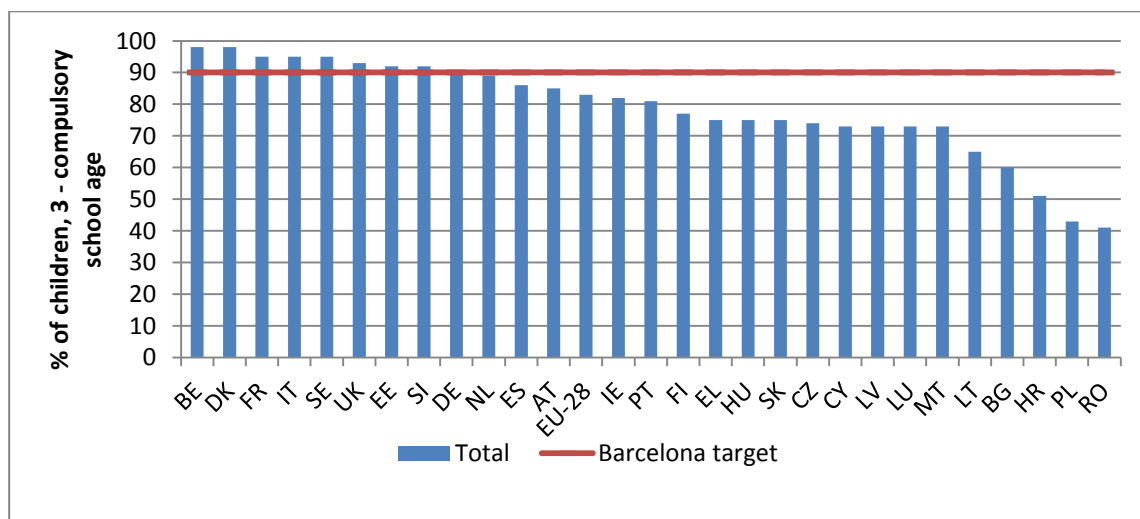
Figure 3: Use of formal childcare arrangements by hours, 0-2 year-olds, 2011



Source: EU SILC 2011

1.2 Use of childcare for children aged three to mandatory school age

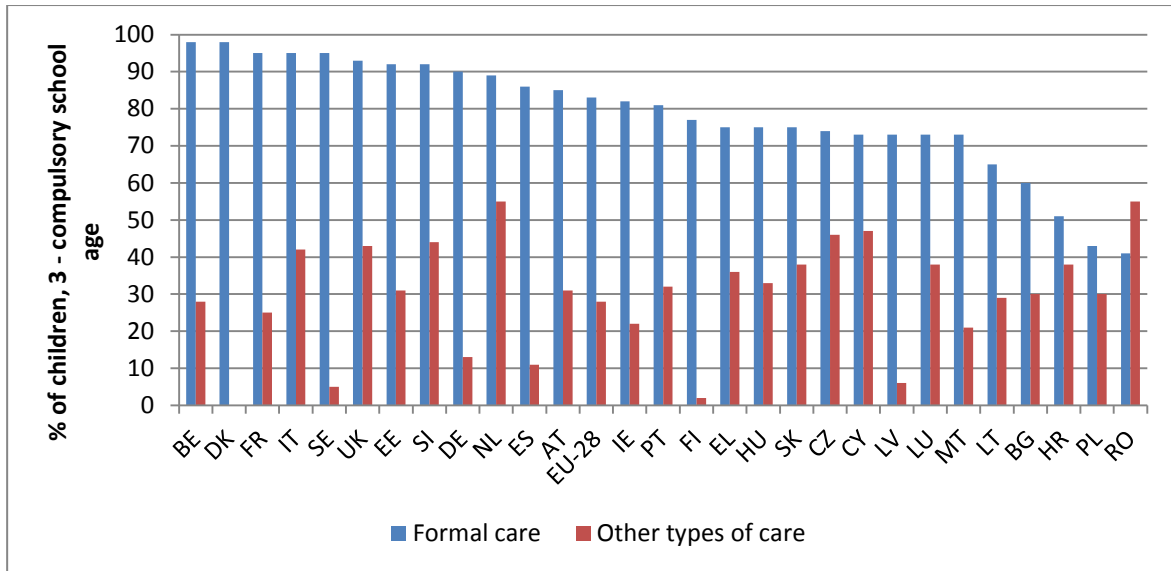
Figure 4: Use of formal childcare arrangements, 3 to compulsory school age, 2011



Source: EU SILC 2011

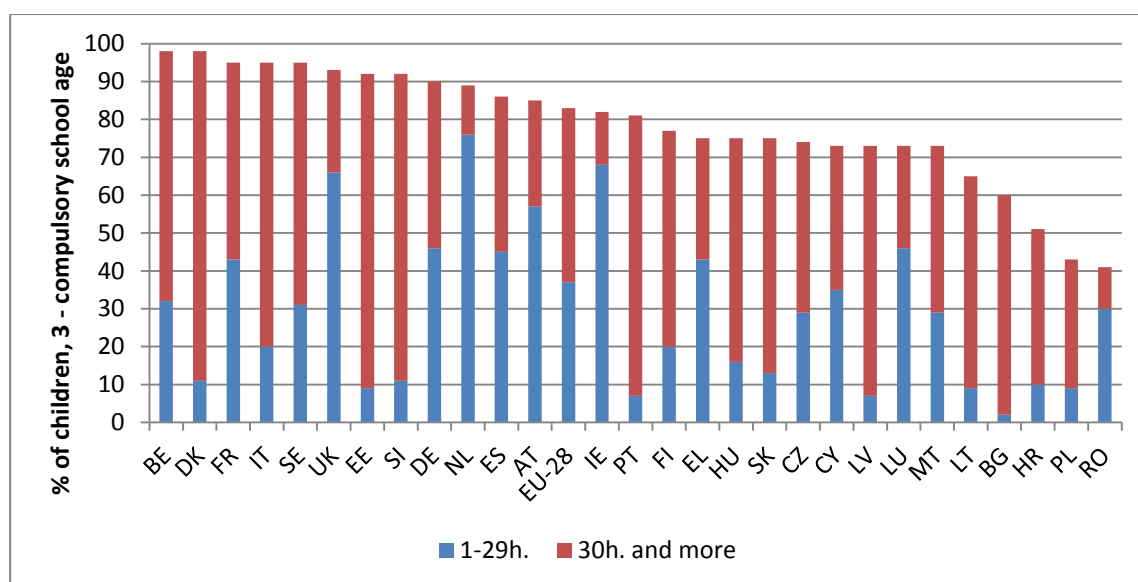
Figure 4 provides data on the use of formal and other childcare services for the age category three years to the mandatory school age. The Barcelona target states that the actual coverage rate should be at least 90 per cent. Taking again the **user rate** of formal arrangements as the most important indicator to monitor the provision of childcare facilities, it appears that **10 EU Member States** meet the Barcelona target or at least score rather high: Belgium, Denmark, France, Italy, Sweden, United Kingdom, Estonia, Slovenia, Germany and the Netherlands Other countries score at least 50 per cent, the only exception being **Poland** and **Romania**.

Figure 5: Use of formal and other types of childcare arrangements, 3 to compulsory school age, 2011



Source: EU SILC 2011

Compared to the scores for **Figure 1**, it seems that the use of formal care arrangements increases with the increasing age of children. Of course this is, to a large extent, due to the inclusion of **pre-school arrangements** under the heading of formal arrangements and the high coverage rate of pre-school arrangements for children in the age category three years to the mandatory school age. It has to be taken into account, though, that in most countries pre-school is only **part-time**, as a result of which working parents still need additional childcare facilities, which may be much less available. Despite pre-school arrangements, however, other arrangements remain important in matching work and care responsibilities; see **Figure 5** for more details. Only in four countries (**Denmark, Sweden, Finland** and **Latvia**) the use of other arrangements is close to zero; most other countries score 30 and 40 per cent. Two countries even score above 50 per cent: **the Netherlands** and **Romania**. Apparently, in these countries relatives, neighbours and friends play an important role in matching pre-school arrangements with a full-time working day.

Figure 6: Use of formal childcare arrangements by hours, 3 to compulsory school age, 2011

Source: EU SILC 2011

Finally, **Figure 6** indicates the use of formal childcare arrangements by hours. It appears that in a large number of countries (Denmark, Estonia, Slovenia, Portugal, Hungary, Slovakia, Latvia, Lithuania, Bulgaria, Hungary and Poland), formal arrangements are to a large extent organized on a **full-time basis** (or at least for 30 hours or more). Across the EU, Denmark, Estonia and Slovenia have the highest coverage rate of children of three years old to compulsory school age in formal care arrangement for 30 or more hours a week. In **Estonia**, most of the pre-school childcare institutions have opening hours from 7 a.m. till 6 p.m. or 7 p.m. Another example is **Slovakia**, where most of the kindergartens operate on a full-time basis. The usual opening hours are from 6:30 a.m. to 5 p.m. In contrast, other countries have organised the formal arrangements on a **part-time basis**, the most extreme cases being the United Kingdom, the Netherlands and Ireland. In the **United Kingdom** longer hours of attendance in excess of the free part-time place (12.5 hours per week for 3–4-year-olds) are rarely available in school-based nurseries. In **Ireland**, children from the age of four enter the primary school system, with school hours generally between 9 a.m. and 1 p.m. for the first two years. In **the Netherlands** most three-year-olds either visit playgroups that only cover two mornings per week, or visit childcare facilities on a part-time basis. After the fourth birthday, children start primary school but opening hours are limited to approximately 25 hours per week (see Plantenga and Remery 2009).

1.3 The context of childcare

Information on the use of childcare facilities is helpful in order to assess the relative importance of this particular reconciliation policy; it does not, however, answer the question of whether demand is fully met. The actual **demand for childcare** is influenced by the participation rate of parents (mothers), levels of unemployment, the length of parental leave, the opening hours of schools, and the availability of alternatives such as grandparents and/or other (informal) arrangements. In **Finland**, for example, the coverage rate of formal arrangements for the youngest age category is, according to Figure 1, 26 per

cent, which is well below the Barcelona target of 33 per cent. Yet, childcare facilities are not in short supply. In fact, since 1990, Finnish children under the age of three are guaranteed a municipal childcare place, irrespective of the labour market status of the parents. In 1996, this right is expanded to cover all children under school age. This entitlement complements the home care allowance system which enables the parent to stay at home to care for his/her child with full job security until the child is three years old. Partly due to the popularity of the home care alternative, the supply of public day-care services has met the demand since the turn of the 1990 (Plantenga and Remery 2009).

If we combine the information of **Figures 1-6** with information on the national care and school system, it could be acknowledged that childcare is framed as a **social right** in **Finland, Denmark** and **Sweden**. Also in a few other countries, notably **Norway, Belgium, France** and **Slovenia**, policies seem to be targeted at full coverage. **Slovenia**, for example, has a rather high coverage rate of childcare services. Unlike many other countries in Eastern and Central Europe that underwent economic and political transition at the end of the last century, the availability of public care services did not diminish after the transition. Most women choose to stay at home for one year (taking up the whole length of their maternity/parental leave) and then to return to full-time work. Yet another example is **France**. For a long time already, the childcare system has offered almost total coverage for children aged 2–3 for working parents, as well as quite long openings hours that are almost compatible with full-time employment.

In some other countries, childcare services are still in short supply, yet there is a **movement towards a fuller coverage** of childcare services. This concerns in particular the **United Kingdom, the Netherlands** and **Germany**. In **the Netherlands**, for example, childcare services have increased especially since the mid-1990s. In 2005, the financial structure has become demand driven which, in principle, should be compatible with full coverage (Plantenga and Remery 2009; Plantenga 2012). The level of provision is also increasing in **Luxembourg, Portugal, Italy, Spain, Austria** and **Greece**, although at a somewhat more moderate pace and/or from a relatively low starting point. In **Italy**, for example, the scarcity of formal childcare for young children is particularly due to its weak welfare state, which relies more on financial transfers than on the supply of services in kind (Ferrera 1996; Bettio et al. 2006). However, a new, more positive attitude towards formal childcare for young children is spreading, translating into an increasing supply of day-care centres, albeit at a very slow pace.

In other countries, though, the developments are still extremely **limited** – perhaps hardly existing at all. This concerns (among others) **Cyprus, Estonia Ireland, Latvia, Lithuania, Poland, the Czech Republic** and **Malta**. Barriers to invest in childcare services seem to be financial as well as ideological.

Perhaps one of the most complicated **challenges** refers to the fact that the policy objectives on participation, fertility and social integration are not always easily compatible. Child development concerns, for example, or the ambition to increase the fertility rate may either translate into a **policy** targeted at increasing childcare services or into a policy favouring extended leave facilities and/or increasing the provision of childcare allowances. Especially in Central and Eastern European Member States, leave facilities and financial support have been favoured over childcare services. Long parental leave facilities, however, or a favourable financial incentive structures may not promote labour supply and may result in a large gender gap both in terms of wages and in terms of working hours.

2 SUMMARY AND CONCLUSION

KEY FINDINGS

- Probably one of the basic problems of the adult worker model is that care policy can only to a certain extent be redesigned as 'employment led'.
- Care services seem capable to escape trade-offs between facilitating care and stimulating labour supply as there is strong evidence that the availability of good quality child care services has positive impact on the one hand on the female participation rate and on the other on increasing fertility rates by making a child less costly in terms of income and career opportunities.

This chapter has illustrated the highly diverse reality in terms of employment patterns and reconciliation policies among EU Member States. Although most EU Member States emphasise the importance of a higher female employment rate, each country appears to have its own **unique support structure**, ranging from leave arrangements, day care centres, kindergartens, family-type care arrangements, child-minders at home, (pre-) school education system, etc.

The overview also indicated a large **gap** between the implicit assumptions of the adult worker model and the actual reality of most European Member States. Only a few countries, with the Nordic countries as the most well-known example, have developed a system of child care arrangements that seems to be based on the assumption that fathers and mothers will both be fully engaged in the labour market.

Perhaps one of the basic problems of the **adult worker model** is that care policy can only to a certain extent be redesigned as 'employment led'. Whereas fiscal policy and social security policy becomes more and more targeted towards increasing the employment rate, care policies are also motivated by **different issues**, like fertility rate, family values and child well-being. Although policies in these areas may not by definition contradict labour market considerations, they could generate trade-offs between facilitating care and stimulating labour supply. This raises the question of the optimal design of the care infrastructure; how to reconcile the interest of the individual family, the market and the state in a way that is both efficient and fair from a social, demographic and economic perspective.

Yet, despite all difficulties, there appears to be a certain **consensus** on the importance of available and affordable child care services within the context of a gender equal adult worker model. Care services seem capable to escape trade-offs between facilitating care and stimulating labour supply as there is strong evidence that the availability of good quality child care services has positive impact on the one hand on the female participation rate and on the other on increasing fertility rates by making a child less costly in terms of **income** and **career opportunities**. In fact, the increasing participation rate has been a decisive factor in formulating the Barcelona child care targets as part of the European employment strategy. The outcomes of the overview seem to suggest that redesigning the care infrastructure will remain an important **policy priority** also in the near future.

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ANNEX

List of Country Abbreviations:

- AT** Austria
- BE** Belgium
- BG** Bulgaria
- CY** Cyprus
- CZ** Czech Republic
- DE** Germany
- DK** Denmark

- EE** Estonia
- EL** Greece
- ES** Spain
- FI** Finland
- FR** France
- HR** Croatia
- HU** Hungary
- IE** Ireland
- IT** Italy
- LT** Lithuania
- LU** Luxembourg
- LV** Latvia
- MT** Malta
- NL** Netherlands
- PL** Poland
- PT** Portugal
- RO** Romania
- SE** Sweden
- SI** Slovenia
- SK** Slovakia
- UK** United Kingdom
- EU** European Union

PUBLIC CHILDCARE SERVICES IN THE EUROPEAN UNION: THE MODEL OF THE NETHERLANDS

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Abstract

Since the introduction of the Dutch Childcare Act in 2005, there is no longer a public provision of child care services. Instead, only private for-profit or not-for-profit providers operate and compete in the Dutch child care market. The change in policy implied an enormous growth of the Dutch child care sector. The developments with regard to quality and cost efficiency have, however, been less positive.

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EXECUTIVE SUMMARY

Background

The Dutch childcare sector has been completely re-organised since the introduction of the Childcare Act on 1 January 2005. Financial support is redirected from the local authorities to the parents with the aim of increasing **parental choice**. The explicit objective of the childcare reform is to stimulate the operation of market forces so that childcare services are provided in an **efficient** way. The child care act implies that there is no longer a public

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provision of child care services in the Netherlands. Instead, only **private** for-profit or not-for-profit providers operate and compete in the Dutch child care market.

Aim

The purpose of this study is to assess the growth, quality and cost efficiency of the Dutch child care sector since the introduction of the Child care act in 2005 with respect to the implementation of the Barcelona Targets.

Key Findings

The change in policy implied an **enormous growth** of the Dutch child care sector as a result of which the Netherlands reached the Barcelona targets for the youngest age category by about 2008. For the older age category, the national data are difficult to assess because of the interaction with the school system. Yet, on the basis of a qualitative assessment, it seems fair to state that at the age of 3, most children are either in child care or in play groups whereas children aged 4 are almost universally enrolled in (pre-)primary school.

Child care is mainly seen as an instrument to increase the **labour market participation rate** of women. Perhaps partly as a result of this particular focus, the overall **quality** scores rather low. The **cost efficiency** of the system also appears problematic because of the implicit incentive to sell broad products for as many hours as possible.

Current policy is mainly about **cost containment**. Every now and then there is some debate about the drawback of the market system – yet within the next few years a complete change of the current Childcare Act is not foreseen. Quality is not a big issue either. Perhaps the low profile of the child care quality can be partly explained by the **part-time use** of child care within the Dutch context. Childcare is still mainly seen as a labour market instrument and not as a facility which may be beneficial for child development. **Child development** issues are instead solved within the context of the educational system.

INTRODUCTION

Background

Institutionalised childcare developed rather late in the Netherlands. At the end of the eighties, the Netherlands had (together with Ireland and the UK) the lowest level of institutionalised childcare facilities in the European Union (Moss, 1990). It was only during the 1990's that the number of places started to increase. An important (financial) measure in this respect was the **Stimulative Measure on Childcare**, which was introduced by the government in 1990 (Plantinga et al., 2010; Verschuur et al., 2005). At that time, there was a heavy emphasis on the importance of strong market structures and deregulation.

For the child care sector, this implied that policy was targeted towards a public-private partnership. Together with the **central government**, also **employers** were supposed to pay a part of the child care bill. The main argument in that respect referred to the positive impact of child care facilities on (female) labour supply. By investing in child care, employers could lower the costs of recruiting, absenteeism and the training of new personnel. The focus on the economic benefits also implied that child care policy became

part of **labour market policy**; child care policies are only recently (and only in specific circles) discussed as part of the care system.

Outline

In this short overview, first a description will be given of the Dutch Childcare Act of 2005. The next section, covering developments from 2005-2009, will focus on supply side developments and the quality and cost efficiency of the child care sector. The final section covers the developments since 2009, when, as the result of severe budget cuts, the Dutch child care sector is in a process of restructuring. The quickly changing policy setting also implies that general statements about affordability and availability are difficult to make.

1 THE DUTCH CHILDCARE ACT OF 2005

KEY FINDINGS

- The explicit objective of the Dutch Childcare Act is to stimulate the operation of **market forces** so that childcare services are provided in an efficient way.
- The change from supply-financing to **demand-financing** implies that there is no longer a public provision of child care services in the Netherlands. Instead, only private for-profit or not-for-profit providers operate and compete in the Dutch child care market.
- A major advantage of the introduction of the Childcare Act is that access to childcare services is now **standardised** in all municipalities.

The Dutch childcare sector has been completely re-organised since the introduction of the Childcare Act on 1 January 2005. Financial support is redirected from the local authorities to the parents with the aim of **increasing parental choice**. The explicit objective of the childcare reform is to stimulate the operation of market forces so that childcare services are provided in an efficient way. The government no longer set the targets, for instance 'meeting the Barcelona target in 2013' but the consumer is supposed to persuade the supplier by the laws of supply and demand. The change towards a **demand-driven financing system** implies that there is no longer public provision of childcare services in the Netherlands. Instead, only private for-profit (60 per cent of all Dutch childcare organisations) or not-for-profit providers (the remaining 40 per cent) operate and compete in the Dutch childcare market (Noailly and Visser, 2009).

The change from supply-financing to demand-financing implies that **working parents** pay the full price for the childcare facility and are **compensated** directly by their employers and the tax authorities. The financing is thus on a tripartite basis. In principle, the **employers** pay one third of the actual childcare costs (the so-called 'fixed fee'). In addition, parents receive a payment by the **tax authorities** based on their income and the costs of the childcare. At the lower income level, the **state** pays most of the remaining childcare costs, while at the highest income levels the part paid by the state becomes zero. Parents receive a higher fiscal refund for a second or third child.

A major advantage of the introduction of the Childcare Act is that access to childcare services is now **standardised** in all municipalities; national regulation replaces

programmes previously administered at a local level. It should be taken into account though, that, in contrast to some of the Scandinavian countries, Dutch parents are **not entitled** to child care services; only dual earner families can apply for subsidized child care services and are depending on the specific supply of services in the child care market. Consistent with the focus on child care services as a labour market instrument, the opening hours cover all day, five days a week and mostly 50 weeks per year. In addition, breadwinner families with children aged 2,5 – 4 can make use of playgroups, which are traditionally more education rather than care oriented and are generally used for two or three half days a week.

2 THE DUTCH CHILDCARE SECTOR, 2005 – 2009

KEY FINDINGS

- The introduction of income prices and the increase in the subsidy rate in 2006 and 2007 translated into a large demand which implied an enormous **growth of the Dutch childcare sector**.
- The Netherlands **reached the Barcelona targets** for the youngest age category by about 2008. For the older age category, the national data are difficult to assess, because of the interaction with the school system.
- During the same period (2005 – 2009), the developments with regard to the **quality** dimension appeared to be **less positive**.
- The **cost containment** proved to be difficult, partly because of **third-party payment incentives**.
- **Home-care services** proved to be especially difficult to **control**.
- **Tailor-made small contracts** in the childcare sector are rare.

2.1 Supply side developments

The introduction of prices related to income increased the **affordability** of child care services. In addition, in 2006 and 2007 the subsidy rate increased rather dramatically, especially for the medium and higher income groups. As a result, on average, the parental cost share in the full price dropped from 37% in 2005 to 18% in 2007 (Bettendorf et al. 2012). The increased subsidies translated into a **large demand** which implied an enormous growth of the Dutch childcare sector. Table 1 illustrates the growth rates for the period 1990-2008, differentiating between the age category 0-3 and 4-12 as most children start primary school at the age of 4 (although compulsory school starts at the age of 5). The figures indicate that the number of **centre based child care places** increased over this period from 26.000 to more than 300.000 places.

As most children make use of child care facilities on a **part-time** basis, more children make use of the same child care place, with one child for example covering the Monday and the Thursday, while another child making use of the remaining days. The number of children enrolled therefore increased from approximately 50.000 in 1990 towards more than 585.000 in 2008. This implied that the enrolment rate for child care in the youngest age category increased from 5.7% in 1990 to 34% in 2008. The growth rates for the **after**

school care (covering the hours before and after a regular school day), are even more impressive although the share of enrolled children in 2008 is still rather limited with 12,3%.

These developments suggest that the Netherlands reached the **Barcelona targets** for the youngest age category by about 2008. For the older age category, the national data are difficult to assess because of the interaction with the school system. Yet, on the basis of a qualitative assessment, it seems fair to state that at the age of 3, most children are either in child care or play groups whereas children aged 4 are almost universally enrolled in (pre-) primary schools.

