



Mutual Learning Programme

DG Employment, Social Affairs, Skills and Labour
Mobility

Thematic Paper

Making work pay for mothers: An EU perspective

**Peer Review on 'Making Work Pay for Mothers'
St Julian's (Malta), 18-19 May, 2015**

Written by Dr Katerina Mantouvalou.

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Contact: Emilio Castrillejo

E-mail: EMPL-C1-UNIT@ec.europa.eu

Web site: <http://ec.europa.eu/social/mlp>

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1 Introduction

Childcare expansion is an important objective in the European Union's (EU) employment and gender equality policy. In 2000, the Lisbon Strategy stipulated an overall employment rate target of 70% and a female employment rate target of 60% by 2010. This also inspired the so-called Barcelona targets in 2002 which were put in place to improve the provision of childcare across EU Member States, and remove disincentives to women's labour market participation. The European Council agreed that by 2010 Member States should provide childcare to at least 33% of children under the age of three, and at least 90% of children between three years old and the mandatory school age.

The importance of these targets has been reaffirmed in the Employment Guidelines (2008–10) adopted by the Council and in the Europe2020 targets, among which is the achievement of an average employment rate of women and men of 75%. To achieve this goal, access to childcare facilities, flexible working and an appropriate family leave framework are essential.

The Commission's Strategy for Equality between Women and Men (2010-2015) and the European Pact for Gender Equality (2011-2020) give further support to the Barcelona targets by encouraging Member States to promote a better work-life balance for women and men by improving the availability, quality and affordability of childcare services and promoting flexible working arrangements. The European Social Fund also provides financial support to increase investment in childcare initiatives in EU Member States. A number of European Directives are also in place on equal pay, maternity and parental leave, and equal treatment of men and women at the workplace to promote the equal participation of women and men in the labour market.

Issues of work-life balance and women's labour market participation were also considered in the EC consultation on the future of gender equality that was recently initiated in Brussels¹. The importance of childcare provisions is likely to feature in the new strategy of the Commission for equality between women and men.

This paper is organised as follows:

- Section 2 provides a statistical overview of the impact of parenthood on women's and men's employment rates and examines the extent to which EU Member States have met the Barcelona objectives;
- Section 3 presents the measures Member States have introduced to improve the affordability, accessibility and quality of childcare;
- Section 4 explores the benefits of childcare arrangements; and
- Section 5 presents the conclusions and some issues for further consideration with participants in the Peer Review.

¹ Forum on the future of gender equality in Europe, Brussels, 20-21 April 2015, http://ec.europa.eu/justice/events/future-of-gender-equality-2015/index_en.htm

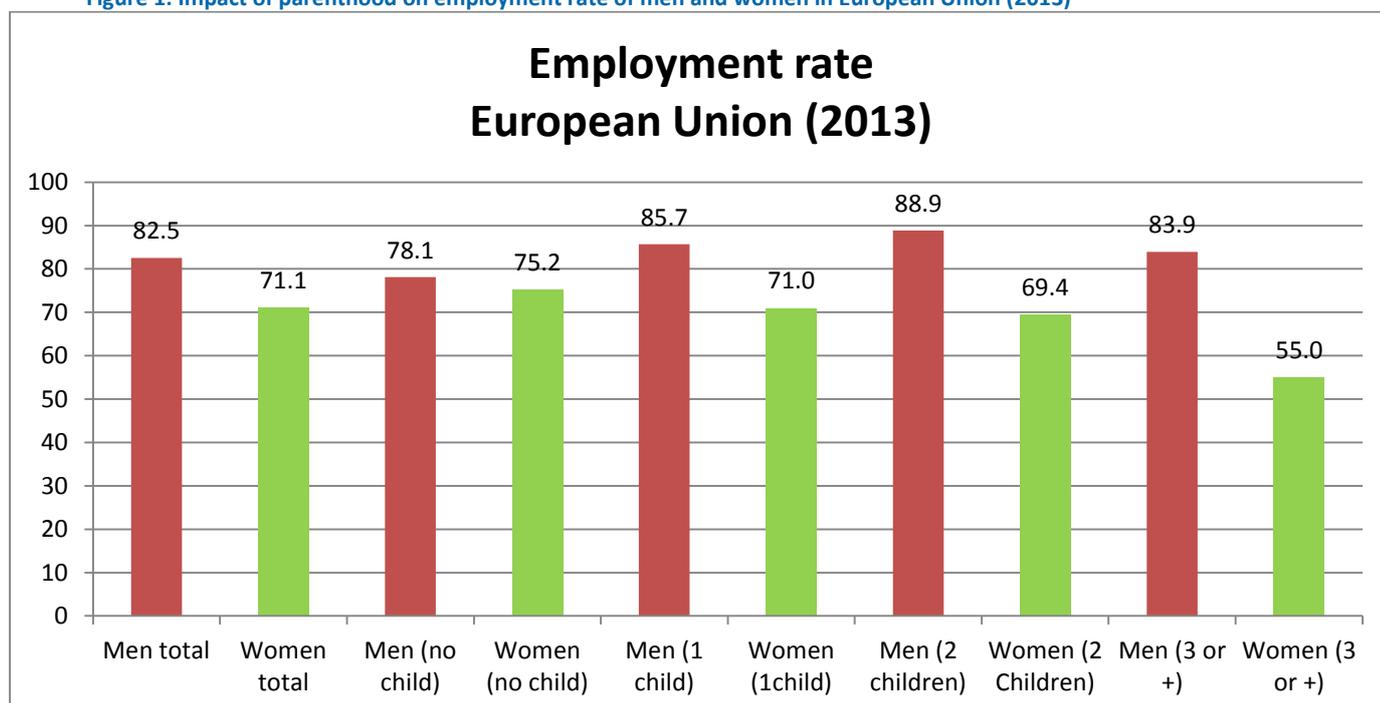
2 Parenthood, employment and childcare provision: A gender gap

This section examines the impact of parenthood on women and men's employment rates (Section 2.1), explores the extent to which EU Member States have met the Barcelona objectives (Section 2.2) and discusses the determinants in access to and use of formal childcare structures in the EU (Section 2.3).