Table 1: The child care sector in the Netherlands, 1990 – 2008

	1990	1996	2000	2004	2008
Population in the Netherlands (x 1000)					
Children aged 0-3	756	767	790	818	746
Children aged 4-12	1238	1317	1776	1796	1792
Children aged 0-12	1994	2083	2566	2613	2538
Number of childcare places (x 1000)					
Child care for children aged 0-3	22,7	49,9	74,7	117,6	160,4
Child care for children aged 4-12	3,0	12,7	36,1	71,1	146,0
Capacity per 100 children					
Child care for children aged 0-3	3,0	6,5	9,5	14,4	21,5
Child care for children aged 4-12	0,2	1,0	2,0	4,0	8,1
Enrolled children (x 1000)					
Child care for children aged 0-3	43,4	100,1	159,8	203,6	253,3
Child care for children aged 4-12	4,6	23,0	61,1	103,3	220,4
Home based paid child care for children aged 0-12	2,1	13,6	23,5	23,9	112,2
Enrolled children (%)					
Child care for children aged 0-3	5,7	13,1	20,2	24,9	34,0
Child care for children aged 4-12	0,4	1,7	3,4	5,8	12,3
Home based (paid) child care for children aged 0-12	0,1	0,7	0,9	0,9	4,4

Source: Merens and Hermans 2009; Merens et al 2011: 122

2.2 Quality developments

During the same period (2005 – 2009), the developments with regard to the quality dimension appeared to be less positive. The Childcare Act only contains a broad outline with regard to quality, stating that the provider is supposed to supply '**sound**' **childcare services** which is understood to mean 'that the service will contribute to a good and healthy development of the child in a safe and healthy environment' (article 49.1). Within the context of **self-regulation**, further details were left to the sector itself, which in 2004 signed a covenant on basic quality requirements. The Covenant Quality Childcare, which came into force on 1 January 2005, is formulated by **employers and parents**. It is evaluated and adjusted on a regular basis. Agreements have been made on the presence of a pedagogic policy plan, child/staff ratios, housing, parental participation, safety, health, and quality of personnel. The **municipal health services** (GGD) have to inspect implementation of these agreements.

The role of parents in monitoring and assessing quality seems rather limited. Most parents find it difficult to make an informed decision and to respond smoothly to changes in prices and quality. Quality especially can only to a certain extent be examined by parents; studies have found that they have only **limited insight** into pedagogical principles, hygiene and safety (Walker, 1991; Mocan, 2007). In addition, it seems that parents find certain **characteristics** more important than experts do. For parents, it is of great importance that the staff actively plays with the children and that there are appropriate activities for children of different ages. A pleasant atmosphere and short travel distance between home and the childcare centre are also very important to parents. A pedagogical plan, qualified leaders and a quality mark, score lower. As a result, there is a real **risk** that parents overestimate childcare quality (Mocan, 2007). Indeed, parents are in general very satisfied about the quality of childcare: in a scale from 0 to 10, the average mark given is higher than 8 (Vyvoj, 2005; SEO, 2005, 2009).

However, a recent study of the quality of Dutch childcare facilities indicates that the quality of childcare is **rather low** (NCKO, 2009). In this study, 'process quality' in a representative sample of 200 childcare centres was investigated. Process quality referred to health and safety, interaction between staff and children, and activities that stimulate child development. None of the centres that were investigated in this study received a good score; 51 per cent received a mediocre score and 49 per cent an **insufficient score**. Moreover, process quality seems to have decreased compared to results from 2005 and 2001 (Vermeer et al., 2005). According to the researchers, possible explanations for this are the **expansive growth** of childcare combined with **shortages of qualified personnel** and **higher work pressure**.

2.3 Cost efficiency

A final dimension to be covered in this note refers to cost efficiency. According to theory, the market is more efficient than public provision because competition creates downward pressure on costs. In real life, however, things prove to be more difficult, partly as a result of specific private-public cooperation.

The government tries to contain costs by setting a **cap on the hourly price** of childcare; in 2009, the maximum price per hour for childcare services was set at €6.10, indicating that only costs up to €6.10 would be (partially) reimbursed by the tax authorities. In reality, most companies set their market prices at the level on or just below the maximum price. Yet, cost containment proved to be difficult, partly because of **third-party payment incentives**. This problem arises when the supplier and the consumer can agree on the use of the actual services, whereas the costs of these services are mainly paid by a third party (in this case the government). In the extreme case, the third party covers all the (extra) costs: the services are free for the consumer and the supplier is not constrained by the ability of the consumer to pay. The result is an **inefficient large volume of services** (viz. Barr, 2001). The third-party payment problem is a well-known problem within healthcare insurance, but also seems relevant in the case of a heavily subsidised private market. Suppliers, for example, benefit from getting parents to sign large contracts (in terms of number of hours per day / number of weeks per year) as the costs of the extra volume will to a large extent be covered by the government. Large contracts also proved efficient because companies could lower average prices per hour as the fixed costs (price of building, heating etc.) could be spread over a larger number of hours.

In the case of the Netherlands, **home-care services** proved to be especially difficult to control. In 2005, home-care services were explicitly brought under the scope of the Childcare Act, although already at that time there were questions about the possibility to monitor effectively the supply of these services. After 2005, several agencies specialised in formalising informal care arrangements (for example grandparents looking after their grandchildren) as a result of which there was an enormous **increase** in (formal) home-care services. Whereas home-care services covered approximately 5 to 10 per cent of the total childcare market before 2005, after the introduction of the Childcare Act the share increased to approximately 25 per cent (Jongen, 2008). Within the more formal centre-based childcare facilities, the developments were more subtle, but the incentives pointed in the same direction: to **sell more hours per day** and **more weeks per year**. As a result, there are hardly any tailor-made small contracts in the childcare sector. Contracts for 40 weeks a year for only 6 hours a day, for example, are simply not on offer. The most standard contract is for two or three days a week, covering 11 hours per day and 52 weeks per year.

3 FINANCIAL RESTRUCTURING: DEVELOPMENTS SINCE 2009

KEY FINDINGS

- In absolute terms, the developments between 2005 and 2009 led to a strong **rise in public expenditure** due to an unexpected increase in child care demand.
- In order to **limit the 'improper' use of child care services**, a link has been introduced between the number of working hours of the secondary worker (most of the time the mother of the child) and the use of child care services.
- The **economic crisis lowered the demand for childcare services** quite substantially, especially among lower and medium income families.

In absolute terms, the developments between 2005 and 2009 led to a strong rise in public expenditure. Whereas in the years before the Childcare Act it was presumed that parental demand for formal childcare services would be rather limited because of the particular Dutch cultural tradition, in fact demand increased dramatically and led to unexpectedly high costs. In 2008, the financial setback was estimated at approximately €500 million on a yearly basis. The eagerness to publicly invest in childcare services was further diminished by the fact that the **growth in the female participation rate in the labour market** fell behind the growth in the use of formal childcare services, partly because the new demand was in fact a substitution away from unpaid informal arrangements, and/or due to the growth of large contracts. In order to solve part of the financial problems, the parental contributions were increased from 1 January 2009 onwards. In addition, the government decided to control the use of **more informal forms of childcare**, such as host families, by introducing quality standards and by lowering the maximum price per hour to €5 (OCW, 2008).

Despite the more stringent policy, total public spending on childcare costs continued to be higher than foreseen. In combination with the financial crisis and the pressure of the public budget, it proved yet again necessary to cut costs. Both in 2011 and in 2012, the fiscal refund became **more limited**. In addition, in order to limit the 'improper' use of child care services, a link has been introduced between the number of working hours of the

secondary worker (most of the time the mother of the child) and the use of child care services. For children in the youngest age category, this linkage is set at 140% implying that a mother working 20 hours is now entitled to 28 hours of subsidized child care. For out-of-school care, the linkage is 70% taking into account that a substantial part of the working hours are covered by the school system. The actual impact of the linkage was rather low, but it reinforced once more that child care services should only be seen as a labour market instrument.

The increasing price level and the rising levels of unemployment due to the **economic crisis lowered the demand** for childcare services quite substantially, especially among lower and medium income families. By contrast, child-minding by families or friends increased (Merens et al. 2012: 94). The high demand and supply of informal child care is in part the effect of (but also contributes to) the **Dutch part-time working culture**, which makes it possible for a part-time working grandparent to take care of the grandchild for one or two days a week, while families living in the same neighbourhood might also share child care responsibilities during the week and during holidays.

4 CONCLUSIONS

KEY FINDINGS

- The Dutch child care market is an untypical market; the quality of the product is difficult to assess and the specific governance structure creates inefficiencies.
- The current polity is mainly about cost containment.

In the Netherlands, a market for child care services has been set up, with the main argument that this would be efficient in providing a care infrastructure which would facilitate women's labour force participation. However, the childcare market has proven to be a rather unusual market. Although more than 2.000 childcare suppliers are active on the supply-side and at least one million parents on the demand side, market competition does not seem to be perfect. The demand side is confronted with limited information especially with regard to the quality of the product. On the supply-side, the incentive structures do not create tailor-made products but rather one-dimensional large contracts, leading to an inefficiently large volume of services.

Current policy is mainly about cost containment. Every now and then there is some debate about the drawback of the market system – yet within the next few years a complete change of the current Childcare Act is not foreseen. Quality is not a big issue either. Perhaps the low profile of the child care quality can be partly explained by the part-time use of child care within the Dutch context. Childcare is still mainly seen as a labour market instrument and not as a facility which may be beneficial for child development. Child development issues are instead solved within the context of education.

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PUBLIC CHILDCARE SERVICES IN THE EUROPEAN UNION: THE MODEL OF GERMANY

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Abstract

Since 2008, Germany has made effort to increase the number of public childcare services for children under the age of three in order to meet the Barcelona targets and to improve the opportunities for the reconciliation of work and family life. There are still significant differences between Western and Eastern Germany regarding the supply of services which can be explained by different childcare traditions and the administrative set up between the Federal German State and the regions (Länder).

EXECUTIVE SUMMARY

The aim of the present briefing note is to provide an overview on the German childcare services model.

Germany has a **low birth-rate** – particularly among women with college or university degree – and Germany has a **low female employment rate** in full-time equivalents. These developments (plus the skill shortage and changing gender roles) have led to an increased political and public interest into the reconciliation of work and family life and in improving the provision of public childcare services.

While **childcare facilities** for children from 3 years of age have been available for 90% of all children in this age group for a longer time, it is still difficult to find adequate childcare services for children less than 3 years of age – especially in Western Germany. The children's support act (**Kinderförderungsgesetz**) which came into force in 2008, committed the Federal, regional (Länder) and local governments to create day-care opportunities for 35% of all children under three years of age by August 2013. The latest

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evaluation from March 2013 shows that 596.300 children under the age of three were in formal childcare, which corresponds with a quota of 29.3%.

However, there are significant differences between Western and Eastern Germany regarding the childcare infrastructure. While the share of children under the age of three in public childcare services is 51.6% in Brandenburg, it is only 15.9% in North Rhine-Westphalia. In addition, there are huge variations regarding opening hours and prices not only between Eastern and Western Germany but also depending on the provider and the region. All these differences can be explained with **different childcare traditions** and **employment patterns** between Eastern and Western Germany, the **decentralised implementation** of childcare facilities and the **variety of childcare providers**.

1 GENERAL INFORMATION

KEY FINDINGS

- In 2012, Germany's **female employment rate** (15-64) was at 68%. Germany has reached the Lisbon target of 65% already in 2005. The gender gap regarding the employment rate in this age group is 9.6%.
- Since the **share of part-time workers** among women is high (45.6% compared to 10.5% among men in 2012), the employment rate for women in **full-time equivalents** was only 52.4% in 2012.
- Germany faces a **negative demographic balance**. The birth-rate is at 1.4 and a high share of women stays childless – especially among women with college or university degree.
- German family policy is characterised by comparatively generous monetary transfer: According to the latest evaluation, Germany provides **148 different measures related to families** with a total financial volume of EUR 125.5 billion.
- Improving **public childcare services became a policy issue** for several reasons: a) low birth-rate, b) target to raise female employment, c) skill shortage in industries and services, and d) changing gender roles.

1.1 Socio-economic situation

Between 2000 and 2011, the general employment rate increased from 66% (2000) to 72.5% in 2011. Although the **employment rate** of men is still above the rate of women, women's employment shows a higher increase: While in the year 2000, the male employment rate was 73% and in 2011 77.3%, the female employment rate increased from 58% in 2000 to 67.7% in 2011.⁵ Germany reached the Lisbon target⁶ in 2005, when the female employment rate was already 65.5%. In 2012, the female employment rate was at 68.0. Women's labour market participation in Germany in this age group is above the

⁵ Eurostat, LFS

⁶ Lisbon target: increasing female employment (for the age group of 15-65 years) to 60% until the year 2010

EU-28 average of 58.5%. There is still a way for reaching the targets of the Europe 2020-strategy⁷.

The increase in female employment is mainly due to the growth of **part-time work**, both in employment covered by social security and outside social security. The share of part-time workers among women is high (45.6% compared to 10.5% among men in 2012), even compared to the high levels of the EU average (32.5%). As a result, the employment rate for women in full-time equivalents was only 52.4% in 2012. It is also mainly women who work in so-called "Mini-Jobs" – jobs with a salary up to 400 Euro per month which are not subject to social security contribution. In 2011, women's share among all marginal part-time employees (6.94 million in commercial Mini-Jobs and about 231.000 in private households) was 62% in commercial Mini-Jobs and 91% in private households.⁸ In 2012, 12.1% of women aged 15-64 stated that they would be inactive or work part time due to personal and family responsibilities, 2.4 p.p. higher than the EU average (9.7%).

Germany's population is about 82 million. Regarding the **demographic development**, there was an increase in the population until 1971, which was the effect of a surplus of births over deaths. Since 1972, there is a surplus of deaths over births: In 2011, 190.000 less people were born than people died.⁹ Since the end of the 1990s, the birth-rate is only at 1.4 children. According to the recently published survey¹⁰, every fifth woman between 40 and 44 is childless. There are **significant differences** between Western and Eastern Germany: In 2012, the share of childless women was 23% in Western Germany. While the share was only 15% in Eastern Germany, it saw a sharp rise of childless women of 5% (while it was +1% in Western Germany) in 2008. Another striking aspect is the high share of childless female graduates: in 2012, the share of childless women with a college or university degree between 45 and 49 years was 30%. This has been the highest account so far.

This negative demographic balance has been only partly levelled out by **immigration**: Until 2003, high immigration figures led to a net migration gain and to a rising population. Between 2003 and 2011 this development stopped, but in 2011 there was again a net migration gain – and rising population.

In spite of the obvious relevance of migration for Germany's demographic development, it has been the low birth-rate which dominated the **political and public discourse** in the last decade and which had a positive impact on the debate on improving the reconciliation of work and family life – and on the expansion of public childcare services.

The financial and economic **crisis** had no negative effect on the introduction or maintenance of childcare facilities. In this context, it is worth noting that Abels and Lepperhoff (2013) argue that in June 2012 the regions (Länder) used the negotiations over the Fiscal Compact and the European Stability Mechanism (ESM) in the Bundesrat¹¹ to obtain compensation in the form of financial subsidies from the Federal Government. In order to receive a two-thirds majority in both legislative chambers for the aforementioned

⁷ EU2020 headline target for employment: 75% of men and women between 20 and 64 years of age in employment.

⁸ BMFSFJ (2012)

⁹ Bundesinstitut für Bevölkerungsentwicklung (2013), 6f.

¹⁰ Statistisches Bundesamt (2013)

¹¹ First chamber of the German parliament in which the regions (Länder) are represented.

pieces of legislation, the government yielded to the request and agreed to boost the financial capacities of municipalities to establish childcare facilities.

1.2 Developments in family policies

On June 20th, 2013, the Federal Minister for Family and the Federal Minister for Finances presented the results of the latest evaluation on family policies in Germany.¹² This evaluation identified for the year 2010 **148 different measures** related to families with a total financial volume of EUR 125.5 billion. Among these are child allowance and parental leave payments as well as equalizations of financial burdens within the tax system. Although German family policy is obviously characterised by comparatively generous monetary transfer, public childcare services have only played a secondary role for a long time and were only improved hesitantly.

This has changed with the decline in the birth rate, which was interpreted as a **demographic crisis** and started to become a hot policy debate at the beginning of the millennium. The perception of this demographic crisis is related, firstly, to the projected fall in population figures and, secondly, to the associated aging of the population. This debate is primarily dominated by the question of how to stop or lessen the declining birth rate: From approximately 2.5 children per woman at the beginning of the 1960s the birth rate is now fairly constant at around 1.4 children per woman.¹³ A further argument discussed in the context of declining birth rates was that in 2000 the EU did set targets for the level of women's employment within the **Lisbon Strategy** (60%) and for the expansion of childcare provisions (**Barcelona Targets**). To improve the reconciliation of working life and family, childcare places for at least 33 % of under-threes and for 90 % of three-to-six-year-olds were to be created in the EU member states by 2010.

Thirdly, the **skill shortage** in many industrial sectors and the fact that many women attain high professional qualification, but often leave their jobs after the birth of the first child was calling attention to the lack of childcare facilities and the difficulties for mothers (or generally speaking parents) to reconcile work and family life. Even employer's associations supported the idea of better centre-based facilities and argued that it is economically not efficient to let the qualifications of mothers unused.

Finally, **role models** for women have changed dramatically. While the orientation towards employment in Eastern Germany has been constantly high and while it has been growing in the Western, not the least as a consequence of, for example, increasing separation and divorce rates, nevertheless, employment levels for mothers in Germany were very low and were frequently achieved by means of part-time or low-wage employment.

These different developments are the background for the increasing political and public interest in a better reconciliation of family and working life and within this context in an expansion of public child care. It is surprising that the positive impacts of **early childhood education** and the **social integration** of migrant children and children with a problematic social background only had a marginal status within the debate.

¹² <http://www.bundesfinanzministerium.de/Content/DE/Pressemitteilungen/Finanzpolitik/2013/06/2013-06-20-PM-BMFSFJ.html>

¹³ Bundesinstitut für Bevölkerungsentwicklung (2013).

2 ACHIEVEMENT OF THE BARCELONA TARGETS

KEY FINDINGS

- Regarding **children between 3 years old and the mandatory school age**, Germany has surpassed the Barcelona target of 90% coverage rate: in 2012, 93,4% of all children between the age of 3 and 5, were in public childcare services.
- In March 2013, 596.300 **children under 3 years of age** were in formal childcare. This corresponds to a quota of **29.3%**.
- There are significant **differences between Eastern and Western Germany** regarding the provision of childcare services in terms of availability and opening hours which can be explained with the predominant and only slowly changing male breadwinner model in Western Germany and a predominant dual-earner model in Eastern Germany.

At the Barcelona Summit in 2002, based on the assumption that ensuring childcare provision is an essential step towards equal opportunities in employment between women and men, the European Council set the targets of providing childcare by 2010 to:

- at least 90% of children between 3 years old and the mandatory school age and
- at least 33% of children under 3 years of age.¹⁴

Regarding children between 3 years old and the mandatory school age, Germany has surpassed the 90% coverage rate. In 2012, 93.4% of all children between the age of 3 and 5, were in public childcare services.¹⁵ This can be explained with the **legal entitlement** (Social Security Code – SGB VIII, § 24, Art. 1) to early childhood education for children from 3 years of age which became effective in 1996.

Regarding the lower age-group (0 to 3 years) Germany has now nearly reached the Barcelona target with a level of coverage at 29.3%. This is related to a relatively new political decision.

Responding to the Barcelona targets, the grand coalition of CDU/CSU and SPD (from 2005 to 2009) passed the *Kinderförderungsgesetz* (KiföG: **children's support act**) on 28 August 2008 (BT-Drucksache 16/10173). It states that Federal, regional (Länder) and local governments have to create day-care opportunities for 35% of all children under three years of age by August 2013 – since then every child is legally entitled to a place in a day care centre.¹⁶ In estimates from 2007, this meant 750.000 new places for under-threes. According to the most recent evaluation¹⁷ on the level of childcare facilities, there is a need of 780.000 places nationwide for children under the age of three.

In March 2013, 596.300 children under the age of three were in formal childcare. This corresponds to a quota of 29,3% (2012: 27,6%).¹⁸

¹⁴ http://europa.eu/rapid/press-release_MEMO-08-592_en.htm

¹⁵ Statistisches Bundesamt (2012b). 12

¹⁶ <http://www.bmfsfj.de/BMFSFJ/Kinder-und-Jugend/kinderbetreuung.html>

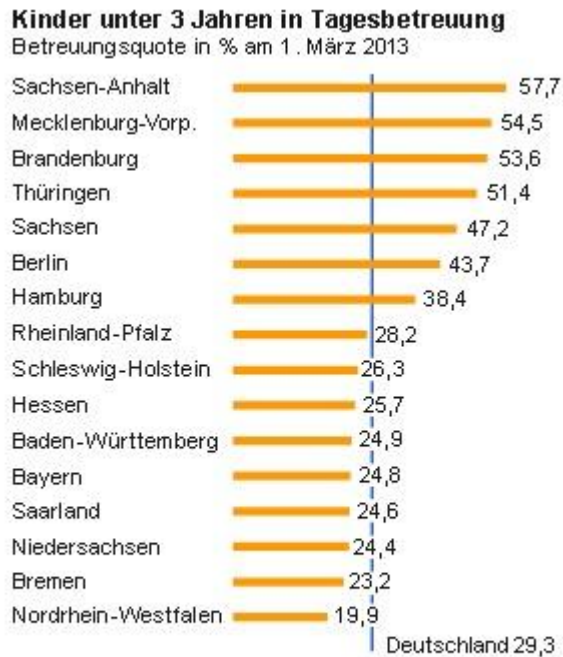
¹⁷ BMFSFJ (2013), *Vierter Zwischenbericht zur Evaluation des Kinderförderungsgesetzes*. http://www.bmfsfj.de/RedaktionBMFSFJ/Broschuerenstelle/Pdf-Anlagen/Kif_C3_B6G-Vierter-Zwischenbericht-zur-Evaluation-des-Kinderf_C3_B6rderungsgesetzes,property=pdf,bereich=bmfsfj,sprache=de,rwb=true.pdf

¹⁸ Statistisches Bundesamt (2013) and BMFSFJ (2013), p. 6

Table 1: Share of children under the age of 3 in public childcare services the different regions (Länder)in 2006 and 2011

Region (Land)	Share in 2006	Share in 2011	2006-2011
Baden-Württemberg	8,8	20,9	+12,1
Bavaria	8,2	20,6	+12,4
Berlin	37,9	41,9	+4,0
Brandenburg	40,5	51,6	+11,1
Bremen	9,2	19,6	+10,4
Hamburg	21,1	32,4	+11,3
Hesse	9,0	21,6	+12,6
Mecklenburg West Pomerania	43,1	51,7	+8,6
Lower Saxony	5,1	19,1	+14,0
North-Rhine Westphalia	6,5	15,9	+9,4
Rhineland Palatinate	9,4	24,8	+15,4
Saarland	10,2	20,3	+10,1
Saxony	33,5	44,2	+10,7
Saxony-Anhalt	50,2	56,1	+5,9
Schleswig-Holstein	7,6	21,8	+14,2
Thuringia	37,9	46,9	+9,0
Germany	13,6	25,4	+11,8
Western Germany (without Berlin)	8,0	20,0	+12,0
Eastern Germany (without Berlin)	39,7	49,0	+9,3

Source: BMFSFJ, 2011, 14

Figure 1: Share of children under the age of three (in %) in childcare services on 1. March 2013

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Bild: DESTATIS

There are significant differences regarding the provisions of childcare services between Eastern and Western Germany. **Western Germany** – despite considerable differences between the 11 states – still has a very low overall level of childcare provisions for under-threes, much of which is only available on a half-day basis. There are also differences regarding the attendance rates for day-care institutions. Whereas in 2011 over 90 % of all children between the ages of three and six were placed in public childcare institutions, the figures for the care of under-threes were widely diverging: The attendance rate in Eastern Germany was 49 %, in Western Germany only 22 % (Eastern and Western Germany 2012: 27.6 %; see Statistisches Bundesamt, 2012b, 9). For working parents, this often means (additional) **private organisation of childcare**. Further, a study by the Deutsches Jugendinstitut (Research on Children, Youth and Families) shows that 39.5% of parents want a place for their children under the age of three – which means that there is still a lack of nearly 10% between demand and supply.¹⁹

The regional differences can be explained as **cultural distinctions** and different employment regimes for men and women. **Western Germany** is still characterised by a conservative male breadwinner model which has only partly modernised into a second earner model (Leitner, 2013) plus the ideological framing that especially small children need to be cared for by their mother. As a consequence – and at the same time stabilising this model – childcare coverage was always extremely low, especially for the lower age group of 0 to 3 years – not only in terms of availability but also in terms of opening hours which are often limited to half-day care in the mornings without lunch. There has only been successive change in this regard since the mid-1990s.

¹⁹ BMFSFJ (2013), p. 7

In contrast to this, Eastern Germany can be characterised by a dominance of the adult worker model – following the idea that women and men are equally integrated into the labour market – which has its roots in the GDR-policies. The GDR had a tradition of providing all-day care for all children in crèches, kindergartens and schools, and, consequently, Eastern Germany still has a comparatively expanded care infrastructure, including for under-threes (Abels/Lepperhoff 2013).

On a normative level, **opinions regarding successful childhood** can be observed to differ between Eastern and Western Germany. Whereas there are still extremely high approval rates for care of children under the age of three exclusively within the family (as a rule by the mother) in Western Germany, the majority of the Eastern German population regards mothers returning to work at an early point not as detrimental for children’s early development (Abels/Lepperhoff 2013).

3 ADMINISTRATIVE SETUP AND STRUCTURES

KEY FINDINGS

- **Formal childcare services are extremely heterogeneous** in Germany. This is a result of the regional (Länder) and local responsibilities with respect to childcare for children under school age and for schooled children.
- In Germany, what can be called “**provider-pluralism**” (Oliver/Mätzke 2012) can be found. Public childcare services in Germany are provided by public service providers, by church-affiliated providers, by voluntary sector associations, by commercial organisations, and by companies.
- **Opening hours** and **prices for child-care services** vary according to the provider and the region (Land). In addition, prices are income-related which means that parents with higher income are to pay more for a place than parents with lower income. There is also a variation according to the daily duration of care.
- Although, generally, nursery school-teachers have finished vocational training and might offer good care, there are **no clearly defined standards for the quality** of childcare service.

3.1 Structure and responsibilities for childcare services

3.1.1 Distribution of competences between the different governance levels

Formal childcare services are extremely heterogeneous in Germany. This is a result of the regional (Länder) and local responsibilities with respect to childcare for children under school age and for schooled children. The allocation of subsidised childcare is the communes’ responsibility and has to be organised and financed by local authorities within the framework of the Länder.

The Federal Government, therefore, has only limited scope for introducing changes (Abels/Lepperhoff 2013). Due to the distribution of competences between the different governance levels, the process of reforming childcare institutions is highly controversial between the Federal Government, the regions (Länder) and local authorities. While the concrete stipulations are regulated by implementing laws on the **regional level** (Land),

planning for care provisions is up to the **local** youth welfare offices. Costs for building and operating the institutions are funded by local authorities, while the Länder grant subsidies. The result is a conflict of interests as places are to be increased, on the one hand, due to the nationwide crisis in family policy, demography and equality policy, while on the other hand this increase has to be implemented, staffed and financed mainly on the local and regional level (Länder).

3.1.2 Financing

The Federal Government has provided the regional (Länder) investment funds with an amount of EUR 580 million for the expansion of childcare facilities which makes a total of EUR 5.4 billion for the years 2008 to 2014. From 2015 onwards, the annual share of federal subsidies for operating costs will be EUR 845 million. Still, the long-term financing will be on the shoulders of the federal states. The government has developed a 10-point-plan with which all measures are bundled and that it is supporting the federal states to improve and secure the quality of child care services.

3.2 Childcare service providers

In Germany, what is called a “**provider-pluralism**” (Oliver/Mätzke 2012) can be found. Public childcare services in Germany are provided by public service providers, by church-affiliated providers, by voluntary sector associations, by commercial organisations, and by companies. In March 2013, there were nationwide 52 484 day-care facilities for children. Compared to March 2012, this is an increase by 540 facilities (+1.0).

According to the latest available **statistics** on the structure of childcare service providers by the Federal Statistical Office²⁰, one third (17.200 of 52.000 services) of the childcare services were provided by public service providers (mainly by municipalities) which means that the majority (67%) is provided by private agencies. Of these, more than half (51%) are run by Christian-confessional organisations of the voluntary sector, e.g. The “Diakonische Werk” (protestant) or “Caritas” (catholic). With nearly 17.900 services, these two church-affiliated providers run more child care facilities than public service providers.

Operating costs of childcare services are regulated at regions (Länder) level by laws on childcare services (Kindertagesstättengesetz). Operating costs (personnel costs, infrastructure etc.) are brought up by parents’ contributions, by providers’ contributions, allocation of funds by the regions (Länder) and by the youth welfare offices and municipals. To give an example: In Rhineland Palatinate, this law regulates that the provider’s contribution to personnel costs vary between 5 and 15% depending on the kind of service. The rest is financed by parents’ contributions and allocation of funds by the regions – possible funding gaps are equalised by the youth welfare offices. The ongoing non-personnel-costs are to be beared by the childcare service provider.

²⁰ Statistisches Bundesamt (2012b), 19f.

3.3 Design of childcare - Opening hours

In March 2012, every fifth childcare service (21%) opened before 7 a.m, 63% opened between 7 and 7.30 a., and 16% after 7.30 a.m. Again there are significant differences between Eastern and Western Germany. While in Eastern Germany 81% of all services opened before 7 a.m., only 5% of the services in Western Germany opened that early. Only in Hamburg nearly every third facility opened before 7 a.m.. There are similar differences regarding closure times: In Eastern Germany, only 10% of the childcare facilities closed before 4.30 p.m – while in Western Germany 48% closed that early. 51% of the services in Western Germany closed between 4.30 and 6 p.m. – in Eastern Germany it were 87%.²¹

3.4 Price for parents

Prices for child-care services vary according to the provider and the region (Land). In addition, prices are income-related which means that parents with higher income have to pay more for a place than parents with lower income. There is also a variation according to the daily duration of care (half-day care or full-time) and the prices/fees for siblings are often lower. Low-income families are entitled to receive a full reduction if they apply for an exemption at the local family office.

Due to these variations, it is difficult to present reliable data on costs which vary between EUR 50 to EUR 500 per month.

The tax system provides two forms of tax reductions for parents which can be combined: First, the income tax exemption for dependent children (Kinderfreibetrag) and second the tax deductibility of child-care costs (Steuerliche Absetzbarkeit von Kinderbetreuungskosten). The tax exemption for dependent children is 2.184 Euro from the yearly salary of each parent and tax deductibility for child care is about two third of the amount actually paid for childcare up to a maximum of EUR 4000.²²

3.5 Quality insurance

The quality of public childcare services is a controversial debate. It has been criticised that the children support law (KFöG) ruled on how the infrastructure should be set up but was not accompanied by guidelines on quality standards and how quality can be maintained. Due to the fact that not only the responsibilities for child care services and early education lay upon the local and the regional (Länder) level but that there are also multiple providers, there is **no nation-wide coherent concept** to set up and secure quality standards. This is particularly true regarding extra-familial child-minders (Tagesmütter). While the employees in public childcare services are at least qualified and have finished a vocational training to become a nursery school-teacher, everybody can become a child-minder. The only qualification is a 160 hour training which is completed with a certificate which allows persons to care for children.

²¹ Statistisches Bundesamt (2012b), 20

²²<http://www.bmfsfj.de/RedaktionBMFSFJ/Internetredaktion/Pdf-Anlagen/fallbeispiele2,property=pdf,bereich=bmfsfj,sprache=de,rwb=true.pdf>

According to the Social Code (SGB VII §22, Abs. 2) childcare services are to 1.) promote the development of children to an independent and social personality, 2.) support and complete education and learning, and 3.) assist parents to reconcile work and care. The mandate comprises **education, learning, and care** of children and refers to the social, emotional, physical and mental development. It includes the teaching of values and rules which are important for the orientation of children.²³

A Study by the Workers Welfare Federal Association (Arbeiterwohlfahrt, AWO) from 2013 shows huge deficits regarding the quality of child-care services. Therefore the AWO pleads for nation-wide **standards** which follow educational requirements; more financial funds for childcare facilities; a better evaluation and planning of needs since it is not transparent for how many places how much qualified staff would be needed; a better integration of extra-familiar child-minders and day care; combatting the skill shortage among the nursery school-teachers; and to develop a concept with which the quality of childcare services can be guaranteed.²⁴

3.6 Complementary measures

On January 1st, 2007 the Federal Law on Parental Allowance and Parental Leave (Bundeselterngeld- und Elternzeitgesetz – BEEG²⁵) came into force. Parents (or in particular cases, grandparents) are since then entitled to an unpaid continuous leave for up to three years.

Time for **parental leave** (36 calendar months after the month of birth for births after 1992) is computed as time of contributions to the statutory **pension's** scheme based on average earnings. In addition, the legal entitlement on parental leave regulates that mothers and fathers receive **subsidies** in relation to their former income for the new-born child. These subsidies range from a minimum of EUR 300 to a maximum of EUR 1,800 per month, the latter being equivalent to about 67% of the median income. The overall duration is 14 months. It is possible to work part-time during parental leave but the income is charged against parental benefit. The leave can be shared between mothers and fathers; if only one parent makes use of parental leave, the duration is reduced to 12 months. Parental leave regulations offer a relatively high flexibility and the possibility to transfer leave entitlements to grandparents.²⁶

There is an entitlement to leave of 10 days per year to care for a **sick child** under the age of 12, if there are more children; the total period is 25 days per family. Besides, since 2000, all employees in public services as well as in the private economy have a **legal entitlement to request to work part time**, if they have worked with the same employer for more than six months. Employers are to approve this request as long as this request is not opposed to operational or company-related reasons.²⁷

All families who are residents in Germany are entitled to **child benefits** (Kindergeld). It is a monthly, not means-tested payment of EUR 184 for the first and the second child, EUR 190 for the third child and EUR 215 for each additional child. Child benefits are paid at least

²³ AWO (2012)

²⁴ AWO (2013)

²⁵ <http://www.gesetze-im-internet.de/beeg/index.html#BJNR274810006BJNE002100000>

²⁶ http://www.leavenetwork.org/fileadmin/Leavenetwork/Annual_reviews/2012_annual_review.pdf, p.12

²⁷ <http://www.gesetze-im-internet.de/bundesrecht/tzbfsg/gesamt.pdf>

until the age of 18 or until the end of the child's 25th birthday if the child is in school, professional training, or at university.

Since August 2013, parents who do not want to make use of public childcare but want to care for their children privately are entitled to receive a **child care subsidy** (*Betreuungsgeld*) of EUR 100 for children aged between 15 and 36 months (and 150 Euro from August 2014). This legal entitlement has been included in the parental leave act. This payment is for all children born after August 1st 2012. The *Betreuungsgeld* will be paid for 22 months. An additional payment of EUR 15 will be given to those parents who invest the *Betreuungsgeld* for retirement provisions or for educational measures from January 1st 2014. This policy measure has been part of the coalition agreement between the CDU/CSU and FDP from October 2009 and is still causing controversial debates within the government and between the government and the opposite parties for about a year. Arguing that this improves the freedom of choice for parents, parents with children under the age of three are entitled to make use of this payment if they make now or only little use of public financed child care facilities. Regarding the further expansion of public childcare critics fear that this process will be slowed down and that many parents won't be able to find a position in day nurseries. These parents will then (involuntarily) receive the state subsidies and the government might argue that the demand for childcare facilities is lower than expected and that therefore – and for financial reasons – the further creation of facilities will be stopped.

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PUBLIC CHILDCARE SERVICES IN THE EUROPEAN UNION: THE MODEL OF BELGIUM

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Abstract

Belgium has reached the Barcelona Targets with 99% enrolment in pre-primary and nearly 40% in childcare. Pre-primary is not only universal, it is also free of charge for the parents. Despite the crisis, the *Fédération Wallonie-Bruxelles* and the Flemish Community have invested a lot in increasing the number of places in childcare, in making childcare affordable and in raising the level of qualification of the workers and the quality of the provisions.

EXECUTIVE SUMMARY

STRENGTHS OF THE BELGIAN MODEL

- Substantial increase in number of places despite of the crisis
- Affordable childcare and considerable child benefits
- Unemployment of women decreases despite the crisis
- Investment in the quality of childcare through professional development
- Long tradition in quality monitoring
- Progressive Universalism: entitlements for all with additional resources for disadvantaged children

The aim of this briefing note on 'Public Childcare Services in the European Union: The model of Belgium' is to inform the European Parliament Members about the achievements towards the so called **Barcelona Targets** (Availability of childcare facilities for 90% of all children from 3 years of age until the mandatory school age; and 33% coverage for children under 3 years of age) and more specifically on the model of Early Childhood

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Education and Care (ECEC) for children from 0 to 6, including childcare (0 to 3) and pre-primary education (2.5 - 6) in the different communities of Belgium.

Belgium is one of the 6 Member States that has **achieved both objectives** of the Barcelona Targets, with 99% of enrolment in pre-primary education and nearly 40% in childcare (EU-SILC 2010-2011). Even in times of economic crisis, policy makers, researchers and stakeholders in Belgium invested quite a lot in increasing the accessibility of vulnerable groups and in making childcare and pre-primary affordable for all parents. Belgium is supporting parents with quite generous child benefits and has a birthrate above the EU average.

The two large communities have also established relevant measures to rethink the **professional qualification** of the childcare workers and focus on pedagogical coaching as a tool to increase professionalism. In Flanders, three University Colleges started a **specialized bachelor** training for childcare and the discussion about the need of such training has started in the French Community. In Flanders, the upcoming implementation of the new law on childcare (*Decreet Opvang baby's en peuters*) seems to be promising, more specifically the foreseen overall quality monitoring system that will be the same for all childcare services. It has to be noted that the two others communities of Belgium have also a long tradition in quality monitoring in childcare and pre-primary.

1 GENERAL INFORMATION

BELGIUM AT A GLANCE				
• Fertility rate:	Belgium:	1.84	EU 27:	1.59
• Unemployment rates:				
	2007: male	Belgium: 6.7%	EU 27: 6.6%	
	female	8.5%	7.9%	
	2012: male	7.7%	10.4%	
	female	7.4%	10.5%	
• Universal coverage pre-primary				
• Number of childcare places: increased sharply				
• Paid maternity leave – 15 weeks				
• Paid paternity leave - 10 days				

Belgium is a **federal state** with three communities²⁹ and three regions³⁰ next to the federal level. During the last few decades, policy domains and competences have been divided over the different levels of authority. Policy areas such as family services, childcare services³¹, education, youth work and welfare are regulated at the community level.

²⁹The Flemish, French and German communities. Out of a total population of approximately 10, 5 million, about 6 million live in the Flemish community, some 4 million in the French community and about 73,000 in the German community. Please note that, the term "French Community of Belgium" (as stated in the Belgian Constitution) has now been changed into 'the Federation Wallonia-Brussels' (Fédération Wallonie-Bruxelles).

³⁰The Flemish, the Walloon (including the German speaking part of Belgium) and the Brussels Capital region.

³¹ Including e.g. preschool day care (0-3 y) and out-of-school care (3-12 y).

Basically, the same kind of services is offered to families in all three communities but different emphases or nuances exist.

The three communities of Belgium have each a distinct system for ECEC (split system, UNESCO, 2010). The childcare facilities for the **0 to 3 years old** are under the responsibility of the Department of Welfare with governmental organisations that are responsible for the quality policy: *Office de la Naissance et de l'Enfance, Fédération Wallonie-Brussels* (French-speaking part), *Kind en Gezin*, Flemish Community of Belgium (Dutch-speaking part), *Kind und Familie*, German Community of Belgium (German-speaking part).

The pre-primary education (kleuterscholen, écoles maternelles) from 2½ **years old to mandatory school age** is under the responsibility of the Department of Education and is integrated in the system of elementary education (2½ until 12 years). Both together make up elementary education and fall within the scope of the respective legislation. The German-speaking Community has raised the entry into pre-primary education from 2½ (like it is in the two other Communities) to 2 years 8 months.

2 OBJECTIVES OF THE ECEC⁴ SYSTEM IN BELGIUM

KEY FINDINGS

- Childcare has three important functions: economic, educational and social.
- A choice for progressive universalism (social function) in the Flemish Community.
- Important investment in the educational function in the French Community.
- Strengthening out-of-school care in the German-speaking Community.
- No integration of childcare (0 to 3) in pre-primary education.

2.1 The three functions of childcare

Since the second half of the 19th century, the child care sector evolved separately from the pre-primary school. While pre-primary is considered as an educational environment that may **benefit all children** (Luc, 1997), this was not the case for child care for the under threes. Until the 1960s, childcare for children below three years of age remained predominantly a charity for the poor, with a strong medical and hygienic emphasis (Humblet, Vandenbroeck, 2007). Due to the growing female employment since the 1970, childcare gradually also became an economic instrument for equal opportunities for men and women in the labour market.

In recent years, both in the French and the Flemish speaking communities, a growing consensus can be noted among policy makers and leading administrators that three societal functions should be combined in child care (0 to 3).

- Obviously, child care has an **economic function** which, since long, prevails, enabling both men and women to reconcile their parental responsibilities with activities on the labour market. The childcare system in Belgium is also accessible

for parents (mostly mothers) who work part-time, there is no evidence that they would experience more problems to find a place than parents that work full time.

- Since the last decades more attention was also given to the **educational function**, being the focus of the Unicef Report Card 8 (Unicef Innocenti Research Centre, 2008) and the Communication of the European Commission (2011). For a growing number of children, child care is an important socializing milieu in which essential competences are can be acquainted at a young age.
- Last but not least, a growing concern about the **social function** of child care can be observed, dealing with issues of social justice, equal opportunities and therefore also with issues of accessibility, desirability and parental involvement. At the European level, this concern is rooted in a broader commitment towards the reduction of child poverty rates across the Member States and accompanied by the recognition that high quality ECEC has an important role to play in tackling disadvantage from an early stage (European Commission, 2013).

2.2 Progressive Universalism: a priority for the Flemish Community

The provision of structural services for all as well as providing additional funding towards disadvantaged groups seems to be the most effective strategy for making ECEC accessible, especially for children from immigrant or low-income families. (Education, Audiovisual and Culture Executive Agency, 2009; Leseman, 2002). **Flanders** has therefore chosen for **progressive universalism**: *universal entitlements to publicly funded ECEC provision* with a flexible allocation of funds that *target additional resources* toward disadvantaged children and families.

The 2002 decree on 'Equal Opportunities in Education' of the Flemish government put in place, amongst other things, a new system of funding in pre-primary and primary education, taking into account the school's composition in terms of the socio-economic characteristics of its pupils. One of the aims of the policy is to improve the opportunities of underprivileged pupils in education.

For the childcare sector, the **Flemish** government decided early 2009, to take structural and legislative measures. Since then, all funded child care centres are obliged to reserve 20% of their capacity for single-parent families, families living in poverty, and crisis situations.

2.3 Emphasis on the pedagogical function in the French Community

In the new millennium, the pedagogical quality has received most political attention in the **French-speaking** Community, as reflected in new legislation (1999 and 2004), the reorganization of the governmental organization –the *Office de la Naissance et de l'Enfance* –, and the development of projects in the field.

The **legislative framework** defines very broad objectives that can be translated into concrete qualitative pedagogical practice on the level of the institutions. Each childcare provision develops a pedagogical programme together with the families in which the pedagogical guidelines are defined. With this legislation, the functions of the inspectorate

profoundly changed, their mission is now more focused on staff development and pedagogical coaching (*accompagnement*).

The focus on the pedagogical function of childcare has increased the valorization of **pedagogical coaching** and there is now less focus on bureaucratic control systems. These policy evolutions have been accompanied by publications that have inspired a growing number of practitioners. Scholars are reporting that more and more practitioners are starting to **reflect** on their own pedagogical practice in order to increase the quality of their service towards children and parents (Pirard, 2009).

2.4 The German-speaking Community: a holistic approach and strengthening of the out-of-school sector

Pre-primary education in the **German-speaking** Community emphasis a holistic approach towards education and promotes activities which foster the children's socio-emotional, intellectual, psychomotoric and aesthetic development. First and foreign language acquisition are all important aspects of the curriculum.

There is only one day care centre in the German-speaking Community and one service for family day care (*Regionalzentrum für Kleinkindbetreuung*) with around 100 family day care providers (Tagesmutter).

In 2013, the Government of the German-speaking Community signed an agreement with the *Regionalzentrum für Kleinkindbetreuung* (regional centre for day care for young children) and the local communities about the financing of the out-of-school care. On the basis of this agreement, the costs for the out-of-school care are divided between the local communities and the Government. This treaty is seen as very important for the development of the out of school sector in this part of Belgium.

2.5 No integration of childcare (0 to 3) in the education system

In spite of the Communication of the European Commission on ECEC of February 2011 in which the Commission argued for an integrated concept of care and education for the 0 to 6 years olds, the integration of childcare (0 to 3) into a broader pedagogic setting – in the Belgium case this would be the pre-primary education - was not considered by the three Communities of Belgium.

3 ACHIEVEMENT OF BARCELONA TARGETS

KEY FINDINGS

- Both objectives achieved.
- Number of places increased considerably.
- No effect of the crisis on the maintenance of the childcare services.

Belgium is one of the 6 Member States that has achieved both objectives of the Barcelona Targets, with 99% of enrolment in pre-primary education and nearly 40% in childcare (EU-

SILC 2010-2011). In 2003, the **French** Community of Belgium launched the Cicogne Plan (The Stork Plan) to reach the Barcelona Targets that created 10.000 extra places (ONE, 2012). This **Cicogne Plan** aimed at a more equal distribution of the provision of childcare places between the different regions and also aimed at creating affordable childcare places. The **Flemish** Government also used the Barcelona Targets to create a more balanced supply in the different regions.

The crisis had no negative effect on the number of places; on the contrary, the number of places increased from 327 per 1000 children under the age of three to 380/1000. From 2010 until 2011, 2808 extra places were created (an increase of 2,3%), a **high investment** in times of crisis which reflects the political will of the Flemish and the Walloon communities to create more places in child care as a means to contribute to the Europe 2020 employment targets. (Belgian Federal Government, BE2020, 2013):

- In **Flanders**, an increased supply was embedded in a decree, aiming at a supply for at least half of all children under the age of three for all families with a childcare need from 2020 onwards, within an agreed budgetary framework.
- **Wallonia** equally aims to improve the reconciliation of work and private life, through the reinforcement of neighborhood services. For childcare, a plan is being prepared that potentially could lead to 16.000 new places in Brussels and Wallonia within ten years.

4 EFFECT OF THE CRISIS ON UNEMPLOYMENT RATES OF MEN AND WOMEN AND FERTILITY RATE

KEY FINDINGS

- Unemployment rates of women decreased.
- Birth rate has slowly increased.

Since the crisis, unemployment rates among men increased from 6.7% in 2007 to 7.7% in 2012 while decreasing among women from 8.5 to 7.4. The unemployment rates are rather low compared to the European average: 10.4% for men and 10.5 for women in 2012.

The birth rate has been slowly increasing since 2003, especially in the large towns, bringing the fertility rate in Belgium to 1.84 (EU 27: 1.59). According to the last report from *Kind en Gezin* (2013), the birth rate in 2012 shows a slight decline.

5 WHO IS PROVIDING CHILDCARE AND PRE-PRIMARY EDUCATION?

KEY FINDING

- Different providers: public and private.

In all three communities, the pre-primary ECEC is organized by **three different** providers: local communities (cities and towns), the public school network of the communities (Flemish, French and German speaking) and private subsidized providers (mostly Catholic schools). There are differences between the two largest Communities: in the Flemish Community, the Catholic provider is the largest one, while in the *Fédération Wallonie-Bruxelles* the public school network of the French Community has the most pupils.

The day to day **management** of day care centres for the 0 to 3 is provided by local communities, by NGO's (non-profit organisations) and by for profit providers. All services must be registered and in both Communities most places are offered *by services subsidized by the governmental organizations: Kind en Gezin and l'Office de la Naissance et de l'Enfance*. The organizing agency for childcare provisions in the German-speaking Community is the Regional Centre for Childcare Facilities (*Regionalzentrum für Kleinkindbetreuung*). This organisation is the only recognized provider there.