2.1 The impact of parenthood on women and men's employment

The employment rates of women and men without children are similar. The gender gap increases with the number of children in the household. The percentage difference in the employment rate of men and women without children is 2.9; with one child it is 14.7; with two children it is 19.4 and with three children this rises to 28.9%, leading to the coining of the phrase 'gendered parenthood'.

Figure 1: Impact of parenthood on employment rate of men and women in European Union (2013)

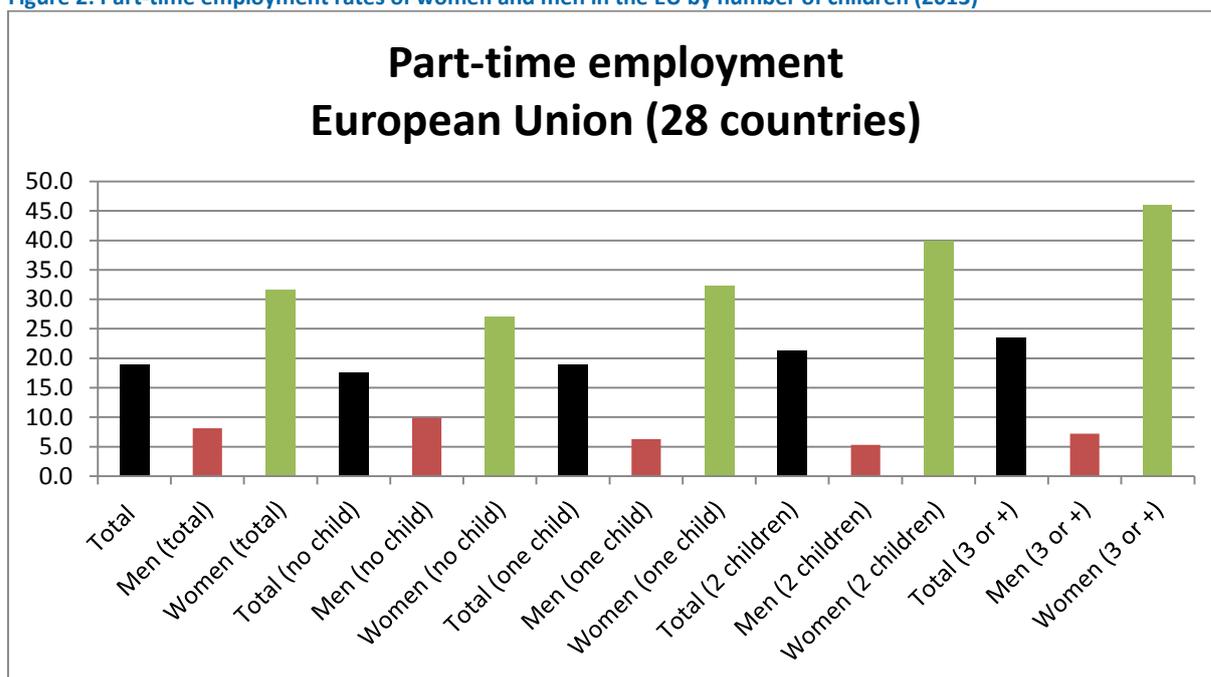


Source: Eurostat – 2013 (population 25-64 years)

Overall, the impact of parenthood on women's labour market participation varies considerably across Member States: in the Czech Republic, for instance, the difference between women without children and with one child is more than 12%. Variations in the impact of parenthood are more important between women with two children, three children or more. For example, in Hungary the difference in the employment rate of women without children or with three or more children is 39% and in the United Kingdom it is 32.1%.

Even when mothers work, they are more likely to be found in part-time employment than their childless counterparts (see Figure 2 below). Part-time employment rates of women increase along with the number of children they have. A third of women with one child work part-time, this is 6% more than women without children. This rate increases with the number of children. Almost half of women with three children or more work part-time.

Figure 2: Part-time employment rates of women and men in the EU by number of children (2013)



Source: Eurostat – Labour Force Survey, 2013 – 15-64 years)

Some MS show slightly different patterns. In Croatia, Denmark, Estonia and Finland the rate of part-time employment is higher for women without children than for women with children. In Croatia, the rate of part-time employment is higher for childless women, and women with three or more children. In Greece, the rate of part-time employment decreases after the third child but in this case women are more likely to be inactive than to have a full-time job.

On the other hand, men's part-time employment rate decreases with the number of children until the third child, demonstrating again the reverse impact parenthood has on women and men.

The gendered impact of having children on employment also translates into differences in future career opportunities, earnings gaps and higher poverty rates among women, including in retirement.

2.2 Childcare in the EU: State of play

The gendered impact of parenthood is partly related to the provision and quality of childcare services.

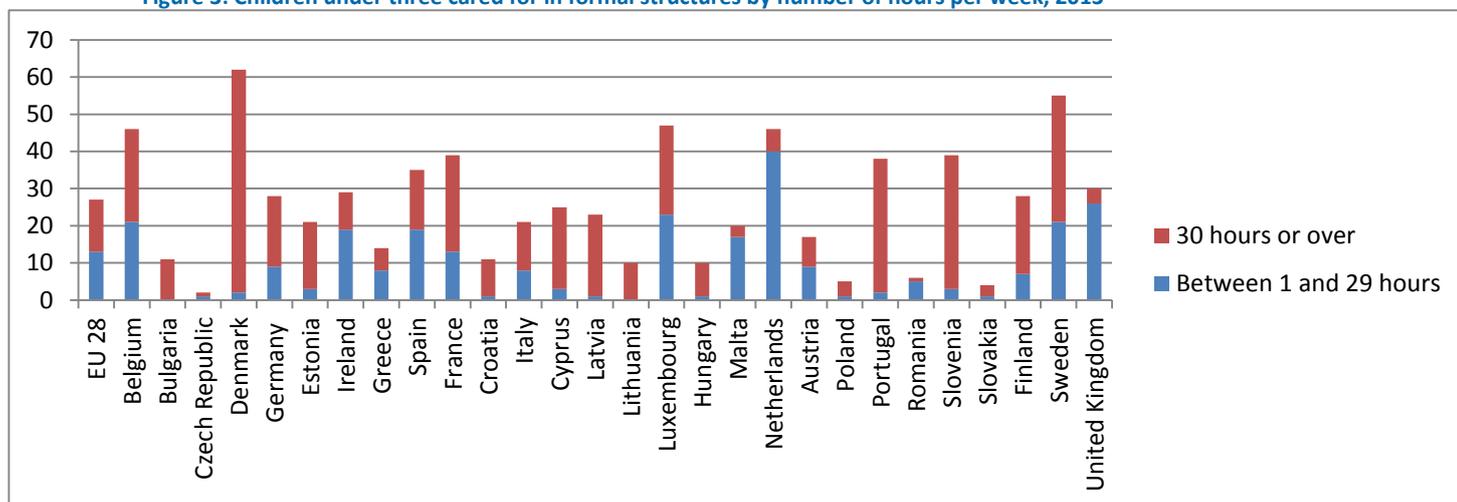
To address these issues, in 2002 the Barcelona targets were put in place to improve the provision of childcare across EU Member States, and remove barriers to women's labour market participation. However, more than a decade after agreeing on the targets, little progress has been made in the provision of childcare services. In 2013, 27% of European children under the age of three were cared for in formal structures. This rises to 82% of children between the ages of three and mandatory school age. If the EU average was close to meet the Barcelona targets, this was partly due to the fact that a few Member States had already met and exceeded the objectives (such as DK and SE). However, for both age groups, the amount of time spent in formal childcare was less than 30 hours a week.

2.2.1 Children under three years cared for in formal structures

As indicated in Figure 3 below, in 2013, only nine Member States (BE, DK, ES, FR, LU, NL, PT, SI and SE) exceeded the target of 33% of children under the age of three being

cared for in formal structures. An additional four Member States (DE, IE, FI and UK) almost met this target and reached or surpassed the EU average of 27%. Only four (DK, PT, SI and SE) out of the 28 EU Member States had reached the 33% target of children being cared for in formal structures on a full-time basis (30 hours or more).

Figure 3: Children under three cared for in formal structures by number of hours per week, 2013

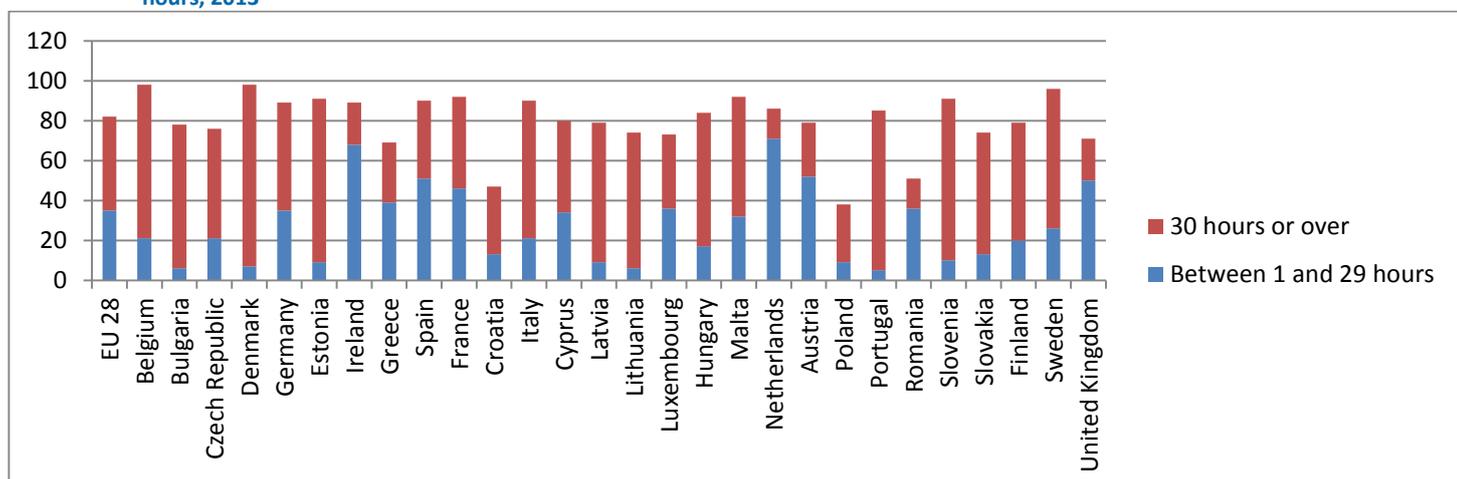


Source: Eurostat, *Statistics on Income and Living Conditions*²

2.2.2 Children between three and the mandatory school age cared for in formal structures

In 2013, overall in the European Union, 35% of children between 3 and the mandatory school age were being cared for in formal structures between 1 and 29 hours per week. Another 47% of children were cared in formal childcare structures for over 30 hours per week (Figure 4).