6 COMPLEMENTARY MEASURES

KEY FINDINGS

- Paid maternity leave: 15 weeks.
- Paid paternity leave: 10 days.
- Each parent can take 3 months parental leave up to the child's sixth birthday.
- Generous child benefits.
- Childcare: parents pay a fee according to their income.
- Pre-primary: free of charge.

6.1 Maternity, paternity, and parental leave

Maternity leave is 15 weeks in total. It can start as soon as six weeks before the expected delivery date (with one obligatory week to be taken before the expected birth date) and continues for a minimum of nine weeks up to 14 weeks afterwards, depending how much has been taken before the birth. Employees in the private sector are entitled to 82 per cent of their previous earnings during the first four weeks and 75 per cent after that (at most 86 EUR per day). Statutory public sector employees continue to receive full wages.

Fathers are entitled to ten days **paternity leave** during the month after the child's birth; three days must be taken directly following birth and for these three days they also receive full compensation. For the remaining seven days they are granted 82 per cent of earnings (at most 103.72 EUR per day).

Up to the child's sixth birthday, each parent is entitled to three months **parental leave** with a payment of 756.19 EUR before tax monthly (2012). The leave period can be taken full-time (three months), part-time (six months) or for one day per week over a period of 15 months. Parents in the **Flemish** Community receive an additional payment of 160 EUR per month.

In 2007, 20 per cent of **fathers** made use of the parental leave opportunities. All women employees are entitled to leave with earnings-related benefit (Merla & Deven, 2012).

Additionally, a comparatively generous **child benefit** per month of 90.28 EUR for the first child, 167.05 EUR for the second child and 249.41 EUR for the third child and for each of the following children is granted to all parents, even those who have not paid social insurance contributions (MISSOC, 2013)³². This support for parents with children may explain why the poverty rate and the risk of poverty for children are below OECD/EU average (Cantillion, Marx, 2008):

- Child poverty rate: 11,3% for Belgium and 12, 6% on average for OECD countries
- Risk of poverty rate: 21% for Belgium and 24,3% on average for EU countries

6.2 Fees and taxes

In Belgium, both the Federal Government and the Communities have undertaken serious efforts to make childcare affordable for all parents. In the subsidized childcare centres (approximately 80% of all childcare places), the parents pay a fee according to their income. In the **Flemish** Community, the parents in the subsidized centres pay between 1,54 euro and 27,36 euro a day. In the **Fédération Wallonie-Bruxelles** parents pay between 2.31 euro and 32.68 euro and in the **German-speaking** Community between 1.29 euro and 27 euro.

The private child centres which receive no subsidies can freely set their price.

The costs of childcare (0 to 3 and out of school care) is tax deductible: all childcare costs are 100% deductible with a maximum of 11,20 euro a day.

The pre-primary school from 2,5 until 6 is free for parents, except for meals and extra-curricular activities. In Flanders there is a maximum invoice for these activities set at 20€ per pupil per year in pre-primary education.

7 QUALITY INSURANCE

KEY FINDING

- Well-developed system of quality control in childcare and pre-primary.

Belgium has a long tradition in quality monitoring and evaluation, in childcare services and also in pre-primary education. Since 1919, a national organization had been responsible for monitoring and assessing quality in the childcare sector for children from 0-3. After the State reform, three regional agencies have taken over this responsibility in 1984: the *Office de la Naissance et de l'Enfance* for the Federation **Wallonia-Brussels**, *Kind en Gezin* for the **Flemish** Community; and *Kind und Familie*, for the small **German Community**. Until the eighties, the control was mainly on the medical-hygienic aspects of care.

³² For instance a family with three children receives 496.74 euro a month

7.1 Flemish Community

7.1.1 Childcare services

Since 2006, the quality of all childcare centres is controlled in the **Flemish** Community by the *Agentschap Zorginspectie* (Agency for Inspection of Care facilities, which is responsible for the whole welfare sector).

In 1992, *Kind en Gezin* (Child and Family) introduced quality rating scales for the inspectorate based on the American ITERS and ECERS scales which also measure the pedagogical quality of the subsidised centres. Furthermore, they introduced assessment scales on 'well-being' and 'involvement' developed by Ferre Laevers and his team at the University of Leuven (CEGO).

Since 2004, subsidised services have to meet **minimum quality standards** and have to develop a quality handbook in which they describe the procedures of how they evaluate quality, how they involve parents, and how the professional development of child carers is organised. While most of the independent service providers choose to work under the supervision of *Kind en Gezin* which obliges them to meet certain quality standards, they are legally only required to register. Both types of services are subject to occasional, unannounced checks by Kind en Gezin (OECD, 2012).

Nevertheless, there is a **gap in monitoring** the quality of childcare between the subsidised and the independent sector. In April 2014, a new law on childcare for the 0 to 3 will be implemented (*Decreet Opvang van baby's en peuters*) and as a part of this new law the quality monitoring system will basically be the same for all childcare services. To prepare this, *Kind en Gezin* is currently commissioning a study (MeMoQ) to develop a scientifically based tool that allows measuring the educational quality of the entire childcare sector. Based on a recommendation of OECD Starting Strong II, the researchers are developing a monitoring process that will engage and support staff, parents, and children (OECD, 2006: 126; Kind en Gezin, CEGO and Ghent University, 2012).

7.1.2 The pre-primary schools

The 'kleuterschool' for children from 2½ to 6 is inspected on a **regular** basis to ensure that the 'developmental goals', defined by law, are met. These are objectives in terms of knowledge, understanding, skills and attitudes that children must attain. These goals deal with a number of basic competences children are supposed to have in the area of physical education, artistic education, language training (Dutch), world orientation and mathematical initiation.

The educational inspectorate of the **Flemish** Ministry of Education and Training acts as a professional body of external supervision when assessing the implementation of these developmental objectives. It consists of five inspection teams, one of them being the inspection team for pre-primary and primary education. Elementary schools (2.5 to 12) are inspected as a whole.

7.2 Fédération Wallonie-Bruxelles

7.2.1 Childcare services (0-3)

In 1999, the Government of the **French-speaking** Community of Belgium developed the “Code de Qualité”³³. This **Quality Code** is a set of standards to work with children (0 to 3 and out of school): fostering the child’s curiosity; quality of interactions between adults and children; empowering the child’s self-confidence and autonomy; contributing to the development of social skills in a perspective of solidarity and co-operation and a strong relationship with the parents (Eurydice/Eurybase, 2009b).

O.N.E. is a **governmental institution** whose mission is to monitor, to evaluate and also to support the childcare institutions. O.N.E.’s role of inspector has changed significantly from a controlling and supervisory function towards professional development of staff and *accompaniment* (pedagogical coaching).

7.2.2 Pre-primary education

Within the Education Department, the inspectorate is in charge of evaluating and monitoring the quality of the pre-primary schools. The inspectors are monitoring the education quality, they control if the official educational programs in the schools are implemented in practice and they also control if the necessary didactical tools and school equipment is provided.

7.3 German-speaking Community

The pre-primary in the **German-speaking** Community is like in the two other communities subject to the same regulations as the primary school. The Regional Centre for Childcare Facilities also supervises the only infant-toddler centre in the Community and an out-of-school service.

8 CHALLENGES FOR ECEC IN BELGIUM

KEY FINDINGS

- Level of qualification in pre-primary: bachelor.
- Level of qualification in childcare (0-3 years of age) is rather low.
- Better care for the youngest children in pre-primary.
- More focus on working with disadvantaged parents.

³³ “The Quality and Care Code Law” is a governmental order dated 1999, 2004. In this paper, called “the Quality Code”.

8.1 The Level Of Qualification Of The Childcare Worker

Teachers in pre-primary education need a bachelor qualification and they almost receive the same salary as the teachers in primary and in secondary school. Consequently, one could say that the level of qualification of the pre-primary teacher is high and the working conditions are good, compared to other European Member States.

However, the level of qualification required in the childcare sector is still problematic. In several international reports (OECD, 2001, 2006, UNICEF, 2008), it was mentioned that the qualification level of staff in Belgian childcare is very low (16 years plus 3). The situation in **Flanders** is even worse: in family day care and in the independent childcare sector, there are no diploma requirements. Only in a subsidised child care centre (only 17% of the places), a training on post-secondary vocational level (1 year) as 'kindbegeleider' (child care worker) is mandatory.

In April 2014, the new decree on childcare for the 0 to 3 will be implemented (Decreet Opvang van baby's en peuters) in the **Flemish** Community. This law stipulates that everyone working in childcare has to have some kind of qualification by 2024 and that every childcare worker has the right to pedagogical guidance from a pedagogical coach. According to the new law, every provider of childcare will have to guarantee pedagogical guidance for all the employed childcare workers. Yet some challenges remain. The **Flemish** Government has chosen for a long transition period of ten years for the implementation of the qualification requirements and it is still unclear what the level of the qualification (European Qualification Framework) will be.

In 2011, a **new bachelor training** for pedagogical coaching was established in Brussels, Antwerp and Ghent. In 2014, the first Bachelors in Pedagogy of the Young Child (*Pedagogisch Coach*) will graduate. From then onwards, they will function as pedagogical coaches or advisors that will design the pedagogical policy together with the other practitioners with a secondary qualification and take on the supervision of the non-qualified who are working towards a qualification. They are also trained to work with children and their parents.

In the **French** Community there is also an obligation to follow in-service trainings and there is also much attention for pedagogical guidance as a tool to increase the competences of the childcare workers: the former inspectors have become pedagogical coaches (accompaniment) and they have the task to support the childcare initiatives. While there is not yet a specialized bachelor training for childcare, the discussion about the need of such training has started in the **French** Community

8.2 Challenge for pre-primary education

For the pre-primary schools in both Communities, it will be a challenge to work closer with parents, especially with those living in disadvantaged circumstances. Some schools in larger cities have a lot to offer when it comes to working in a context of diversity but in other schools, a coherent policy to ethnic minority parents and parents living in poverty is still lacking.

Another problem for the pre-primary schools in Belgium is the care for the youngest children (2½ to 4 years). Collaboration with childcare facilities to create smooth transitions

between childcare and school for the youngest children should now be a priority, while schools also need to invest more in the care for and the well-being of the youngest children. The teacher / child ratio in most schools is way too high for these young children, sometimes up to 25 children per teacher.

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PUBLIC CHILDCARE SERVICES IN THE EUROPEAN UNION: THE MODEL OF LATVIA

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Abstract

This country note describes public childcare provision in Latvia: the context, recent developments and the design of actual services. Latvia has high female employment. Public childcare is provided by local governments and is integrated within the preschool education system. It covers children up to 7 years old. However, the demand for childcare for children below 4 is not met. This makes it difficult for parents to combine work and family life. Latvia's progress towards the Barcelona targets has been limited.

EXECUTIVE SUMMARY

Historically Latvia has relatively high female labour force participation rate and employment rate. The dual-earner family model is also a necessity because on average wages are low. Women tend to work full-time as flexible work arrangements are not common. In light of this, sufficient provision of childcare facilities is important for promoting work-life balance.

Demographic developments in Latvia are not optimistic. Number of children born every year decreases both due to high emigration and natural population change. Latvia has one of the lowest fertility rates in the EU. Despite negative demographic projections, **childcare provision needs to be improved** in the short-term as demand for childcare is not met.

Latvia is committed to this objective. The progress is assessed by the **Barcelona targets** and national objectives. The progress towards achieving the Barcelona targets so far has been limited, especially for children below 3 years old. In 2011, only 15% of children below 3 years old were covered by formal childcare. The coverage rate for children aged 3 years to compulsory school age went over the 70% threshold in 2011. However, this is still way below the target.

National objectives are set for improving the availability of preschool institutions and increasing the variety of childcare options.

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In Latvia, childcare historically is integrated within the education system. It is provided within preschool educational institutions or kindergartens by local authorities. Public preschool education is offered free of charge. Preschool education is guaranteed for children of mandatory preschool age (i.e. 5-6 years old). Younger children are ensured equal access via co-financing private childcare facilities in case public facilities are not available (since September 2013). Childcare in kindergartens is usually provided for a full day. Childcare without an **educational component** is relatively rare. It is mainly offered by alternative childcare providers, e.g. day care centres.

In 2008-2009, Latvia was hit by a severe economic crisis. However, the number of preschools and children enrolled in them increased steadily in recent years. Financial support from the **European Regional Development Fund** was used for developing and improving infrastructure of preschool educational institutions and introducing a variety of alternative childcare facilities. Nevertheless, around 9-11% of children in the age 1.5-6 years old can't get a place in the public kindergarten and are registered on **waiting lists**.

The complementary measures to support families with children include state financed child related **benefits**: maternity, paternity, parental, childcare and family state benefit. Except for the latter, these benefits are targeted at children below 2 years old. During the second year of a child's live, state financial support reduces rapidly. This is usually when parents have to return to work after parental leave. Due to the lack of childcare facilities for children from 1.5 to 6 years old and lack of complementary measures, parents with small children are a sensitive group needing more stable childcare support.

1 SOCIO-ECONOMIC SITUATION IN LATVIA

KEY FINDINGS

- Latvia is characterized by a relatively **high female employment rate** while the employment rate for men is lower than the EU on average.
- **Unemployment rates** increased during the crisis and remain **high**.
- **Working arrangements** are rather **inflexible**: part-time work, work from home, or work with a flexible schedule are rare.
- Many people find it **hard to combine work and family life**.
- Latvia has **one of the lowest fertility rates** in the EU and the number of children born per year is expected to decline.

1.1 Situation in the labour market³⁵

Latvia is characterized both by a relatively high female **labour force participation rate** and a high female employment rate. The latter is considered being a positive legacy of the Soviet system, in which women used to work the same quantity of hours as men. There is

³⁵ This section is based on Rastrigina (2013). Figures in this section are provided by EUROSTAT.

no negative attitude towards working women. On the contrary, it is considered to be a norm. The dual-earner family model is also a necessity because, on average, wages are low.

In 2008-2009, Latvia experienced one of the deepest economic recessions in the EU with an overall GDP decline of more than 25%. **Unemployment rates** more than tripled. In 2012, they still remain high: 16.0% for men and 13.9% for women (for the age group 15-74). This is significantly higher than the EU-28 average of 10.4% for men and 10.6% for women.

However, even after the adverse effect of the economic crisis, activity rate and **employment rate** of women remains higher than in the EU-28 on average. In 2012, the employment rate for the age group 20-64 was 66.4% for women. This is above the EU-28 average (62.3%). The employment rate of men was 70.2%, which is below the EU-28 average (74.5%).

Working time arrangements in Latvia are rather **inflexible**. Part-time work, work from home, or work with flexible schedule are quite rare. According to the Latvian Labour law, the employer (upon request) has to provide part-time work for a full-time employee in case of pregnancy, in the period after child birth, in the period of breast-feeding, and to a parent of a child below 14 years old. However, in practice, this happens rarely. Part-time employment is more common among women than among men (respectively 11.6% and 7.1% out of total employment in 2012), but the shares are very low. The respective figures for the EU-28 average are higher, especially for women (32.5% for women and 9.4% for men).

Parenthood affects employment rates but the effect differs not much from the EU on average. In 2012, the difference in employment rates between women (20-49) without children and with children below 6 years old was to the advantage of non-mothers by 9.6 p.p. The EU-28 average was slightly higher at 10.7 p.p. For men the difference in employment rates was to the advantage of fathers by 12.6 p.p. The EU-28 average was slightly lower: 11.4 p.p.

Given the relatively high labour market activity of women and the low working time flexibility, sufficient provision of childcare facilities could help avoiding a double burden of work and family care. According to the European Foundation for the Improvement of Living and Working Conditions (2010), Latvia has one of the highest proportions of people who experience conflict when it comes to allocating time to work or family life.

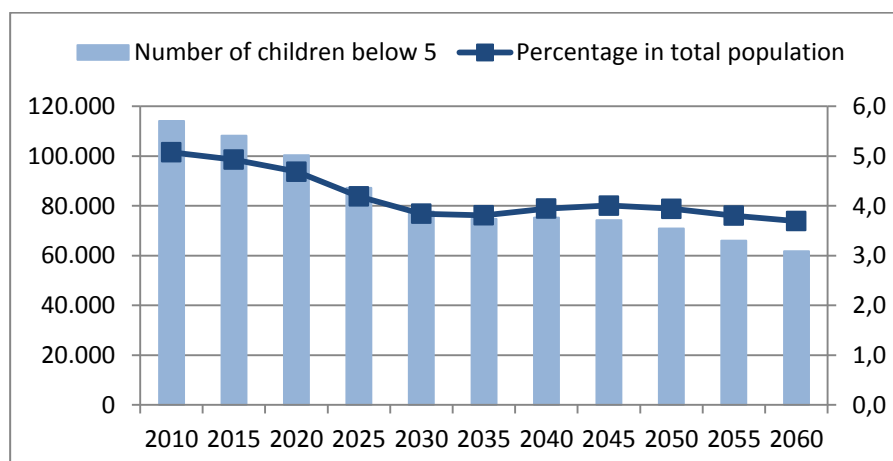
1.2 Demographic developments

Latvia has one of the lowest fertility rates in the EU: 1.34 as compared to 1.57 in the EU on average in 2011 (see Table 1 in the Annex). Due to high emigration and natural population change, the number of children born in Latvia decreased sharply since the 1990s. Around early 2000s, the birth rate stabilized at about 20 thousand children per year. Favourable economic development in the period from 2004 up to 2008 brought about a gradual increase in the number of children born. However, with the economic crisis, the previous tendency resumed.

According to Vitolins (2006), there might be a modest increases in the number of children born after 2011 as at this time the relatively numerous cohort of people born in 1980s reached active fertility age. After this period, the number of children born will again start to

decline. More recent projections by EUROSTAT show, however, gradual decline in the number of children below 5 years old.

Figure 1: Demographic developments in Latvia



Notes: Number of children below 5 is shown on the vertical axis on the left; percentage in total population – on the right.

Source: EUROSTAT

Latvia experienced several important emigration waves in the recent years, i.e. after joining the EU and during the recent economic crisis. These fast demographic changes and lack of reliable population statistics (before population census in 2011), made it more difficult to predict the demand for childcare and adjust the supply side. Even if negative demographic projections are taken into account, the present situation needs a fast short-term solution in terms of increased capacity of public childcare provisions. In the recent report of the State Regional Development Agency (2009), it was projected that the demand for childcare will most probably be satisfied by 2016.

2 ACHIEVEMENTS TOWARDS CHILDCARE PROVISION TARGETS

KEY FINDINGS

- In the last decade, Latvia's **progress towards Barcelona targets has been limited**, especially for children below 3 years old.
- Most of **formal childcare** is organized for **full time**.
- **National objectives** are set for improving the availability of preschool institutions and increasing the variety of childcare options.
- Despite the severe economic crisis, the **number of preschools increased** steadily in recent years but the demand for child care in Latvia is not satisfied.

2.1 Barcelona targets

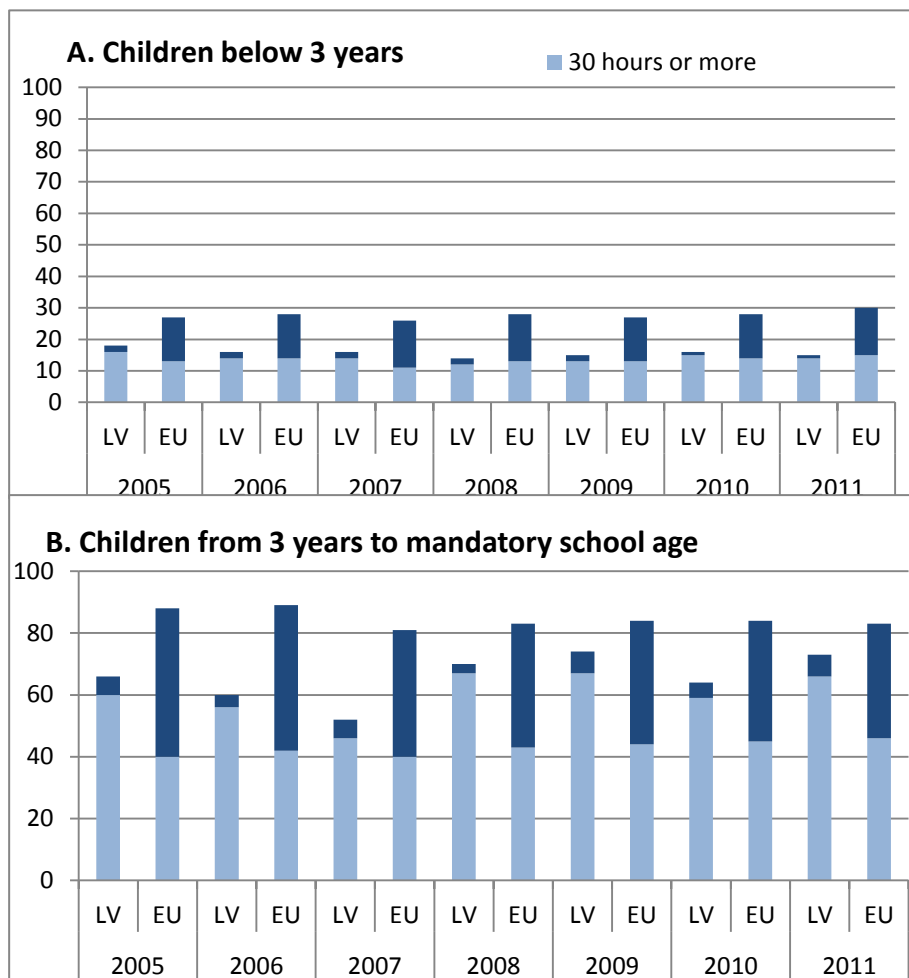
The provision of childcare is essential in order to encourage female labour market participation and promote equal opportunities in employment between women and men. In order to facilitate and monitor the progress in childcare provision, the Barcelona Summit set two targets related to childcare provision:

- The first target focused on the provision, by 2010, of childcare for 90% of children aged between 3 years and the mandatory school age. In the context of Latvia, it means children up to 5 years old (as 5-6 years is the mandatory age for entering pre-school education).
- The second target stated that at least 33% of children aged below 3 should be covered by childcare.

Latvia's progress towards achieving the Barcelona targets so far has been limited. The coverage of children below the compulsory school age by formal childcare is lower than in the EU-28 on average (Figure 2).

In 2011 only 15% of **children below 3 years old** were covered by formal childcare while in the EU-28 the average was 30%. During the years of economic crisis there was a slight decline in the coverage rates. This can be related to lower availability or affordability of childcare as well as substitution of formal childcare by family care (in case a parent or other family member is temporary out of work).

The coverage rate for children aged **3 years to compulsory school age** was more volatile during the observed time period. In 2011, it went over the 70% threshold. However, this is still way below the target.

Figure 2: Coverage of children with formal childcare in Latvia and in the EU

Notes: in 2005-2006 EU-17; in 2007-2009 EU-27; and in 2010-2011 EU-28

Source: EUROSTAT

2.2 National objectives

There are two national objectives related to childcare provisions in Latvia.

First, childcare provision is addressed in the Latvian National Reform Programme (Ministry of Economics, 2013) under the policy direction "**Fighting poverty, demographic challenges and health protection**". Within this policy, the target is to eliminate waiting lines for pre-school education institutions by 2014. The aim is to improve public support for families with children, encourage child birth and promote participation of parents in the labour market.

Second, the Family policy guidelines 2011-2017 (Ministry of Welfare, 2011) set as one of its goals promotion of work-life balance by increasing the range of childcare options available to parents: municipal and private kindergartens, childcare institutions in which children can stay for a short time, babysitting services as well as overall improvement of pre-school childcare facilities and infrastructure. Surprisingly, there is only one quantitative target related to this task which is to increase the number of babysitting services provided with state funding support from 1 in 2009 to 3 in 2014.