Figure 4: children between the age of 3 and the mandatory school age cared for in formal structures by number of hours, 2013



Source: Eurostat, *Statistics on Income and Living Conditions*

The use of formal childcare facilities therefore increases with the age of the child. Looking at children between three and the mandatory school age, nine Member States (BE, DK, EE, ES, FR, IT, MT, SI, SE) have met the target of 90%. Five Member States (DE, IE, HU, NL, UK) have met or exceeded the EU average (82%). In most Member States, childcare for this age group is predominantly full-time (over 30 hours per week).

²

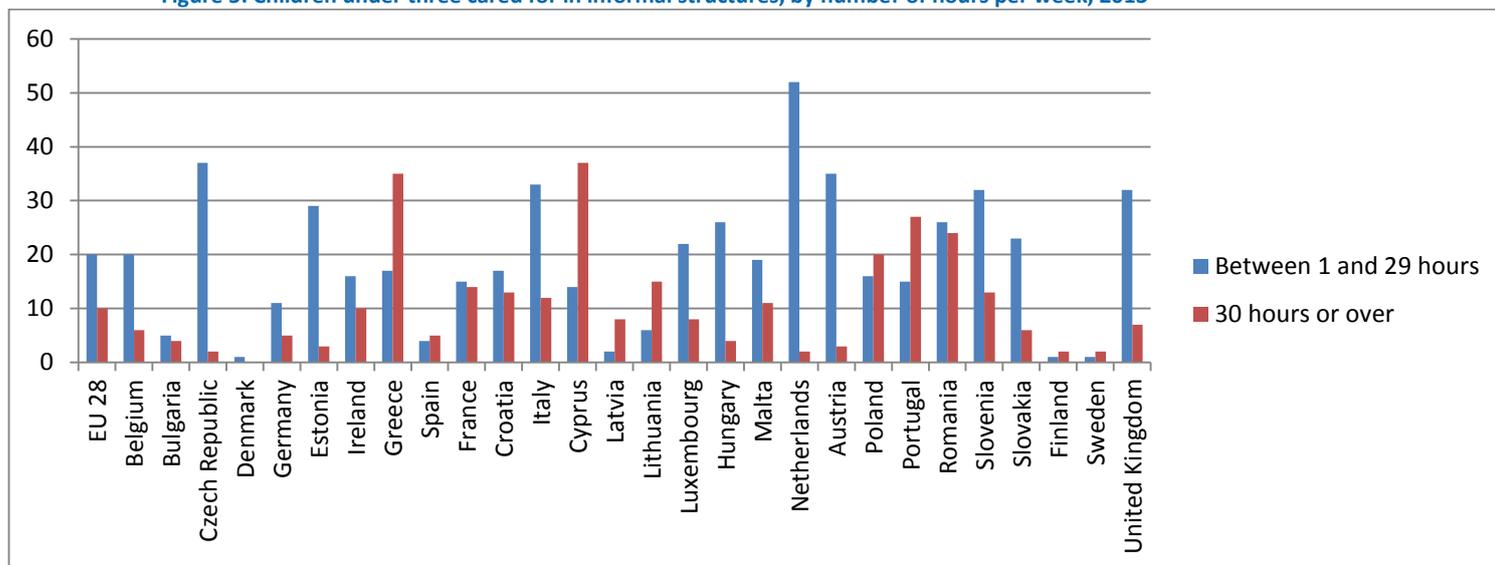
<http://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&plugin=1&pcode=tps00185&language=en>

However, in a few Member states, including Austria, Ireland, the Netherlands and the UK, childcare for this age group is still mostly taken up on a part-time basis.

2.2.3 Alternative strategies: the role of informal childcare

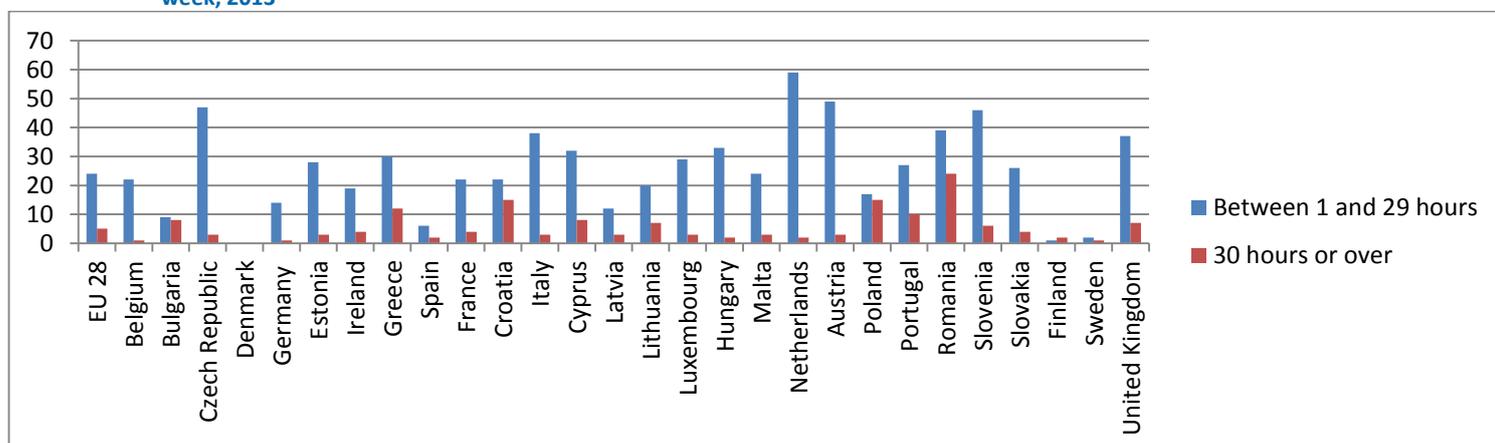
Informal childcare is generally provided by relatives, such as grandparents, friends, neighbours, unregistered child-minders, nannies and au pairs. In 2013, 30% of European children under the age of three were cared for informally. The use of informal childcare is high, but this type of care is typically used on part-time basis (Figures 5 and 6 below).

Figure 5: Children under three cared for in informal structures, by number of hours per week, 2013



Source: Eurostat, SILC

Figure 6: Children between three and mandatory school age cared for in informal structures by number of hours per week, 2013



Source: Eurostat, SILC

Informal childcare is most frequently provided by grandparents. In the Nordic countries the use of informal care is relatively high and provided on a regular basis. In Southern European countries, grandparents are less likely to provide regular childcare, but those who do so, are more likely to spend more hours caring for their grandchildren than grandparents in Northern European countries. For example, in Italy, 20% of grandparents provide almost daily care, compared with just 2% in the Netherlands³. Although informal childcare can temporarily help parents to reconcile their care

³ Janta B. (2014), *Caring for Children in Europe, How childcare, parental leave and flexible working arrangements interact in Europe*, Rand Europe.

responsibilities with their work, it is difficult to support women's full-time employment, as it is mainly provided on a part-time basis. Hence mothers, as discussed above, are more likely to work part-time to take care of their children and in some cases this working time arrangement is involuntary. According to the Labour Force Survey, in 2014, 26.2% of women were working involuntarily on a part-time basis. This arrangement often translates into differences in future career opportunities, earnings gaps and higher poverty rates among women, including in retirement.

2.3 Determinants in access to and use of formal childcare structures in EU

The 2011 European Quality of Life Survey (EQLS) revealed that almost 60% of parents had difficulties in accessing and using formal childcare, due to its cost, availability, distance or quality of the services⁴. Although cost, availability and quality of childcare are the main determinants of access and the use of formal childcare arrangements, they are not the only factors influencing parental choice (and especially mothers' choice) between childcare and employment. As highlighted by several EU reports⁵, low use of formal childcare structures is also influenced by cultural and normative values related to the impact of formal care on the child's development; the role of women as main caregivers in the family; and the place of mothers in the labour market. These are also discussed below.

2.3.1 Cost of formal childcare

The cost of formal childcare is the main determinant of use in the EU. According to EQLS 2011 data, 59% of those who wish to use childcare services in the EU reported cost as the main obstacle to access these services⁶. High childcare costs have a strong impact on women's employment; 53% of women respondents reported that they do not work or work part-time due to childcare being too expensive. In four Member States (IE, NL, RO and UK) more than 70% of mothers responded that they cannot work or have to work part-time due to prohibitive childcare cost⁷.

Even in Denmark where the use of formal childcare is widespread, 43% of respondents noted that they find it too expensive. The only exception is in Sweden where only 11% of the respondents noted that childcare cost was an issue for accessing childcare where childcare is subsidised by the state and capped to a maximum of 2.5% of the family income.

According to the OECD (2011), the net costs of childcare remain high in several EU Member States. In Ireland and the UK the cost of childcare accounts for 41% of net income in households where both parents work⁸.

⁴ Eurofound (2012), Third European Quality of Life Survey - Quality of life in Europe: Impacts of the crisis, Publications Office of the European Union, Luxembourg