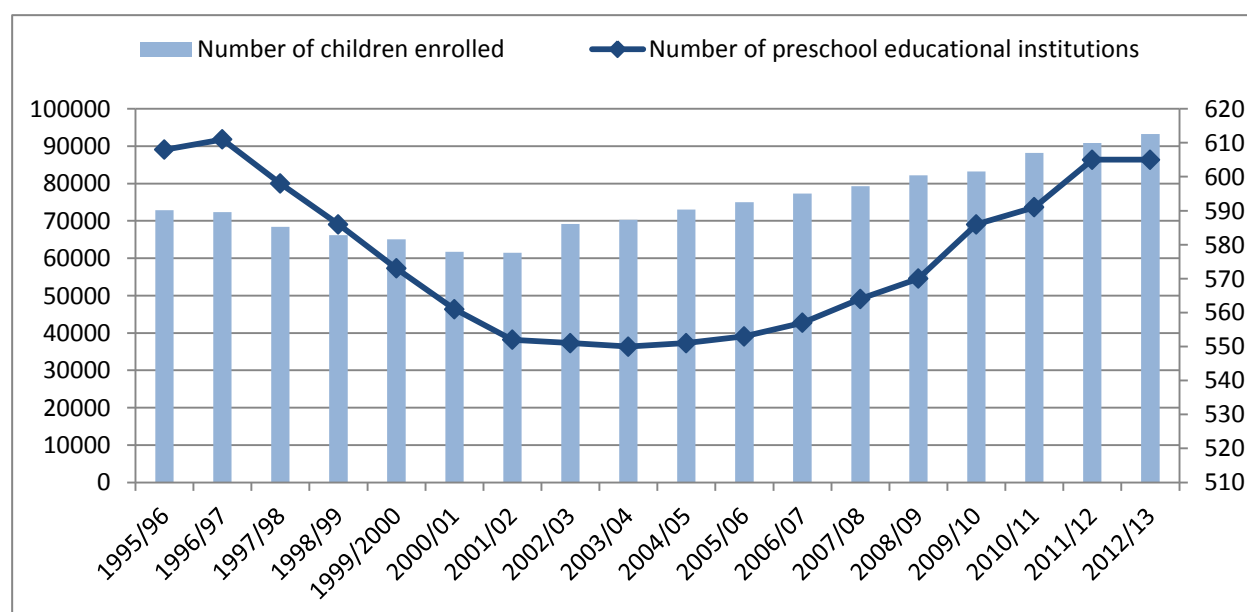
2.3 Development of childcare facilities during the economic crisis and recovery

Latvia experienced sharp economic decline in the period from the last quarter of 2007 to the 3rd quarter of 2009. **GDP fell by more than 25%**. Nevertheless, already starting from the 4th quarter of 2009 a modest quarter-on-quarter GDP growth appeared.

Three **consolidation packages** were implemented in the period from 2009 to 2010. The size of consolidation was remarkable, reaching almost 15% of the GDP. Additional **austerity measures** followed in 2011-2012. The most important measures on the revenue side were increase in direct and indirect taxes and broadening the tax base. On the expenditure side, the strongest measures were cuts in public wages and social transfers, including child related benefits (e.g. maternity, paternity, parental benefits, child birth benefit and family benefit).³⁶

During the crisis, revenues of local authorities sharply decreased and, with them, their capacity to satisfy the demand for childcare provision. However, during the same period of time, pre-school infrastructure was set up at **national level** and development centres on the **regional level** supported by the **European Regional Development Fund (ERDF)**. With the help of this programme, 14 pre-school educational institutions were built or enlarged by the end of 2012, 58 were renovated, and 2730 new places for children in the kindergartens were created (Ministry of Economics, 2013). The total ERDF funding for this activity is 32.3 million LVL (46.1 million EUR). As suggested by the Central Statistical Bureau data (shown in Figure 3), both the number of preschools and the number children enrolled was steadily increasing during the past decade.

Figure 3: Number of preschools and children enrolled



Notes: Number of children enrolled is shown on the vertical axis on the left; number of preschools – on the right.

Source: Central Statistical Bureau of Latvia

³⁶ For more details see Rastrigina and Zasova (2012), Tkacevs (2012).

Despite increasing numbers of preschools, the demand for child care in Latvia is far from being satisfied. The estimates by the Ministry of Welfare (2012) suggest that about 67.8% of children in the age group 1.5-6 years old were covered by formal childcare in kindergartens in 2011. Another 8.8% were on **waiting lists** for a free slot. The remaining 23.4% did not express interest in publicly provided childcare. However, there is no evidence that the latter group would not be willing to use the services if they were available or of better quality.

According to the data of the Ministry of Environmental Protection and Regional Development, in 2012 there were 11.8 thousand children registered in the waiting lists for public kindergartens (Latvian Association of Local and Regional Governments, 2012). This is about 11% of all children from 1.5 to 6 years old. 18 (out of 110) municipalities have significant problems providing childcare (i.e. the number of children on the waiting list is more than 60). The worst situation is in Riga and Pieriga municipalities where population increased rapidly during the last 7-8 years. However, due to financial constraints the development of infrastructure didn't keep up with the demographic developments.

3 PROVISION OF PUBLIC CHILDCARE SERVICES

KEY FINDINGS

- **Childcare** is integrated **within the education system**. Childcare without an educational component is relatively rare.
- **Local authorities are in charge** of childcare provision.
- Preschool education is **guaranteed** for children of mandatory preschool age (i.e. 5-6 years old). Younger children are **ensured equal access** via co-financing private childcare facilities in case public facilities are not available.
- **Local governments** are responsible for the **financing** of childcare facilities. Infrastructure was improved with the support of the **European Regional Development Fund**.
- **Quality standards are high** but the quality control mechanism is not well developed.
- Childcare is provided mostly **full-time**.
- Child related benefits are **targeted at children below 2 years old**. Parents with children from 1.5 to 4 years old need more stable childcare support.

3.1 Childcare service providers

In Latvia, childcare historically is **integrated within the education system**. The first Education Law (in force from 1991 to 1999) states that preschool education institutions (or kindergartens) provide support to families and promote child's mental, physical and social development, intellectual curiosity and health. Children from 1 to 6 years old are covered. In subsequent editions of the Law provision of preschool education is targeted at children from 5 to 6 years old (which is probably related to limited capacity and financial means).

Currently childcare is continued to be provided within **preschool educational institutions or kindergartens**. Children from 1.5 up to 6-7 years old are covered. The mandatory pre-school education starts at 5-6 years old, and at 7 children start basic education (primary and lower secondary education combined). The curriculum of the preschool education and the implementation depends on child's age and is regulated by the Guidelines for state pre-school education (Cabinet of Ministers, 2012).

Childcare without an educational component is relatively rare. It mainly includes alternative childcare providers such as e.g. **day care** centres which offer mainly child-minding for several hours a day. Private kindergartens usually also provide preschool education in accordance with the curriculum provided in the guidelines.

Local authorities are responsible for the provision of childcare. According to the General Education Law, local governments are obliged to guarantee a place in a public kindergarten within the municipality for **children aged 5 or more**. For children from 1.5 to 4 years old municipalities have to ensure equal access to pre-school institutions.

In 2013, in order to solve the lack of places in the kindergartens, an **additional budget** of EUR 4 600 000 (LVL 3 220 000) was allocated to improve the availability of pre-school childcare facilities to children above 1.5 years old and up to compulsory school age. Since September 2013, local governments co-finance the cost of the enrolment in **private childcare facilities** for children from 1.5 to 4 years old in case they are registered on the waiting list for public kindergarten but can't get a place. The co-financed amount depends on municipality and equals to average cost per child in public pre-school educational institution in this municipality.

Alternative childcare providers remain relatively rare in Latvia. In recent years, new developments for children below compulsory school age have been put in place: e.g. child development centres, day-care centres, child play and development centres, child minding centres, child-minding rooms, organized babysitters' services, play groups, short-term child minding, child afternoon centres, baby schools, etc. (State Regional Development Agency, 2009). Alternative childcare provision is very diverse. Child care can be provided for the whole day or only for several hours, financed by parents or municipality. They could include some 'educational' component or be merely 'organized child minding'. Overall, alternative childcare provision is usually based on small-scale initiatives with low impact on the society as a whole. Main users of alternative childcare facilities are likely to be children from problematic families, low-income families, or children with health or psychological problems.

3.2 Financing

Municipalities are responsible for financing of kindergartens. Different municipalities have different access to financial resources. This creates disparities in the quality and quantity of the provision of childcare facilities.

In addition, during the last years, financial support from the European Regional Development Fund was used for developing and improving infrastructure of preschool educational institutions and introducing a variety of alternative childcare facilities.

3.3 Price

The cost of public kindergartens is covered by local governments. Parents have to pay for the meals and sometimes for some extracurricular activities. These prices are usually quite

low. However, some low-income families may not be able to afford it. In these cases it might be possible to apply for financial support from the municipality (but rules vary across municipalities).

3.4 Quality insurance

According to the Guidelines for state pre-school education (Cabinet of Ministers, 2012), the objectives of pre-school education are:

- to develop the child's physical abilities;
- to promote development of self-confidence, abilities and interests;
- to develop cognitive abilities and intellectual curiosity by learning and acquiring new skills;
- to facilitate communication and cooperation skills;
- to promote a positive attitude of a child towards himself or herself, other people, the environment, and the Latvian state; and
- to promote safe and healthy lifestyle.

The Guidelines for state pre-school education also prescribe the content of pre-school programmes. The Cabinet of Ministers sets requirements for **professional qualifications** of pre-school personnel, their salaries, and maximum workload; and standards with respect to hygiene, building and safety requirements.

The State Department of Education Quality Control provides quality assessment and control of 'educational' content of pre-school education institutions. It is also in charge of certifying and keeping records of private providers of pre-school education.

High standards for pre-school institutions are frequently discussed in the context of insufficient provision of pre-school education and childcare. It is claimed that high standards prevent private firms and individuals from entering the market characterized by high excess demand. Some experts consider the requirements superfluous, and advocate simplification.

In September 2013, a new regulation setting up softer criteria for private individuals and companies providing child-care services came in force. The revised criteria are expected to give more flexibility to child-care providers, and therefore contribute to solving shortages of places in public kindergartens. However, this raises concerns about child safety and quality of services.

Provision of childcare in Latvia is most frequently considered in the context of increasing labour market participation of parents and improvement of reconciliation of work and family life. Therefore, political discussion is mainly focused on increasing the **quantity** of childcare providers. Quality issues get much less attention in the debate. Quality control mechanisms are not well developed. Comparative information on the quality standards and quality assessment across municipalities is scarce.

3.5 Design of the childcare

Childcare in kindergartens is usually provided for a full day. This is partly a historical legacy and a necessity as flexible work arrangements are not common. Figure 2 in Section 2.1 shows a split between full-time and part-time childcare in Latvia and in the EU on average. Unlike EU average figures, most of the formal childcare provided in Latvia is for 30 hours or over. Children spend in kindergartens most of their day-time during working days. However in unusual hours, on weekends, and during summer breaks, parents most often have to rely on private childcare arrangements (e.g. a private babysitter). Alternative childcare possibilities still remain relatively rare in Latvia.

3.6 Complementary measures

The Ministry of Welfare is responsible for financial support to families with children. Child related benefits in Latvia are mainly targeted at children below 2 years old. The main benefits provided by the state are: maternity, paternity, parental and childcare benefits as well as family state benefit.

The duration of **maternity leave** is 126 calendar days (a maximum of 140 days in special circumstances). **Paternity leave** is 10 calendar days. Both maternity and paternity benefits are calculated as 80% of the average contribution wage.

Parental leave is granted for a period not exceeding 18 months. Contributory parental benefit is paid to a mother or a father, but only in case a parent is not working during the period of childcare leave. The benefit is calculated at 70% of the average contribution wage and is paid until the child turns one year old.

Parents who are not socially insured are not eligible for contributory maternity, paternity or parental benefits. However, they can receive the non-contributory childcare benefit of EUR 143 (LVL 100) per month from child's birth till the age of 1.

After a child turns 1 all parents can claim a childcare benefit of EUR 143 (LVL 100) per month until the child turns 1.5 years old; and additional EUR 43 (LVL 30) per month till the age of 2. The level of financial support from 1 to 1.5 years was increased in 2013. Before this the payment was EUR 43 (LVL 30) per month throughout the second year.

After a child turns 2 years old, the only benefit that parents are eligible to receive is universal state family benefit that is paid at a very low level: EUR 11 (LVL 8) per month per child.

Effectively, benefits related to parental leave and childcare reduce very rapidly during the second year of a child's life. This is usually when parents return to work after parental leave. However, at present, the lack of childcare facilities for children from 1.5 to 6 years old is not yet solved. Therefore, parents with small children are a sensitive group needing more stable childcare support.

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ANNEX

Table 1: Demographic developments in Latvia

Year	Total fertility rate (1)	Number of live births (2)	Number of children age 0-4 (3)	Percentage of children age 0-4 in total population (4)
1990	-	37,918	208,540	7.8
2000	-	20,302	95,939	4.0
2001	-	19,726	94,946	4.0
2002	1.23	20,127	94,940	4.1
2003	1.29	21,151	96,437	4.2
2004	1.24	20,551	99,051	4.4
2005	1.31	21,879	100,238	4.5
2006	1.35	22,871	101,697	4.6
2007	1.41	23,958	104,587	4.7
2008	1.44	24,397	108,308	4.9
2009	1.31	22,044	111,278	5.1
2010	1.17	19,781	111,427	5.3
2011	1.34 ^b	18,825	107,869	5.2
2012	-	19,897	104,325	5.1
2013	-	-	101,271	5.0

Notes: ^b break in series

Source: (1) EUROSTAT, (2) Central Statistical Bureau of Latvia

PUBLIC CHILDCARE SERVICES IN THE EUROPEAN UNION: THE MODEL OF SLOVAKIA

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Abstract

Slovakia belongs to the countries with very low attendance of formal childcare facilities and particularly of pre-school care facilities. The Commission addressed recommendations (CSRs) within the European Semester Process on the employment of women and on the availability of childcare services to the Slovakian government in 2012 and 2013. While in 2012, the CSR mentioned the provision of childcare facilities in general, the 2013 CSR declared that an emphasis should be put on the provision of childcare facilities, particularly for children below three years old. Formal childcare services are still rarely affordable and available and Slovakia is far to achieve the Barcelona objectives.

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FIGURE 3

Children attending kindergartens and rejected applications **78**

³⁷ PhDr, CSc. senior research fellow at the Institute of Sociology, Slovak Academy of Sciences in Bratislava, in 2006-2011 director of the institute. Main research topics are family sociology, gender role changes and identity issues. Member of European groups of experts in gender equality issues (in the past EGSE, EGGE, EGGsIE) and currently of ENEGE. Member of the editorial board of the journal SOCIOLOGIA. Since 2000, national representative in the Helsinki group of women in science of the European Commission (DG Research and Innovations).

FIGURE 4

Children attending kindergarten and rejected applications by regions in the school year 2012/2013 **79**

FIGURE 5

Proportion of children of the age group 3-6 years in kindergartens relative to children by household income quartiles **81**

EXECUTIVE SUMMARY

KEY FINDINGS

- Barcelona Target 1 – 33% coverage of formal care for children under 3 years is **hardly to be achieved** in Slovakia. The main obstacles are:
 - Absence of the system of care facilities including the respective legislation and supportive mechanism;
 - Formal care is not perceived as a preferred form of care. A relevant share of women prefers to stay on parental leave up to 3 years of the child even if this is related to a low earnings replacement level.
- Barcelona Target 2– 90% coverage children from 3 years to compulsory education in formal care is **reachable**, under the condition that
 - the territorial availability of kindergartens is improved to mitigate the considerable discrepancies;
 - the affordability of kindergartens is increased, particularly for children living in low income families.

A well-developed system of childcare facilities is an important prerequisite of women's **employment**. Since long, the employment rate of women in Slovakia does not reach the average EU level. Extending the provision of childcare facilities becomes therefore very important.

The negative impact of **parenthood** on female employment is significant and nearly tripled compared to the average EU level.³⁸ The low employment rate of women is mainly significant in younger and older age categories while in the 34-54 age category, the employment rate even exceeds the EU average level.

The analysis prepared by *The financial policy institute of the Slovak Ministry of Finances* evinced that an increase of the employment rate of women to the average EU level would bring an increase to Slovakia's GDP of 1.6%.³⁹

³⁸ Impact of parenthood is a difference in percentage points between employment rates (age group 20-49) without the presence of any children and with the presence of a child aged 0-6. In 2012, the impact of parenthood was in Slovakia 31.8 while the EU average level was only 10.7.

³⁹ Machlica, G., 2011: Ženy by mohli pomôcť zvýšiť HDP o 1.6%, Financial policy institute, The Ministry of Finance of the Slovak Republic, Economic analysis 13/2011, www.finance.gov.sk/ifp

In line with legislation, the public **formal childcare** for pre-school aged children is usually provided and managed by the local authorities. There is a significant difference between the provision of childcare facilities for children below 3 years and of nurseries and kindergartens for children over 3 years of age until compulsory school age.. Local authorities are not obliged by law to provide nurseries but they are obliged to provide kindergartens. The lack of financial **resources** on the local level, and particularly in small towns usually does not allow municipalities to provide nurseries. Therefore public nurseries can be found mainly in the bigger cities where parents are potentially more capable to cover the full costs of the service. The legal framework might also play a role because it does not stimulate the creation of public childcare facilities.

Kindergartens are included in the system of **education** managed by regional authorities. The **fees** paid by parents in public facilities can vary among the regions and in principle the fee is not an income-tested payment depending on family income. Alongside with public care facilities, also **church related and private providers** exist. These facilities usually substitute the insufficient capacity of public facilities. Considerable discrepancies exist among the regions with regard to the availability of childcare facilities. The regions with higher employment rates which experience higher demand for childcare facilities have to deal with the insufficient capacities of childcare facilities and with their low availability.

This is not the case in regions with high unemployment rates and a lower demand for childcare services.

Alongside with public, private, and church related facilities, childcare **services not included in the official network** exist and are not subsidized. These facilities cannot be marked as "kindergarten" and due to a legislative loophole they are not subject to public control (with the exception of hygienic norms). A free-trade license suffices to establish such a facility. This type of pre-school facilities mostly fills the gap in childcare provision for children below 3 years of age.

INTRODUCTION

Historically, Slovakia used to belong to countries in which **fertility rates** approached higher European levels. Childcare for small children was usually provided in three ways: within the broader family networks (functioning grandmother), through persons performing childcare unofficially, and largely by public pre-school childcare facilities, i.e. nurseries and kindergartens. The nurseries were available for children as early as of 6 months of age.

Moreover, facilities providing round-the-clock care on a daily basis (i.e. operating the whole week) were also available. The state provided relatively high **subsidies** for childcare facilities. A long-term decrease in the number of children attending kindergartens started in 1986. This process accelerated at the beginning of the 90's hand in hand with a drop in fertility. Even if the drop in fertility was not as radical as in other countries of Central and Eastern Europe, in 2001 for the first time ever, the number of deaths exceeded the number of births.

The fertility decrease was accompanied by cuts in the number of childcare facilities. Since 2003, a slight increase in the number of new born children was recorded, followed since 2006 with an increase of the number of children in kindergartens. The capacities of kindergartens started to increase, too, but the demand keeps exceeding the capacity of the existing facilities. Demographical projections expect that the period of growing demand for

kindergartens will continue till 2016 ⁴⁰and then a decline in the number of children in kindergartens can be expected.

1 STRUCTURAL CONDITIONS OF CHILDCARE

KEY FINDINGS

- The combination of various factors including the very low proportion of female part-time work has a negative impact of motherhood on female employment in Slovakia.
- There is a low availability and affordability of child care facilities due to a shortage of facilities, particularly in cities.
- The mostly used form of formal care for children is full-time care.
- Women are strongly dominant in childcare.
- There are no paternity leave entitlements in place.
- In the public, the expectation is wide-spread that the mother will stay at home during the full available parental leave period (up to three years of child's age).
- There is an option to combine work and parental leave.

1.1 Employment patterns

The negative impact of motherhood on female employment is not only a result of the lack of formal childcare facilities. It has to be taken into consideration that there is a combination of various circumstances, for example the fact that the majority of women work in full-time employment plays an important role.

Less than 6% of women in Slovakia work part-time which is almost six times below the EU average. One of the reasons put forward is a shortage of jobs suitable for part-time work. Nevertheless, findings from the Labour Force Survey (2008)⁴¹ confirmed that part-time work is not a desirable type of work and was seldom considered in Slovakia. What is more, part-time work was not perceived as advantageous for the reconciliation of work and family life, even among women with small children. Economic reasons are considered to be most significant for the low use of part-time work - referring to the broadly dominant "two-breadwinner model".

1.2 Childcare culture

The prevailing full-time work model impacts on the extent of formal care. If children in pre-school and school age attend care facilities, they stay there mostly for more than 30 hours a week. The cultural background, including the attitudes towards formal care, plays an important role, particularly in the case of children below 3 years. The "standard" childcare pattern expects the mother to make use of the whole maternity and parental leave (up to

⁴⁰ Herich, J. (2013): Vývojové tendencie ukazovateľov materských, základných a stredných škôl. Trendová analýza, Ústav informácií a prognóz školstva, Bratislava, 29p.

⁴¹ Source: Labour Force Survey 3 / 2008, Statistical Office of SR

three years of child's age), even if this is accompanied by a low earnings replacement level, and to return to work only when the child is three years old and can attend a kindergarten. Relatively long parental leave at the end can prove more difficult for mothers when returning back to the labour market.

1.3 Maternity and parental leave

The duration of **maternity leave** is now 34 weeks, 37 weeks for single mothers and 43 weeks for mothers with twins or more children). The current level of the **maternity allowance** represents 65% of daily earnings calculated on the basis of the previous year. If the maternity allowance is lower than the parental allowance than an additional payment is made to make up the difference. The ceiling of the maternity allowance is modified every year and, in 2013, the ceiling is 781€ per month.⁴² The period of maternity leave counts as pensionable service and woman are fully protected against termination of employment.

The duration of **parental leave** is three years and might be spread over five years. The **parental allowance** is 199.60 € monthly (249,50 € in case of twins), regardless of the parent's employed status. Parents on parental leave providing all-day care for a child under 6 years can request the social insurance agency to pay their social contributions, so this period counts as an insurance period in the old age pension calculations. A working parent with a child under 3 years can opt between **parental allowance** or **child care allowance**. Child care allowance varies between 41.10 € (without an obligation to report costs for care) to a maximum of 230 € monthly (parent has an obligation to report real costs of childcare).

The **entitlement** to parental allowance and childcare allowance is mutually exclusive. To make the childcare allowance more efficient and attractive, options of increasing the amount and the age limit are investigated.⁴³ Also the administration of the childcare allowance will be simplified. The increase of the number childcare allowance recipients against the number of parental allowance recipients can have a positive influence on the state budget, because childcare allowance is not paid from the state budget as parental allowance but from the European Social Fund.

Although there is a possibility for the family to choose the carer amid the parents, only a minimum of **fathers** use the option to stay on parental leave. In 2011 only 1% of recipients were men. **Paternity leave** has not yet been introduced in Slovakia.

⁴² The increase of maternity allowance up to 65% of daily assessment base planned as a step towards the aim of achieving a daily reimbursement at 100% of daily assessment base. Having regard to the need to consolidate the public finances, the government has announced a revision and postponement of this aim.

⁴³ National Reform Programme 2013, p.38

2 THE STRUCTURE OF PRE-SCHOOL FACILITIES

KEY FINDINGS

- Providers of pre-school facilities are local authorities, private entities, and churches.
- A majority of children (more than 95%) attend public kindergartens.
- As there is no legal obligation to provide childcare facilities for children under 3 years of age, municipalities have no motivation to provide nurseries. However, a new legislation will be prepared.
- The attendance of children under 3 years in formal care is extremely low (1-3% of children).
- Formal care for children over 3 years is significantly higher but far below the respective Barcelona target. Attendance of pre-school education is not compulsory.
- There is a lack of capacities in kindergartens that have a preference for older children. The number of rejected applications is increasing.
- There are significant discrepancies in capacities among the regions.
- Correlation between childcare capacities and employment levels in a region can be observed.