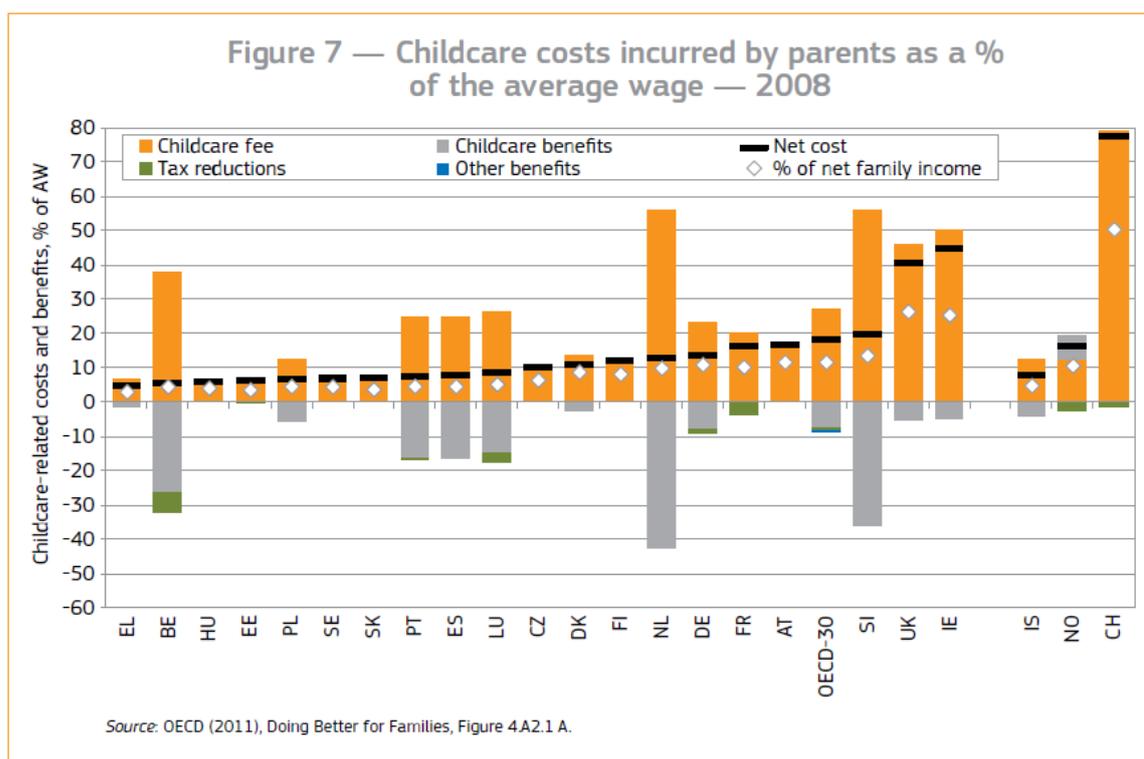
⁵ Mills M et al. (2014), *Use of childcare services in the EU Member States and progress towards the Barcelona targets - Short Statistical Report No. 1*, Rand Europe.

⁶ Mills et al. (2014), *op. cit.*

Eurofound (2012), *op. cit.*

⁷ Mills et al. (2014), *op.cit.*

⁸ Mills et al. (2014), *op.cit.*



Source: Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions (2013), *Barcelona objectives, The development of childcare facilities for young children in Europe with a view to sustainable and inclusive growth* p.13

The cost of formal childcare does not have the same impact on all types of households and childcare usage is linked to the household income in most Member States. Households with high income tend to make more use of formal childcare structures than lower income families⁹, even in Member States where childcare coverage rate is relatively high (such as BE, FI, FR and IE). Denmark seems to be an exception as the rate of formal childcare structures use is very high, even among low income households. In Germany, Slovenia and Sweden the use of formal childcare arrangement is the same for all income level households.

2.3.2 Availability of childcare

Availability of childcare has two dimensions: i) existence of childcare centres; ii) access to existing centres due to distance and/or opening hours. Looking at the first dimension of availability, according to the 2011 EQLS survey the existence of childcare centres was particularly an issue in France and Slovenia, although lack of services was reported as a problem across the EU. At EU level, availability was reported as being either very difficult or a little difficult by 58% of the respondents. The lowest rate of discontent was reported in Sweden (28%) whereas the highest rates were reported in France (72%) and Greece (73%).

Looking at the second dimension of availability, i.e. access to existing centres due to distance and/or opening hours, 41% of respondents reported that they have difficulties in accessing childcare services. The highest rates were reported in the Czech Republic and in Romania (51 % and 57% respectively) and the lowest in the Netherlands (19%).

⁹ European Commission (2013), *Barcelona objectives, The development of childcare facilities for young children in Europe with a view to sustainable and inclusive growth*

2.3.3 Quality of childcare

Concerns over the quality of services provided to children were not reported as the main issue across EU, but their importance varied across Member States. Overall, 27% of parents were concerned about the quality of those services¹⁰. The highest rate was in Greece (63%), the lowest in Hungary (12%). Only 4% of mothers who did not work or worked part-time attributed their situation to the poor quality of formal childcare structures in 2010; 13% in Bulgaria and 20% in Hungary¹¹.

There are no EU wide quality standards for childcare services and child-to-staff ratio, maximum group size and qualification of staff vary significantly across Member States.

2.3.4 Cultural determinants

Another determinant of formal childcare use is cultural. As highlighted by Kremer *"women's employment is not merely driven by their wish to work, but by gendered cultural norms around the appropriate care for children"*¹².

Based on the information gathered in the 20 Member States that participated in the 2006-07 European Social Survey as well as several other EU studies, perceptions of mothers of young children (under three years) working full-time vary among Member States, and these perceptions seem to be reflected to an extent in the rate of children attending formal childcare¹³. Generally, in those Member States where there is a strong approval of mothers of young children working full-time, the rates of children under three enrolled in formal childcare structures and women's employment are high (DK, FI, SE and SI). Conversely, the same relation applies to countries where the fact that mothers of young children work full-time is perceived as negative: these countries register a lower rate of children enrolled in formal childcare structures (AT, EE and NL). As suggested by Mills et al., these negative perceptions and attitudes can partly explain why public policies aiming at promoting the use of formal childcare structures have been unsuccessful or non-existent in those Member States.

¹⁰ European Commission (2013), p. 16.

¹¹ Mills et al. (2014), p.20 (EU-LFS data 2010, ad hoc module 'Reconciliation between work and family life'.)

¹² Broeckmann I., Misra J. and Budig M. (2013) 'Mothers' employment in wealthy countries: how do cultural and institutional factors shape the motherhood employment and working hours gap?', Luxembourg Income Study working paper series no 594, Luxembourg.
<http://www.lisdatacenter.org/wps/liswps/594.pdf>

¹³ See Mills et al. (2014) and European Commission (2013).

3 Measures to improve access to and use of childcare services for children

As demonstrated above, availability, quality and affordability of childcare are intertwined aspects which impact on access to and use of formal childcare structures. These factors can be impacted by public policy.

The following sections present:

- The legal framework for the provision of formal childcare in EU Member States (Section 3.1);
- Public spending on childcare (Section 3.2);
- Measures introduced by Member States to improve the affordability, availability and quality of childcare services (Sections 3.3-3.6);
- Other types of measures introduced to facilitate the care of children by their parents (Section 3.7);
- Other initiatives introduced by Member States to support the reconciliation of work and family life (Sections 3.8-3.9).

3.1 Legal and policy framework for the provision of childcare services in EU Member States

Some Member States have framed childcare as a social right (FI, DK and SE). In those Member States, efforts have been made to ensure full coverage of childcare services.

Other countries have also sought to extend the provision of childcare services in recent years. For example, in 2008 Germany adopted the Children's support act (Kinderförderungsgesetz) and aimed at providing childcare services for 35% of children under three years by August 2013. The act covers the Federal, regional (Länder) and local government level and states that every child is legally entitled to a place in a day care centre. Available data suggest that nationwide, 29.3% of children under the age of three were in formal care. However, this average conceals some discrepancies between West and East Germany. The 'male bread winner' model still prevails in West Germany, and childcare is traditionally understood as primarily a responsibility of mothers. By contrast, in East Germany, where the 'adult worker model' (both men and women) is the norm, childcare infrastructures are relatively well developed¹⁴. As a general observation, countries with a dominant 'adult worker' or 'two breadwinner model'¹⁵ such as Sweden seem to have implemented better institutional set ups for childcare.

Other Member States (BE, FR and SI) have introduced policies and programmes that seek to provide full coverage too¹⁶. For example, in 2013 the Latvian National Reform Programme addressed the issue of childcare provision under the chapter related to "Fighting poverty, demographic challenges and health protection". One of the main issues to be tackled is the waiting times for children that need to access pre-school education institutions¹⁷ by increasing public support for families with children.

¹⁴ Scheele A. (2013), 'Public childcare services in the European Union: The model of Germany', in Plantenga et al. (2013), *Barcelona Targets Revisited, Compilation of briefing notes* – Workshop organised by the Policy Department C – Citizens' rights and constitutional affairs.

¹⁵ According to the 'adult worker model' or 'two breadwinner model' all adults, regardless of gender, are expected to have wage work and be self-supporting.

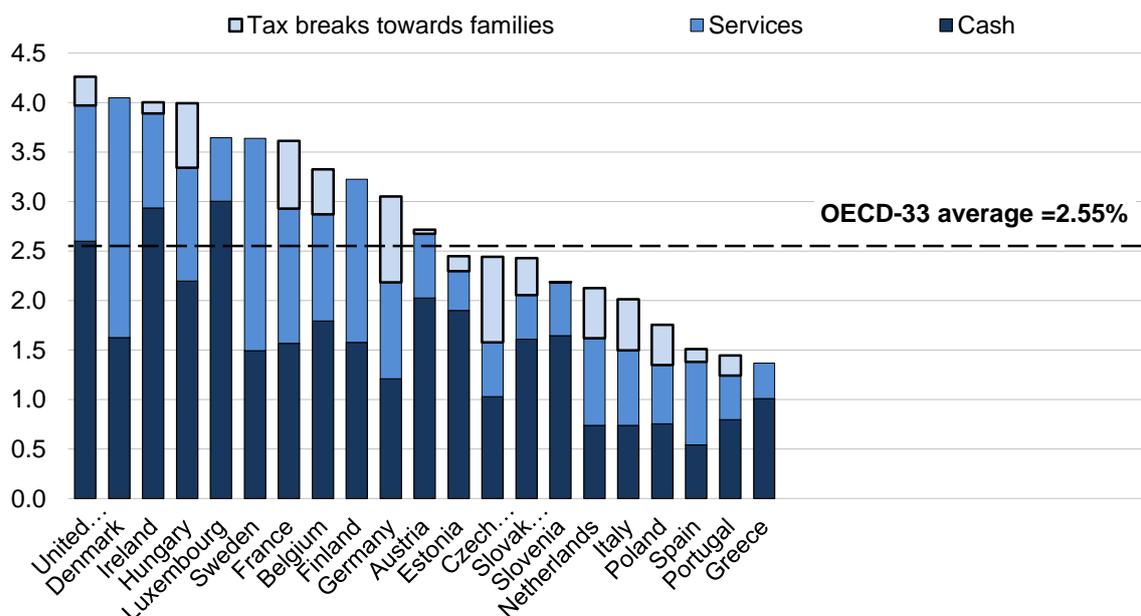
¹⁶ Plantenga et al. (2013), *Barcelona Targets Revisited, Compilation of briefing notes* – Workshop organised by the Policy Department C – Citizens' rights and constitutional affairs.

¹⁷ Rastrigina O. (2013), 'Public childcare services in the European Union: The model of Latvia', in Plantenga et al. (2013), *Barcelona Targets Revisited, Compilation of briefing notes* – Workshop organised by the Policy Department C – Citizens' rights and constitutional affairs.