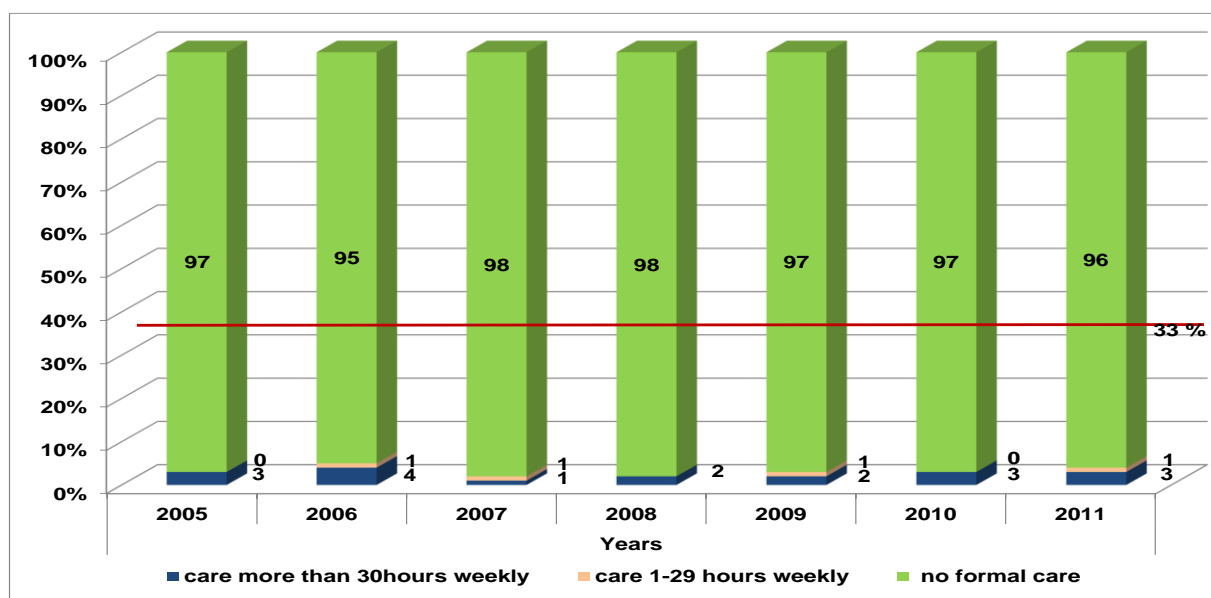
2.1 Providers of pre-school care facilities

1.1.1. Care for children under 3 years of age

Providers of pre-school care facilities are local authorities which are responsible by law for the provision of kindergartens. Kindergartens are included in the system of **education** and are therefore regulated by the Ministry of Education, Science, Research and Sport (hereinafter MESRS of SR).

Formal care for children below 3 years is different and suffers from a lack of legislation. At present there is no authority on the national level which is responsible for care facilities for children below 3 years and there are no nation-wide quality standards for formal childcare facilities.⁴⁴

⁴⁴ In the past were nurseries included in the system of medical facilities and main responsible authority was Ministry of health. At present nurseries formally belong to the agenda of Ministry of Labour, Social affairs and Family.

Figure 1: Children under 3 years in formal care (in%)

Source: Eurostat database 2013, <http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&language=en&pcode=tps00185> (data for care 1-29 hours in 2008 are not available)

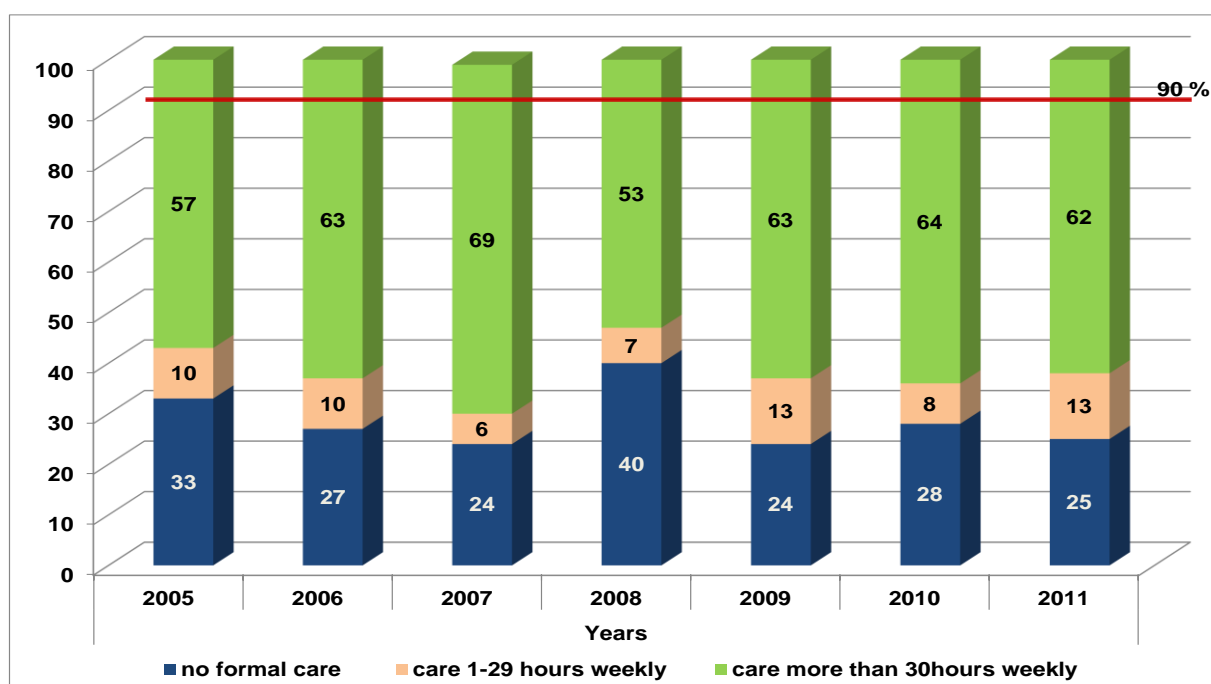
As shown in figure 1, a majority of children under 3 years is not in formal care (in 2011 96%) and only a small fraction (4%) attends formal care facilities. One of the main challenges to reverse this trend is to enact legislation on formal care for children under 3 years. The *Action plan of The National Reform Programme 2013* (NRP) defined the task to prepare a legislation relating children care facilities (nurseries). Today, it can be said that The Ministry of Labour, Social Affairs and Family (hereinafter MLSAaF of SR) plans to prepare not only a new legislation but also the concrete measures and mechanism that will be linked with the new operational programmes.

1.1.2. Care for children over three years until mandatory school age

The formal care facilities for children over 3 years until compulsory education can be provided by municipal bodies, churches or private entities. Dominant is the share of children in public kindergartens of municipalities. In 2012, 95.6% of children attended public kindergartens, 2.3% church kindergartens, and 2.1% private kindergartens.

Kindergartens are subsidized via income tax transfers from the national to the local level. The fees paid by parents can vary in different regions as the subsidies are not the same in all regions as they also depend from the number of children from families in social need attending the facility.

The final fee consists of the cost for education and the costs for boarding. The parents of children attending kindergarten in the last year prior the school attendance do not pay any fee for education, only for boarding. The parents of children coming from low-income families and therefore in a situation of "material need" do not pay any fee for education and the costs for boarding be called rather symbolic.

Figure 2: Children over 3 years in formal care (in %)

Source: Eurostat database 2013,
<http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&language=en&pcode=tps00185>

Compared to Figure 1, the situation is different. **Formal care** is the dominant form of care and covers about 75% of all children in this age group. More than 60% of children attend a facility for more than 30 hours a week. The prevailing full-time attendance of childcare facility and low half-day attendance reflects the prevailing full-time work model of the majority of employed women. Even if Slovakia does not meet the Barcelona target of 90% for children over 3 years, the difference compared to EU average is not as huge as it is in the case of the youngest children.

Table 1: Proportion of children in kindergartens relative to the age group of children 3-5 (in %)

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
86	86	89	91	93	91	92	90	87	86	86	87	87

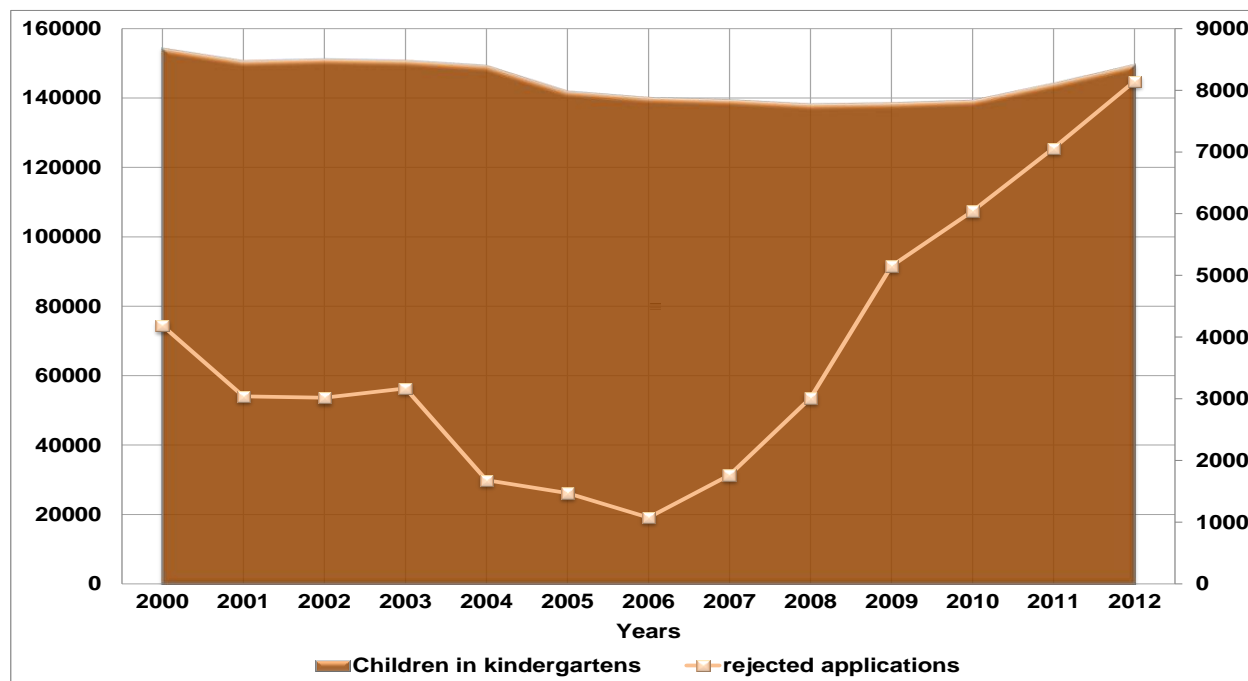
Source: Herich, J. (2013): Vývojové tendencie ukazovateľov materských, základných a stredných škôl. Trendová analýza, Ústav informácií a prognóz školstva, Bratislava, p.10

Since 2000, a significant change in the attendance of kindergartens was recorded. The highest level of attendance was reached in 2006. Along with the decrease of the proportion of children in kindergarten, changes in the **age structure** of children can be observed. The usual admission age for public kindergartens is three years but it is possible to make an exception and admit also two year old children. This is, however, possible only in regions with sufficient capacities in childcare facilities.

Since 2005, a significant decrease in the share of the youngest children in the kindergartens was recorded from 20.6% to 7.8% in 2010. The trend reversed in 2011 and 2012 when a slight increase of the share of the youngest children is witnessed. In the school year of 2012 / 2013 attended kindergartens 11.5% of children of below 3 years,

61.1% of children 3 years old, 73.3% of children 4 years old, 80.8% of children 5 years old and 36.4% of children 6 years and older.⁴⁵ The age structure of children in kindergartens is influenced by the fact, that priority is given to older children as they should be included in the process of pre-primary education and many applications have to be rejected due to insufficient capacity of the facilities. The continual increase of rejected applications is apparent since 2006.

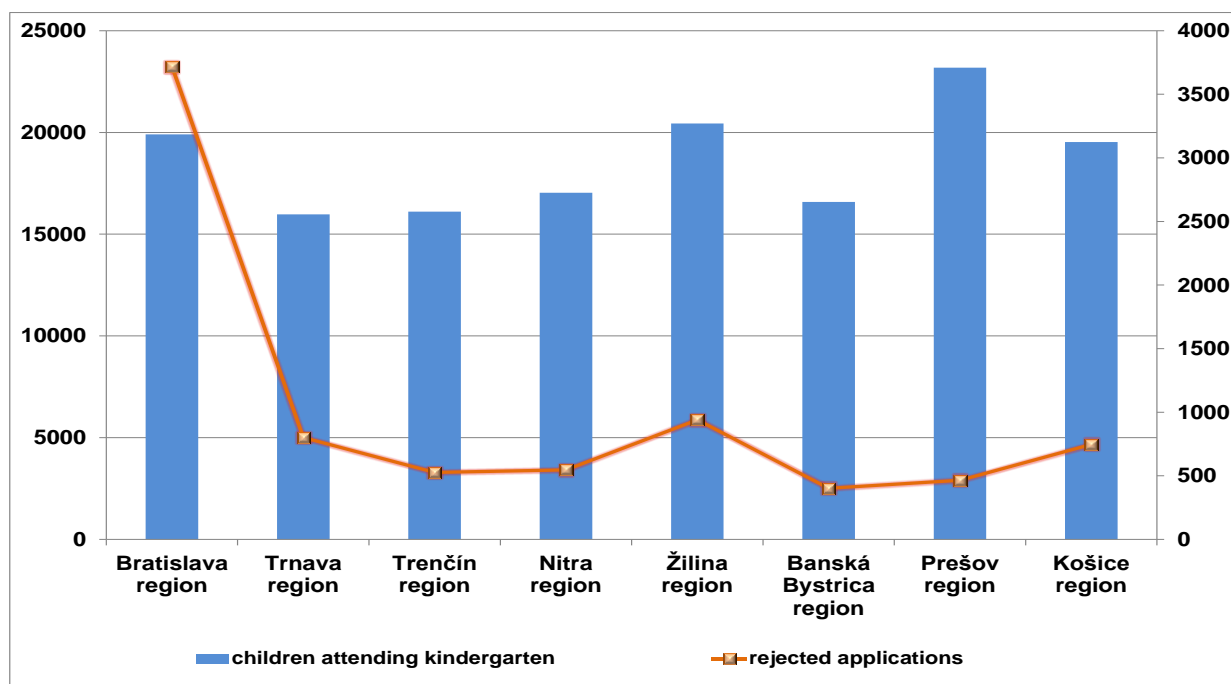
Figure 3: Children attending kindergartens and rejected applications



Source: Štatistická ročenka školstva, ÚIPŠ, Bratislava

The number of rejected applications by regions clearly shows significant regional disparities in demand for kindergartens. The biggest difference can be found between the Bratislava region and the rest of Slovakia. The number of rejected applications in the Bratislava region (the highest demand) compared to the Banská Bystrica region (the lowest demand) is nine times higher. This is not only due to the high demand for kindergartens in Bratislava city but also due to the high demand in surrounding village settlements of Bratislava with an acute shortage of childcare facilities. In these areas, a high proportion of the population has small children and commutes for work every day to Bratislava city.

⁴⁵ Správa o stave školstva na Slovensku a o systémových krokoch na podporu jeho ďalšieho rozvoja. Príloha č.1. Popis a analýza hlavných problémov regionálneho školstva, (September 2013), Bratislava, p.14 available at: <https://www.minedu.sk/data/att/5252.pdf>

Figure 4: Children attending kindergarten and rejected applications by regions in the school year 2012/2013

Source: Štatistická ročenka školstva, ÚIPŠ, Bratislava

The education in public kindergartens is implemented in compliance with the "State educational programme for kindergartens (ISCED 0) prepared by the MESRaS of SR that came into force in 2008. This programme is obligatory not only for public facilities but also for private and church facilities included in the official network of pre-school facilities. The educational programme is the high level curricula document and defines common aims and requirements for all children attending kindergartens. The functioning of the kindergarten is under supervision of school inspectors.

2.2 Roma minority children pre-school education

KEY FINDINGS

- There are special programmes for Roma children. Many barriers to their attendance have been identified: the distance between the settlement and the kindergarten, financial aspect, unwillingness and objections of non-Roma parents and distrust of Roma parents against pre-school facilities including the language barrier and lack of interest.

A special issue is the problem of pre-school education of Roma children. The share of Roma children in kindergartens in Slovakia is very **low**. According to the research outcomes carried out by the World Bank, UNDP and the European Commission, in the communities

with a high proportion of Roma in the population, only 28% of children aged 3-6 attend kindergartens.⁴⁶

The lowest share of pre-school training is among the children living in separated and segregated **settlements**. The report summaries the following main obstacles:⁴⁷ shortage of pre-school capacities, the distance between the settlement and the kindergarten, financial aspects (mainly additional costs, boarding is usually free), unwillingness to accept Roma children in kindergartens because of objections of non-Roma parents, biases and distrust of Roma parents against pre-school facilities including the language barrier and a lack of interest.

There are several **projects** tackling the low inclusion of Roma children in kindergartens, among which the national project "**Inclusive model of education at pre-primary level of the schooling system**". Priority is given to enhancing the competencies of pedagogical professionals participating in pre-primary education and increasing the chances of Roma children through social inclusion. The majority of kindergartens involved in the national project are located in East Slovakia where the share of the Roma population is the highest.⁴⁸ Another project focused on Roma population is the project "**Training of pedagogical employees towards inclusion of marginalized Roma communities**", testing a model of full-day schooling. The first phase was completed and the second one will end in 2014. Its aim is to relieve the parents from the burden of assisting children in their preparation for school classes and intensifies the education of children from a socially disadvantaged environment

Despite many projects carried out in previous years, **no significant progress** in pre-school attendance of Roma children can be observed. In the last period, we can mention as promising the mobile "container kindergartens" applied in some localities with high proportion of Roma children.

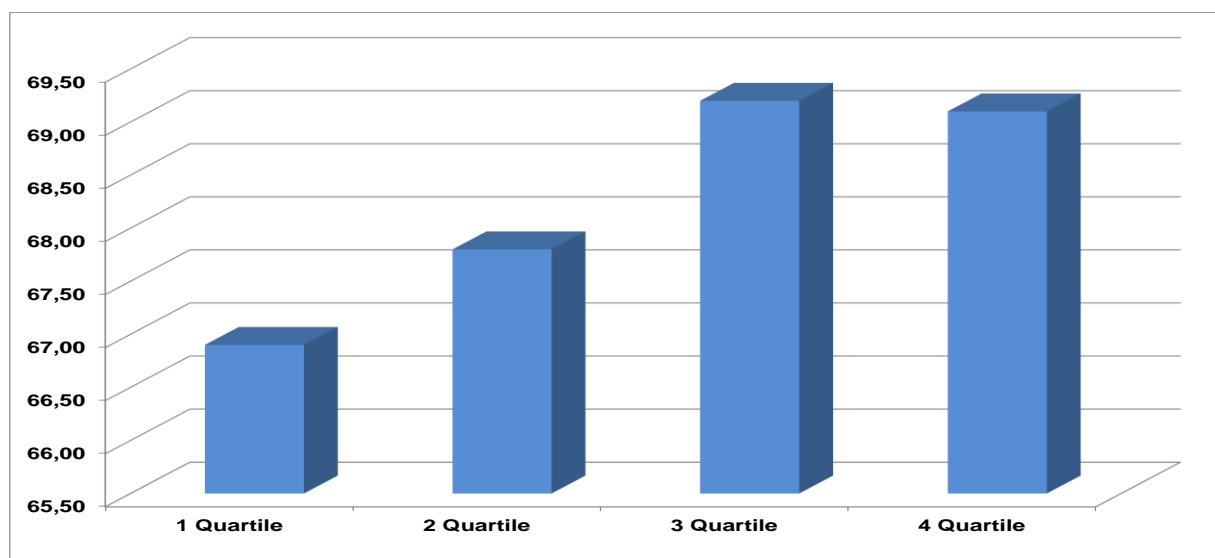
The low proportion of children from low income families in kindergartens is shown in Figure 5 referring to the distribution of children according to the income quartiles of households.

⁴⁶ In: Korčeková, V.: Rómske deti do materských škôl: kde začat? Zhrnutie aktuálnych poznatkov pre tvorcov politik. SGI, Bratislava júl 2013. 1p.

⁴⁷ Ibid ,p.2-3

⁴⁸ Source: <http://www.npmrk2.sk/>

Figure 5: Proportion of children of the age group 3-6 years in kindergartens relative to children by household income quartiles



Source: SILC2010, cited from Šiškovič, M.(2012): *Slovenské škôlky: málo kapacít a nižšia účasť sociálne slabších rodín*, 18/2012, Inštitút finančnej politiky MF SR, Bratislava

3 POLICY MEASURES

KEY FINDINGS

- In Slovakia, the discussion on pre-school education, whether it should be compulsory or not, is ongoing.
- Enlargement of the capacities of the existing kindergartens is foreseen by increasing the number of children in classes and adapting suitable premises to be used or to put in place mobile forms of kindergartens (containers).
- It is considered to shorten the time spent in the child care facility to half a day which could help to increase the capacity of kindergartens and to lower the expenditures for boarding.

Kindergartens provide pre-school education for 5 years old children. The pre-school education is **not compulsory by law but is highly recommended**. The pro and contra compulsory pre-school education discussion became an important political issue, particularly in respect to the marginalised Roma minority. The enactment of mandatory pre-school education has been planned or declared already for a couple of years by various political representatives but has not been realized yet.

In relation to the low enrolment of children in kindergartens, the **National Reform Programme** in the framework of the European Semester process 2013 declared the need to adopt system-level measures to achieve a 95% attendance of children over 4 in the pre-primary education in kindergartens by 2020. The measures proposed in the NRP include enlarging the capacities of the existing kindergartens by increasing the number of children

in classes, or by adapting suitable premises to be used as kindergarten classes. The kindergartens directors are encouraged to increase the maximal number of children in classes if necessary as well as the total capacity of the kindergarten (see note 2).

The report on the state of education in Slovakia for public discussion" (*Správa o stave školstva na Slovensku na verejnú diskusiu*) has been published in April 2013 by the MESRaS SR and modified after interdepartmental discussion in September 2013. The document discusses in detail the general trends in education in Slovakia including pre-primary education. The document also reflects the **problems** of low accessibility and affordability of pre-school facilities and the low enrolment of children in kindergartens. The document drafted possible **solutions** to tackle these issues. Discussed was also the proposal to shorten the time spent in the child care facility to half a day which could help to increase the capacity of kindergartens and to lower the expenditures for boarding, which are very high and exceed the financial capability of the municipalities and of the parents too.⁴⁹ In the document is not specified the possible target group of children in a half day care, but it might be addressed to the group of children they have (both) parents unemployed. The document raised a very intensive and dissenting discussion. The main objections focused on the fact that the report does not include mechanisms and financial sources necessary for implementing the proposed measures.

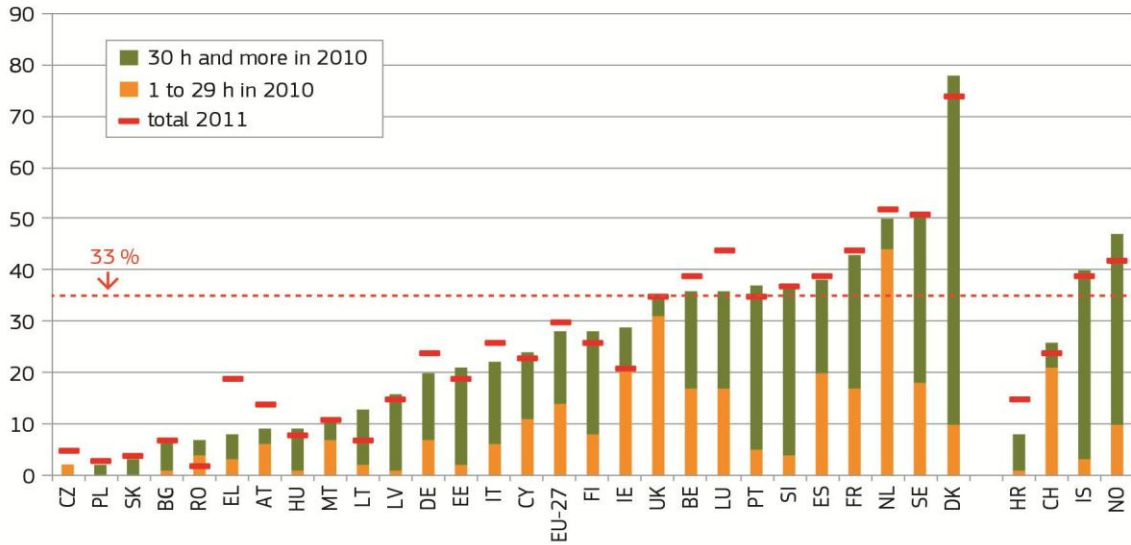
⁴⁹ Správa o stave školstva na Slovensku a o systémových krokoch na podporu jeho ďalšieho rozvoja, na verejnú diskusiu, Ministerstvo školstva, vedy, výskumu a športu, p.40 available: http://www.rokovania.sk/Rokovanie.aspx/BodRokovania_Detail?idMaterial=22297

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ANNEX

Figure 1 — Percentage of children under 3 cared for in formal structures (and, for information, by weekly time spent in care) 2010–11

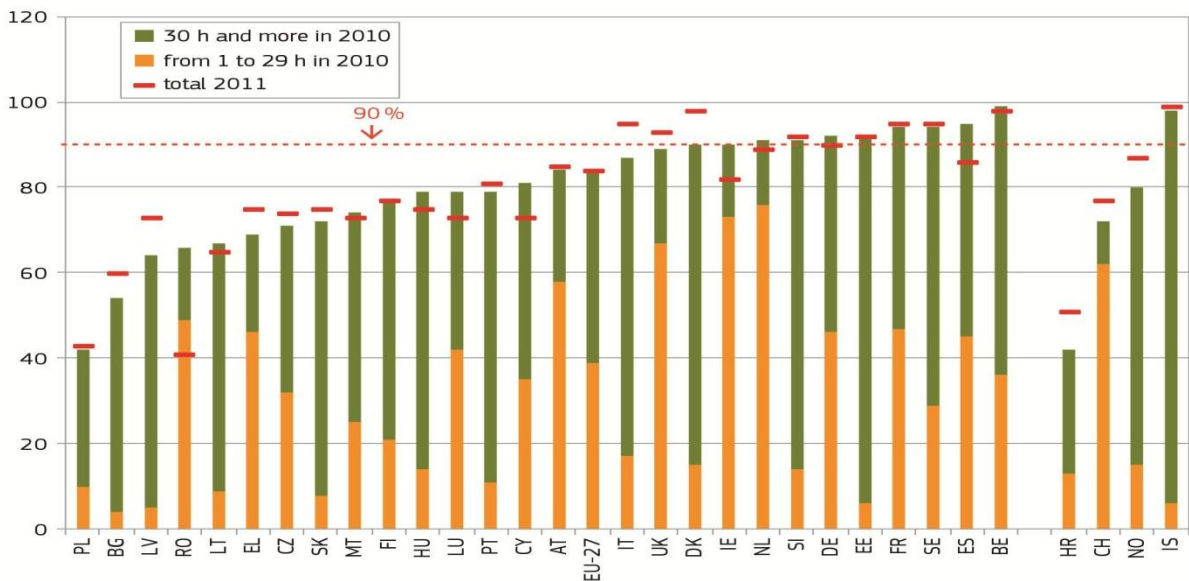


Source: Eurostat — EU-SILC 2010–11.

Note: Some of the data have been compiled from small samples and are statistically unreliable, including the total for: AT, BG, CY, CZ, EL, HR, LT, MT, PL, RO and SK.

Cited from: Barcelona objectives : The development of childcare facilities for young children in Europe with a view to sustainable and inclusive growth, p.7

Figure 2 — Percentage of children between the age of 3 and the mandatory school age cared for in formal structures (and, for information, by weekly time spent in care) 2010–11

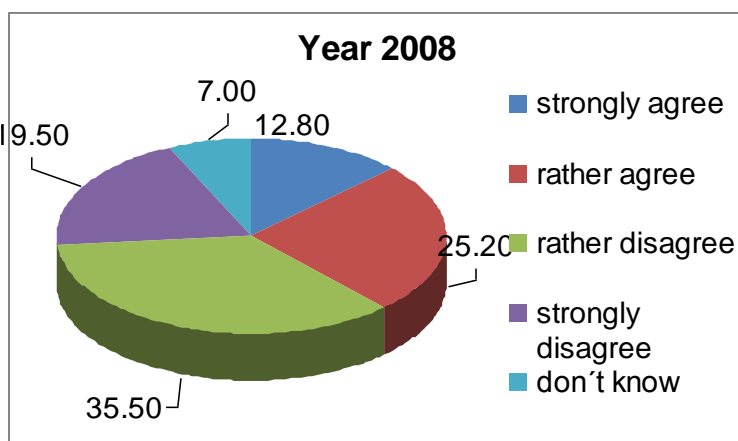
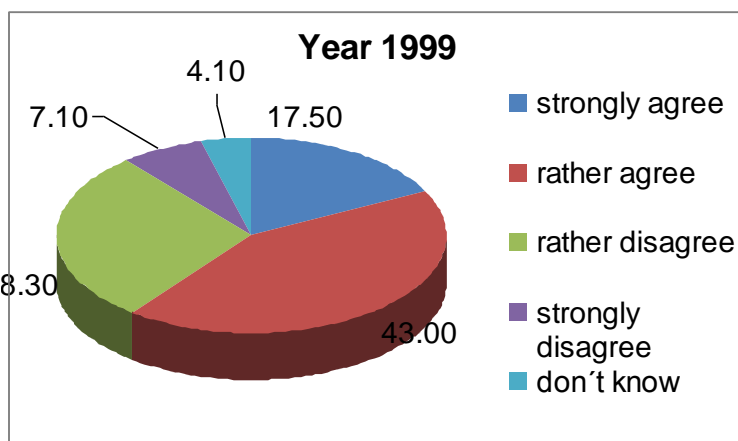
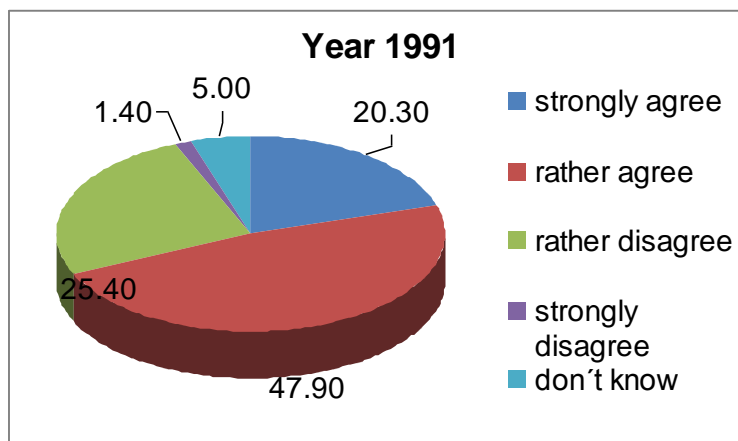


Source: Eurostat — EU-SILC 2010–11.

Cited from: Barcelona objectives: The development of childcare facilities for young children in Europe with a view to sustainable and inclusive growth, p.9

NOTES

(1) The traditional model of mother taking care for a small child is deeply rooted in Slovakia. However, data from representative comparative surveys carried out in last years indicate a slight shift in the attitudes referring to family patterns and values. The affirmative answers in European Value Survey carried out in 1991, 1999 and 2008 (©European Value Survey, Institute of Sociology) to the question "A pre-school child is likely to suffer if his or her mother works " had the following distribution:



Source: European Value Survey 1991, 1999, 2008, Institute for Sociology SAS

The shift in attitudes between 1999 and 2008 is significant and indicates a tendency to not perceiving mother's work as a cause of suffering of small children. The outcomes from another comparative research "International Social Survey" carried out in 2002 and in 2012 (©ISSP, Institute for Sociology) confirmed also a notable decrease in the attitudes refusing mother's full time work. With the statement "*Family life suffers when the woman has a full-time job*" strongly agreed + agreed 52.9% respondents in 2002 and 38.1% respondents in 2012.

These data also indicate a shift in attitudes toward mother's full time employment. On the other hand, the opposite attitude (strongly not agree+ not agree) is still not prevailing, because one in five respondents (i.e. more than 20%) did not have an opinion on the issue.

(2) Since September 2013, directors of kindergartens are allowed to increase the number of children in the classroom by 3 more children over the standard. The standard is the following:

- 20 children aged 3-4 years in a classroom
- 21 children aged 4-5 years in a classroom
- 22 children aged 5-6 years in a classroom
- 21 children aged 3-6 years in a classroom

PUBLIC CHILDCARE SERVICES IN THE EUROPEAN UNION: THE MODEL OF FRANCE

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Abstract

At 1.1% of GDP, expenditures on childcare services for children under school age are comparatively high in France. There is a wide and diversified range of childcare providers offering all kinds of services, both individual and collective. Regarding outcomes, fertility is very high in France and female employment rates among the highest in Europe. However, further development of childcare services is required to meet increasing needs due the diversification of families and working lives.

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EXECUTIVE SUMMARY**Background**

With 4% of GDP spent on families, public investment in families with children is relatively high in France compared with other European countries. Expenditures on childcare services for children under school age are also comparatively high at 1.1% of GDP, with central government and municipalities being the main payers. A reduction in total expenditures for families has been decided since the onset of the economic recession but investments to foster the supply of childcare services have increased.

Aim

The aim of the present study is to provide a comprehensive overview of childcare policies in France and key outcomes related to the Barcelona targets. **Strengths and weaknesses** of the French childcare policy are also discussed as well as the options currently on the table to improve the efficiency of childcare provision.

Since the mid-1980s, the objective of childcare policies has evolved from an emphasis on increased fertility and financial support for (large) families to offset child-rearing costs towards a **focus** on reconciling work and family life. Recent reforms aim at addressing more fully the diverse needs of families, including those with a disadvantaged background.

With regard to outcomes, fertility is very high in France, and female employment rates among the highest in Europe. However, further development of childcare services is required to meet the increasing needs due to high fertility and the diversification of families and working lives.

There is a wide and diversified range of **childcare providers** in France offering all kinds of services from individual (home-based) to collective (centre-based). The governance of childcare availability and quality involves various actors, from municipalities to the central government. Reforms of the governance structure were carried out to encourage the diversification of services (i.e. to encourage the development of services to parents with non-standard working hours, to facilitate access for poor and/or migrant families, or to develop services for children with disabilities or severe illness). Recent developments of childcare service supply have consisted first and foremost in increasing the number of child-minders.

With 48% of children under 3 receiving formal care, France has surpassed the Barcelona objective by almost 15%. Average weekly hours of attendance (31 hours) are also comparatively high and above the 30 hours threshold. However, childcare arrangements are highly stratified by the labour market status of parents and household income level. Regional disparities also remain very large as the result of differences in population composition and in municipal policies.

Key challenges for childcare policy are to ensure that the increase in childcare availability (including out-of-school care) takes account of possible future reforms of parental leave,

and to increase the supply of services for parents with non-standard working patterns. Reducing inequalities in the costs to families, for use of public centre-based services or home-based child-minders especially, is another option under discussion. Addressing children with “specific” needs would also call for adaptation of child-minder training schemes.

1 POLICY FRAME AND KEY OUTCOMES

KEY FINDINGS

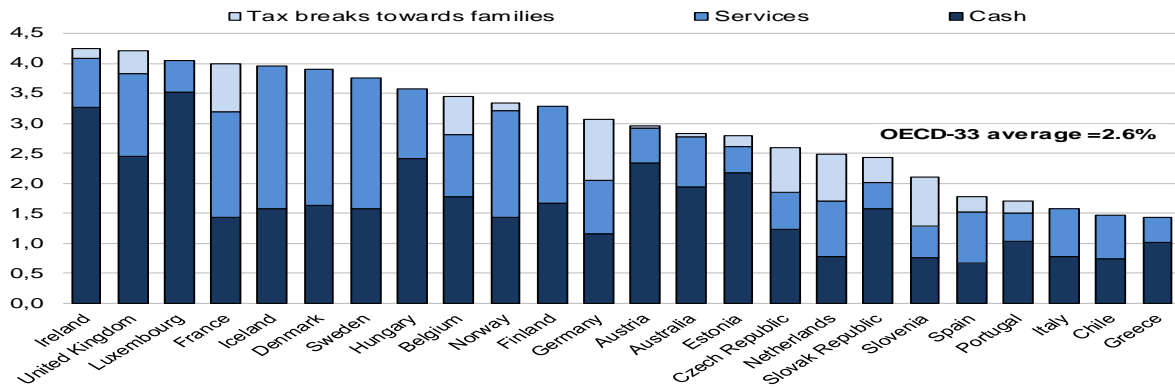
- With **4 % of GDP** spent on families, public investment in families with children is relatively high in France compared with other European countries.
- Expenditures on childcare services for children under school age are also comparatively high, at 1.1% of GDP, with the **central government** and **municipalities** bearing most of the expenditure.
- A reduction in the total expenditures for families has been decided since the onset of the recession but **investments to foster the supply of childcare services have been increased**.
- The objective of policies has evolved since the mid-1980s from an emphasis on increased fertility and financial support for (large) families to offset child-rearing costs towards a focus on reconciling work and family life.
- Recent reforms aim at addressing more fully the **diverse needs of families**, including those with a **disadvantaged background**.
- The fertility rate is very high in France and female employment rates are among the highest in Europe. However, further development of childcare services is required to meet the **increasing needs due to high fertility and to the diversification of family and working lives**.

1.1 High investment for families in France

Family policy has a long history in France and has traditionally been a political issue at the crossroads of many concerns. **Public investment in families with children is relatively high** in France compared with other European countries. France even had the highest scores in 2009, with about 4% of GDP spent in family benefits, cash payments, spending on services and tax breaks for families, compared to an average of 2.96% in the OECD⁵¹.

⁵¹ 4% of GDP is actually the percentage obtained when considering the core measures of family policies. When all family-related rights and supplements are included (such as, for example, those in the pension system), estimates of total spending for families are closer to 6% of GDP (HCF, 2011).

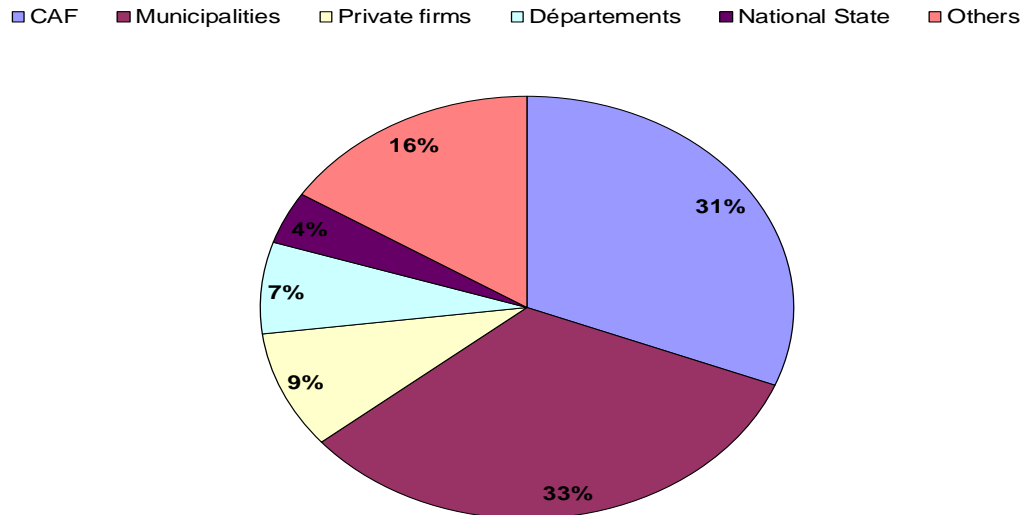
Figure 1: Public expenditures for families (in % of GDP)



Source: OECD Family Database – 2013.

In this context, **expenditures in childcare and early education services stand at a relatively high level in percentage of GDP: 1.1% of GDP compared to the OECD average of 0.7%.** The government and CNAF, along with the municipalities, are the main payers of public childcare centres (Figure 2). However, the contribution of private firms has increased sharply over the past decade, from 3% in the early 2000s to 9% in 2008-2009.

Figure 2: Distribution of expenditures on childcare centres by main payers – 2008-2012.



Source: Haut Conseil de la Famille (2013b)

Expenditures for families have been impacted by the on-going economic recession, in a sequence of two steps. Family and tax policy measures were first used to smooth the effect of the recession: the tax bill was reduced for low income families in 2009 and an exceptional bonus of €150 was granted to families with school-aged children.

More recently, family policy has been included in the austerity package with the objective of reducing expenditures by €2.14 billion by 2016 – so that the branch will no longer be in deficit. This was decided together with a reallocation of spending from in-cash to in-kind support. In this perspective, the government decided in June 2013:

- A **reduction of the fiscal advantage** (the Quotient Familial) benefiting families with children.
- **PAJE payments supporting childcare are also reduced, but means-tested family supplements are increased.**
- In contrast, **the investment in childcare places is to be increased**, with the objective of creating 275,000 new places in 5 years for children under age 3 (including places in "crèches", , with child-minders and in preschools).

1.2 "Work and family life reconciliation": an objective driving childcare policy

Family policies in France are the result of a longstanding historical process which has led to a compromise between various political ideologies and objectives. This compromise remains rooted in a **dual historical tradition**. Family policy began with the protection of children and assistance to children of deprived families and was complemented later by the new post-World War II framework for social protection which made a point of safeguarding the incomes of families with children (large families especially) (Damon, 2006). The issue of fertility is also a traditionally underlying concern but in the past decade it has been partly reshaped by the issue of reconciling the work-life balance. As a consequence of these developments, current family policy is a **compromise between different objectives** and has inevitably become somewhat ambiguous (Thévenon, 2006).

Four main periods can be distinguished broadly with regard to childcare policy (Thévenon, 2010; Vanovermeir, 2012; Borderies, 2013; Saint-Paul, 2013):

1. Before the 1970s: policy encouraged the male breadwinner model with inactive women (through tax cuts for families and a 'single wage allowance' – from 1946 to 1972 - for households with a single wage earner).
2. During the 1970s and 1980s: policies became progressively more favourable to mothers' labour market participation (with the progressive abolition of the 'single wage allowance' in 1972, the introduction of a 'childcare allowance' for households with a working mother, and the development of public childcare services in the 1980s). However, a 'parental education allowance' was also introduced in 1985 for women leaving employment to care for their child in families with three children and more. This allowance reserved solely for large families was unique in Europe.
3. In the 1990s: policies promoted the diversification of childcare with the development of public 'collective' and 'individual' home-based services. Parents employing a registered child-minder at home or at the child-minder's home received an allowance covering the payment of social contributions for their employee; childcare costs could also be deducted from taxable income. However, at the same time, the 'parental education allowance' was extended to mothers with two children in 1994, and with 1 child in 2004 (but for 6 months only), maintaining a dualism in childcare policies with unequal effects across households.
4. From the mid-2000s onwards, more emphasis was placed on the diverse needs of families:
 - The development of services for **working parents with non-standard hours** was set as a main supply-side objective.

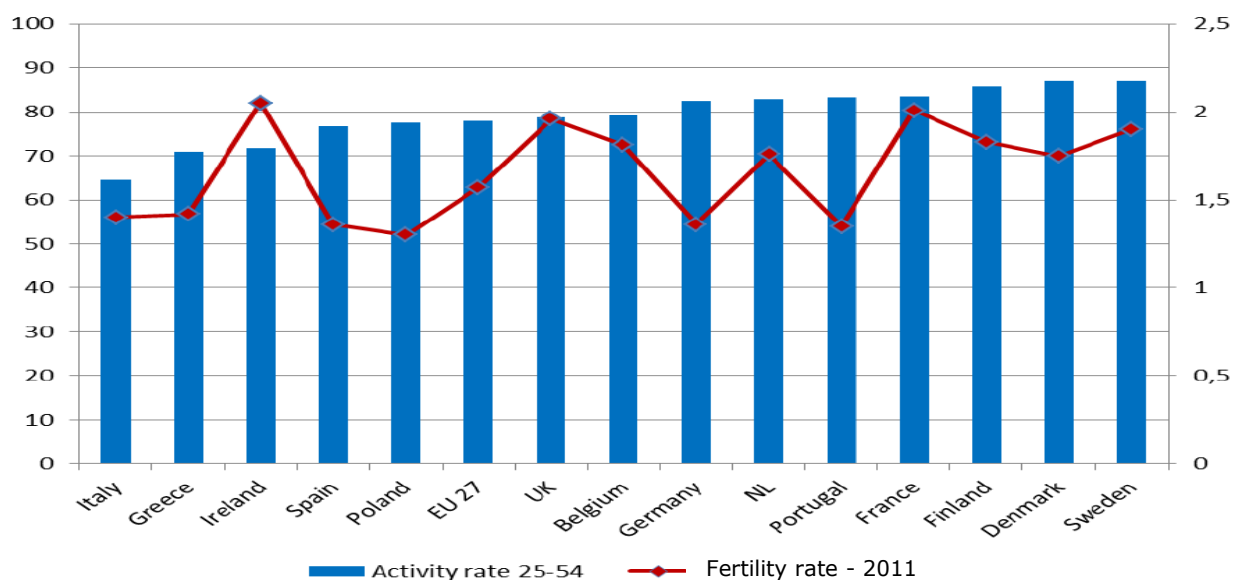
- Specific centres with medical and social assistance have been developed since 1976 and services for families with **children with disabilities or severe illness** have been fostered further.
- Meeting the needs of **low income families and children with disadvantaged backgrounds** (especially children of poor families and/or of migrant families) is also re-affirmed as a key priority of action. In this perspective, the 2006 law set the objective of increasing the accessibility of childcare services for families receiving social assistance – with an obligation for municipalities to provide childcare places to children of these families who are not in school. A minimum target of 1 in 20 childcare places should be reserved for these children. Priority to children with parents in a process of social inclusion (receiving benefits or not) was reaffirmed by the 2009 law on social assistance. Finally, the 2012 conference on poverty set the objective of delivering more childcare places for children from poor families, who are expected to represent at least 10% of all children in collective centres.

In this context, childcare policies are expected to provide parents with **“freedom of choice” between (i) work and care**, on the one hand, **and (ii) among different types of childcare providers** (public childcare, child-minders’ care, at-home care...), on the other. Children now have access to childcare services and preschool from a very young age (from age of 3 months) and this early access is expected to benefit the development of children, their school achievement and to help parents balance work and family life.

Besides, the development of childcare services is expected to be positive for female employment and child well-being. Increased provision of services is expected to support mothers’ participation in the labour market, thereby **fostering gender equality**. At the same time, the large-scale provision of high quality childcare is aimed at **ensuring child safety**, health and well-being, by focusing on early education, socialisation, and cognitive development, thereby **enhancing equal opportunities for children** and contributing to prevention of social exclusion.

1.3 Key results

Family policies are often described as key components of the relative success of France in reconciling work and family. Thus, compared to other European countries, France shows **high fertility rates combined with quite high rates of female employment** (Figure 3) which are due mainly to the fact that full-time employment remains dominant even when women have one child. By contrast, employment rates are much lower – and not significantly higher than the OECD average – for women with two and especially three children (Thévenon, 2011). For this reason, maternal employment rates (74% for women with children under age 15 in 2009) are still lower in France than, for example, in the Nordic countries (84 % in Denmark, 80% in Sweden). Labour market participation of women is also much lower for all mothers with a child under the age of 3 (59% in 2009) than, for instance in Sweden (72%) and Denmark (71%), but while women on parental leave are counted as in employment in Nordic countries, this is not the case in France.

Figure 3: Fertility and female activity rates in selected Member States and the EU

Source: OECD Family Database – 2013.

The **dynamism of fertility places childcare policies under pressure**. For example 47,000 additional places in childcare services were created between 1998 and 2006, whereas the number of live births increased by 61,000 each year.

Child poverty also raises concerns about the needs to help parents combine work and family. Thus, at 19.6% of children under age 18 in 2010, child poverty rates are not excessively high in France compared with other countries (the EU-27 average was 27% in 2011), but it has increased over recent years (and especially since the recession) (Houdré et al., 2013). Having parents in work reduces poverty risk, however. Less than 5% of children with two working parents are in poverty, against 69% when neither parent is in work. Similarly, children with a lone parent are less at risk of poverty when the parent is working (21%) than when he/she is not (79%).

2 CHILDCARE SERVICES: A DIVERSIFIED LANDSCAPE

KEY FINDINGS

- Both parental (actually maternal) and formal care are highly **subsidised**, which maintains a certain ambivalence in childcare policies.
- The **early access** to formal care (from age 3 months), and to **preschool** (from age 2) are quite specific in France.
- Childcare providers are very diversified, and include a continuum from **individual (home-based) to collective (centre-based) services**.
- The governance of childcare availability and quality involves a large set of actors, from municipalities to the central government.
- The governance of the childcare sector was reformed to encourage the **diversification** of services (i.e. to encourage the development of services to

parents with non-standard working hours, to facilitate access for poor and/or migrant families, or to develop services for children with disabilities).

- Recent development of childcare service supply has been first and foremost fostered by an increase in the number of **child-minders**. Changes in their work status were introduced to encourage their “professionalization”.
- The system of childcare support to parents was also **reformed** in 2004 (i) to enable parents with one child to take parental leave, and (ii) to make it more advantageous to work part-time rather than stop working altogether.

2.1 Ambivalent support for families with children below age 3

Childcare policy in France has several characteristics which make it quite specific in Europe (and in the OECD, Thévenon, 2006 and 2011). France is assumed to be the country where the **diversification of childcare arrangements** is most advanced and where this diversification is strongly supported by public policies.

- Thus, parents with children under the age of 3 receive a child-rearing allowance for six months after the birth of the first child and up to child’s third birthday for subsequent children. The shorter period of benefit entitlement for the first child is specific in Europe and was introduced in order to avoid a prolonged early interruption of women’s careers for the birth of a first child. The monthly benefit is rather low at 566€, i.e. around half of the minimum wage, which makes it especially **attractive to low income earners**. Part-time options are available (at 50% or 80%) for parents who don’t want to leave work completely. Since 2004, parents working part-time receive a benefit which is proportionally higher than that received in case of a complete labour market withdrawal, to encourage parents to favour part-time work over no work.
- Working parents are given the choice between **various forms of individual at-home and collective centre-based childcare services** (see below). Enrolment in childcare can start at very young age (from 3 months onwards). For parents employing a childminder the cost of social contributions is subsidized and they also receive a childcare allowance. Childcare costs can also be **set against tax** up to a maximum amount. Co-financing by employers through vouchers is possible for that type of childcare.
- **Preschool** (“écoles maternelles”) can also start early (i.e. from the age of 2 provided the child is potty trained) and is free of charge for parents; but the number of places available for two-year-olds has shrunk over the past decades (the priority being given to children aged 3 and above): more than one third (35%) of two-year-olds attended preschool in 2000, but only 13.6% in 2010. Preschools are under the responsibility of the Ministry of Education.

2.2 A diversified set of childcare service providers

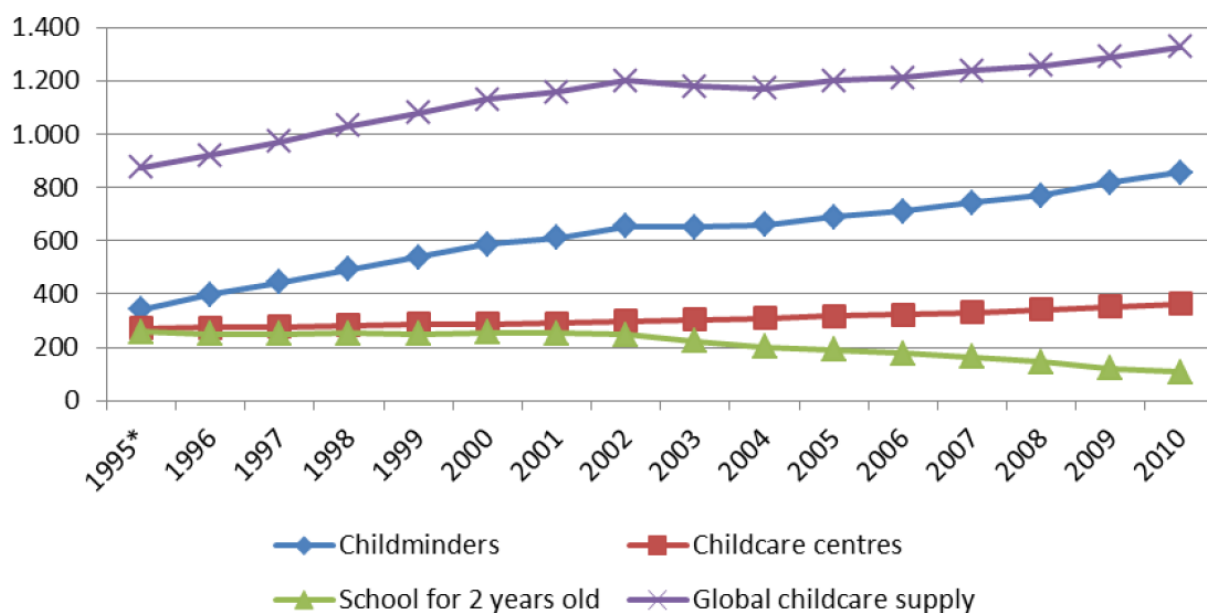
As shown in figure 4 below, childcare supply has been increasing strongly since the mid-1990s, especially through growth in the number of **child-minders** and in individual childcare (+6% on average per year between 1995 and 2010 for child-minders). The number of places in collective centres has also increased, but at a slower rate.

By contrast, the number of **places** in preschool for two-year-olds has decreased (-6% on average). The overall result is a net increase in the ratio between the number of available places and the number of children (from 41.3 per 100 children under three in 1995 to 57.2 in 2010).

Providers of **collective care** include a large set of providers:

- Municipal “Crèches” (nurseries) are publicly run collective centres which offer regular and occasional services for children under the age of 4.
- “Crèches parentales” (parents’ nurseries) are collective associations run by parents with the assistance of professional and qualified child-minders.
- “Crèches familiales” (Family nurseries) combine the advantage of (home-based) child-minders’ care and collective childcare with an access infrastructure established by municipalities.
- The “haltes-garderies” (short-term care) receive children for occasional care or on a permanent but part-time basis (usually one or two half-days per week).
- The “crèches d’entreprise” (nurseries run by enterprises) are employer-financed centres at the employees' workplace or very close to it.
- Other providers also include “jardins d’enfants”, “micro crèches d’éveil” which deliver care for groups of 10 children at most.

Figure 4: Childcare supply in France (1995-2010) (number of places in thousands)



Note : childcare at home is not included

Source: Vanovermeir (2012) from DREES, CNAF, Ministry of Education, and IRCM data.

2.3 A centralised governance for childcare provision

Great efforts have been made to expand childcare availability, to make it accessible to low income families and to enhance the quality of services. In this perspective, several reforms were introduced over the past decade to increase childcare supply as well as the efficiency of governance structures. Recent **reforms** also aimed at introducing more flexibility in childcare services in order to adapt to changing parental working patterns.

More specifically, the governance of collective childcare services was reformed in 2002, and the framework of childcare support to parents was also revised in 2004. Furthermore, a tax credit was introduced in 2004 for companies financing childcare services for their employees.

Compared to other countries, the governance of the childcare sector is relatively **centralized** but involves actors of each level, from municipalities to central government. There is, however, a clear **separation between administrations** dealing with childcare provision and preschool administration.

The governance framework of childcare policy is as follows:

- The **national government** level defines national orientations and regulations (services curriculum and fees), and invests in childcare services. Governance of childcare services is under the responsibility of the family branch of the **social security system** which was created in 1945 and is implemented by the French Family Allowance Fund (Caisse nationale d'allocations familiales- CNAF). The CNAF allocates subsidies to childcare providers and to parents. Orientations for the development of childcare services are programmed under five-year strategic plans negotiated between the government, CNAF and representatives of municipalities and childcare providers.
- "Mother and child protection services" (**Protection maternelle et infantile - PMI**), also created in 1945, provide basic health care services for young children.
- **Regional CAFs** (Caisse d'Allocation Familiales) finance all childcare solutions, including collective and individual services, and parental leave allowances. In particular, they pay the *Prestation de Service Unique (PSU)* to childcare providers under the condition that they apply the national rules on fees paid by parents (fees should not exceed 12% of household income for 1 child, and 10% for 2 children), that they comply with quality regulations, and ensure the diversity of child access to centres.

Subsidies are paid on an **hourly basis** in order to encourage centres to supply care hours for parents with long working and/or non-standard working hours. Around 66% of the running costs are subsidized, up to a ceiling.

- **Municipalities** (or a group of municipalities) manage childcare structures and are the main decision-maker regarding the development of new childcare places. They also establish family selection criteria to be used for allocating places in childcare centres.
- **Départements** regulate the supply of childminders through obligatory registration; planning is also key at the departmental level, through the role played by the regional Caisses d'Allocation Familiales (CAF).

Criteria for admission in collective centres are established by each centre but committees comprising directors of childcare centres and representatives of municipalities make admission decisions. Although criteria can vary, they are found to be quite homogenous (Candagio et al., 2012). Thus, the two main criteria mentioned by childcare centres are the **place of residence** (since municipalities want their service to be used by residents) and the **date of first request**. Interestingly, the employment and family situation, the socio-economic status of parents, and the health status of children are not reported as key parameters for admission in a large majority of centres.

3 ACHIEVING THE BARCELONA TARGETS

KEY FINDINGS

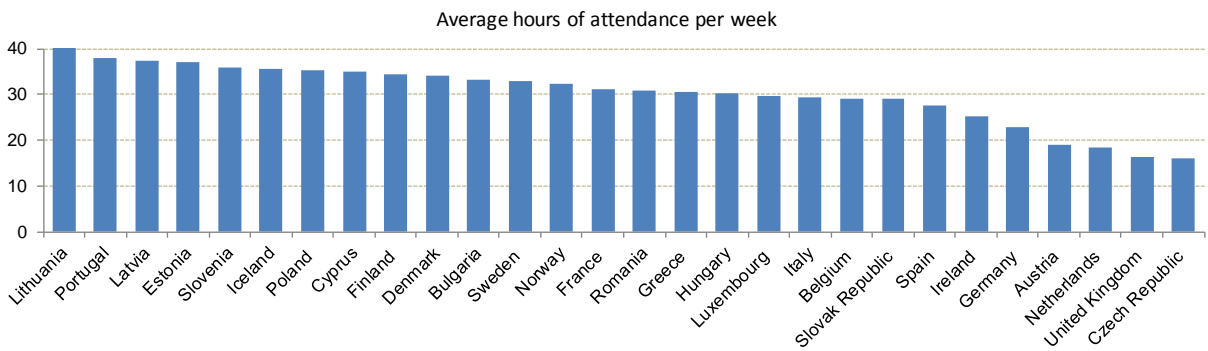
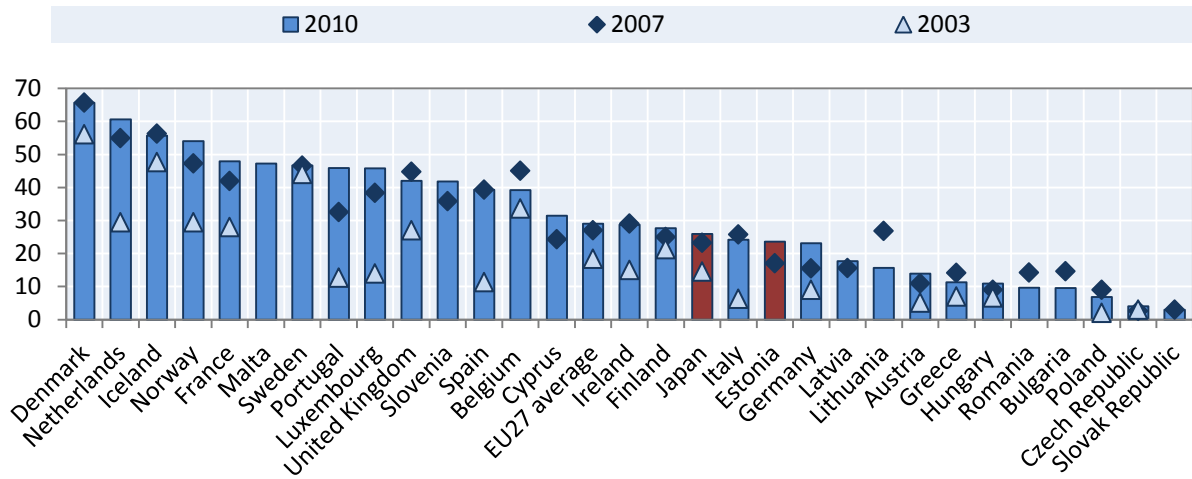
- With **48% of children under 3** enrolled in formal care, France has surpassed the Barcelona objective by almost 15%.
- **Average weekly hours of attendance** (31 hours) are also comparatively high and above the 30-hour threshold.
- Childcare arrangements are highly stratified by the **labour market status** of parents and **household income** level.
- Parental care (accompanied by child-rearing allowance) is often motivated by **income constraints, poor working conditions,** or by **difficulties in combining work and family life** due to atypical working hours.
- Differences in the “costs” of the different options for parents explain the clear **stratification of childcare arrangements by socio-economic status of families.**

As stated above, the main goal of childcare policies is to make it easier for men and women to strike a better balance between work and family life. This is one explanation for the steady high rate of female employment and high birth rate, contributing to the material wellbeing of families and the quality of parent-child time.

3.1 Quantitative targets at the national level are fully met

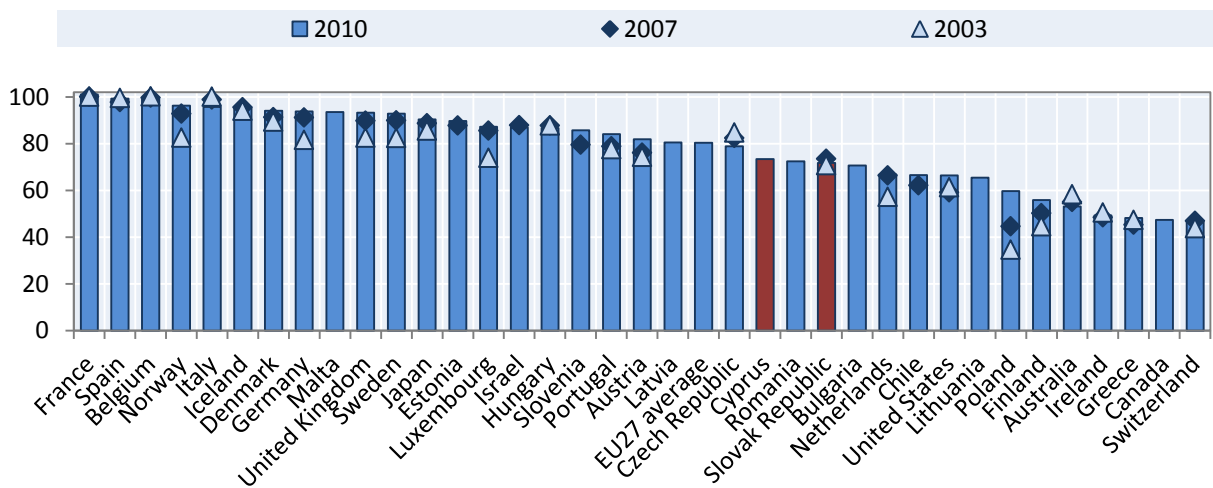
With 48% of children under 3 receiving formal care, France has surpassed the Barcelona objective by almost 15%. In this regard, France shows enrolment rates which are quite close to those of Nordic countries (Figure 5). The average weekly hours of attendance are also relatively high compared to practices in other Continental or South European countries.

Figure 5: Average enrolment rate of children aged under three years of age in formal childcare



Source: OECD Family Database – 2013.

Figure 6: Average enrolment rate of children aged three to five years of age in pre-school educational programmes



Source: OECD Family Database – 2013.

3.2 Large differences in childcare arrangements depending on families' socio-economic status

According to the CNAF, in 2012, 63% of children under 3 received day care mainly from their parents and 4% from their grandparents. 18% are covered by child-minder care, 10% by childcare collective centres (crèches), 2% by at-home care, and 3% by other arrangements (including preschool).

The type of childcare arrangement chosen by parents is heavily dependent on their labour market status and household income level:

- Parental care is encouraged by the child-rearing allowance; but research shows that claims for the full-rate benefit (conditional upon a complete interruption of work) are often motivated by income constraints, bad working conditions or by difficulties in combining work and family life due to atypical working hours. Thus, in 2008, it was estimated that **40% of recipients of the full-rate allowance would have preferred to continue working**. 98% of recipients of child-rearing allowance are female.
- The share of **parental care** – as a childcare option - decreases with income, whereas the share of formal childcare increases with income (especially child-minders' care and home-based childcare). Thus, 91% of children from families in the lowest quintile of income are mainly cared for by their parents, versus only 31% of children from families in the quintile with the highest income.
- Dual-earner families are more likely to make use of formal care: in 2007, 64% of children aged under 3 and whose parents were working were enrolled in formal childcare (against 8% of children for whom at least one parent did not work).

For children whose parents are both working full-time, child-minders represent the leading child day care arrangement (37% of children), whereas 18% of these children are cared for by collective centres, 4% by at-home childcare and 5% by other arrangements. 27% of them receive day care mainly from their parents, and 9% from their grandparents. Here again, working conditions and household income are key determinants of childcare arrangements, as longer working hours increase the probability of choosing collective childcare as the main childcare solution. By contrast, grand-parents and/or family members are the main childcare providers at night or at the week-end for parents with non-standard work patterns.

- **Differences in the "cost" for parents of the different options explain the clear stratification of childcare arrangements by socio-economic status of families:** public collective childcare centres are clearly the most affordable option for households with, for example, both parents working full-time and earning the minimum wage: the childcare cost amounts to less than 5% of the household income, versus 10.6% for a child-minder (HCF, 2013). By contrast, the cost of childcare in public centres is almost equal to that of a child-minder for households with earnings amounting to 6 times the minimum wage.

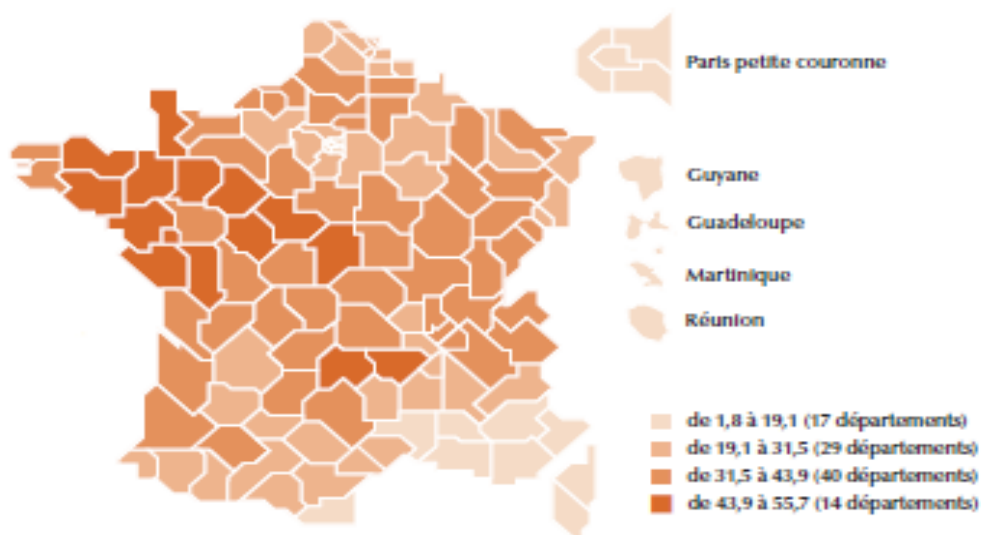
3.3 Are needs and preferences met?

It is estimated that 350,000 to 450,000 additional childcare places would be necessary to fully meet parents' need of childcare services (HCF, 2013b). Moreover, about 30% of parents report being unable to obtain their preferred childcare solutions. Working parents usually have a preference for "individual" childcare solutions which are considered to be more "flexible" but their 'preference' depends on their working conditions. By contrast, collective childcare centres are viewed as best for children by one third of parents and the cheapest by more than 50% of them. Overall, 41% of all parents with children under age 6 prefer the "crèche" but only 18% have a place there.

3.4 Large regional disparities

There are large disparities in coverage across the country, as shown in figure 6. In theory, 52% of children under the age of 3 could be covered, but the proportion actually varies from 28% in Corsica to 86% in Haute Loire due to differences in population composition and in local childcare policies.

Figure 7: Regional variations in the coverage of formal childcare services for children under age 3



Source: Observatoire national de la Petite Enfance, 2011.

4 STRENGTHS, WEAKNESSES AND CURRENT DEBATES

KEY FINDINGS

- High fertility and female employment rates are clear markers of the success of French childcare policy.
- Key challenges for childcare policy are:
 - (i) a further increase in female employment rate may require a switch towards a **shorter period of parental leave with earnings-related payments** accompanied by an *ad hoc* increase in childcare services.
 - (ii) **Increasing the supply of services for parents with non-standard working patterns** and fostering the **coordination** of childcare provider networks;
 - (iii) **Reducing inequalities in costs** borne by low to middle income families, especially those between public centre-based services or a child-minder.
 - (iii) Increasing the supply of **out-of-school care services** for families with school-aged children, coordinated with school activities.
 - (iv) Adapting **training schemes and obligations** for child-minders to the population of children with specific "social" needs.
 - (v) Providing **better information** to the most disadvantaged families.

To summarize, the strength and weakness of the French experience over the last twenty years are the following.

France has succeeded in developing diversified childcare provision that has been expanding over the last 15 years. It has contributed to maintaining fertility and women's employment rates at a relatively high level. Female employment rates and childcare coverage are both well above the Barcelona targets. However, there are needs for further development of childcare services and for the provision of services for families with specific needs (specifically the needs of parents with non-standard working patterns, or with a migration background, children with disabilities, etc.).

First, a further increase in female employment rate may require a more comprehensive change in childcare policy with a switch towards a **shorter period of parental leave with earnings-related payments**. This may encourage fathers to take up parental leave, thereby fostering gender equality. Such a change would nevertheless require the availability of childcare services to be increased by 350,000 to 400,000 places (i.e. well beyond the increase of 275,000 places already planned).

In addition, working parents – and more often those with variable and/or unpredictable working hours – often have to combine several childcare arrangements. **Increasing the supply of services in the evenings, at nights, over the week-end** and **fostering coordination between childcare providers** would help those families to find an appropriate childcare solution at an affordable price. Encouraging the formation of networks between establishments will provide a means to respond more rapidly to family needs and avoid multiple demands.

Another option under discussion is to **reduce the inequalities in the costs for parents of using public childcare centres or child-minders**. Making child-minders more affordable to low income families would increase their use of this childcare arrangement. The replacement of the complex system of childcare support with a unique and harmonized childcare subsidy to all parents using formal childcare would both simplify the system and contribute to reducing inequalities in childcare costs (HCF, 2013c).

The ambition to respond more efficiently to the specific needs of families also calls for the **qualifications and training obligation of care workers** to be adapted and developed. More care workers from ethnic minorities may also facilitate the interaction with children of migrant families whose coverage should improve in the near future.

Furthermore, more flexible transitions from childcare to preschool may reduce the risk that children with a disadvantaged background are left behind (Havette *et al.*, 2013). Moreover, problems of reconciling work and family do not stop when children enter school (which is obligatory from the age of 6 years), and could be reduced through greater development of **out-of-school care services** and a **better coordination with school activities**.

Last but not least, the existing diversity of providers and of public support also raises a need to **better inform parents**: the CNAF website monenfant.fr aims at providing parents with information about opportunities, as well as cost simulation tools. More proactive information campaigns might be needed, however, to reach the most disadvantaged families.

Overall, the development of childcare services in France has reached a point at which they are expected to meet many more objectives than in the past. Further development is needed in order to provide parents with more flexibility of care, and to ensure that childcare services reach a larger population with atypical needs. In a context of reduction in expenditures on families, however, these two objectives are in strong **competition**.

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