3.2 Public spending on childcare in the EU

Public spending in childcare can take different forms: direct provision of cash benefits, publicly funded services and tax breaks towards families. There is a great variety in public spending on family and childcare services. The largest 'service providers' are Denmark, Finland, France and Sweden. The proportion of cash benefits provided by those Member States is relatively low (especially in Sweden). Cash benefits are predominant in Member States such as Ireland, Luxembourg and the UK (Figure 8 below).

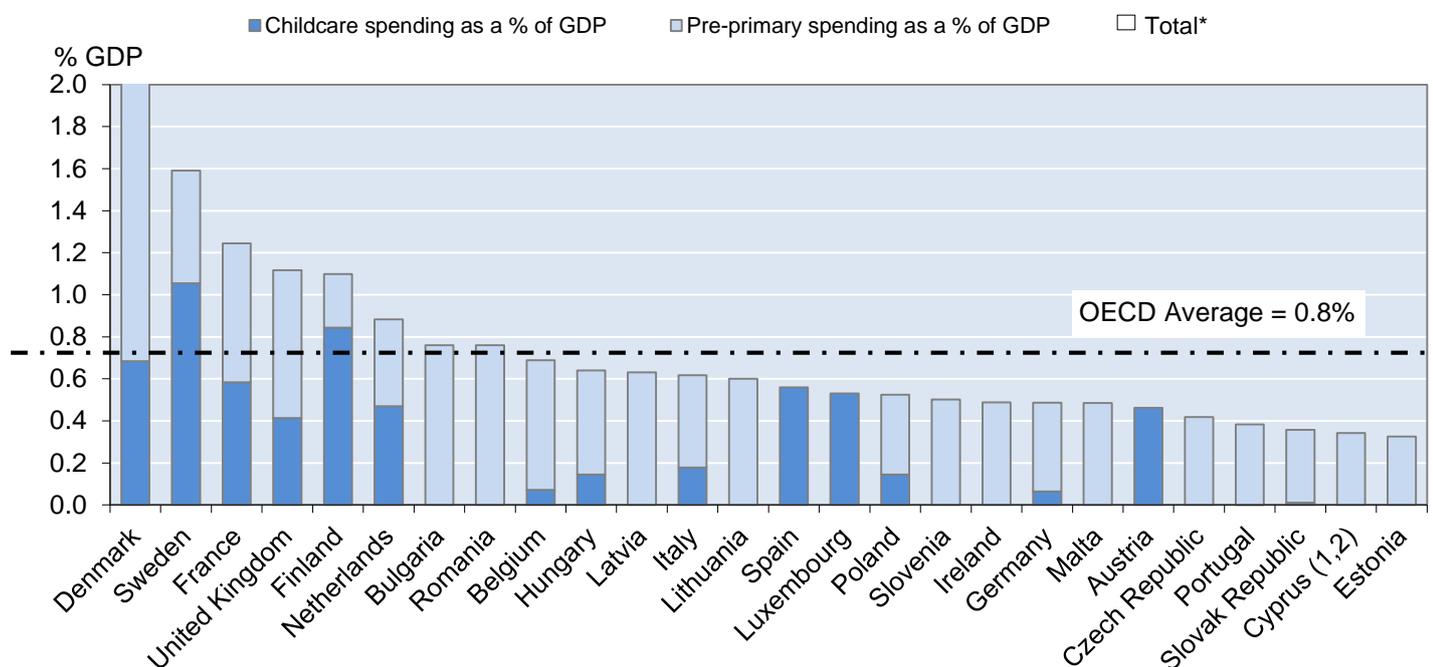
Figure 8 Public spending on family benefits in cash, services and tax measures, in per cent of GDP, 2011



Source: OECD, (2014), OECD Family Database. Indicator PF1.1 'Public spending on family benefits'

With regards to public spending on childcare (Figure 9 below), it should be noted that although in some Member States, such as the United Kingdom, public spending is relatively high, the impact of public spending on childcare remains limited as a significant proportion of mothers are inactive or work part-time. Following Mills et al, 'this might suggest that some countries are able to translate spending into suitable and affordable services more efficiently than others'.

Figure 9 Public expenditure on childcare and early education services, per cent of GDP, 2011



Source: OECD (2014), OECD Family Database. Indicator PF3.1 'Public spending on childcare and early education'. Note: 2011 data for Greece and Croatia were not available.

The administrative division of certain Member States makes it difficult to assess in a comparative way the public provision and support of childcare services in EU. Indeed, in some Member States such as Germany, Belgium or the Netherlands, local government plays a key role in the financing and provision of childcare services¹⁸. Local governments often use different funding streams to finance childcare (non-earmarked) or do not report the information regarding their childcare spending to national authorities.

3.3 Measures to improve affordability of childcare

Affordability of childcare services is a key issue in EU. Different types of administrative set ups and structures have been implemented, either relying on the public or private sector to support access to childcare and ensure its affordability.

3.3.1 Fee subsidies to access childcare

Some Member States (e.g. BE, NL, UK) provide subsidies to new parents. Those subsidies usually aim at addressing equity concerns. For example subsidies sometimes target low income families, families with more children, lone parents/mothers or students with parental responsibilities.

In most Member States (e.g. BE, NL, DE, FR, SK) the fees that parents have to pay for childcare are linked to their resources and family situation (low-income families benefiting from direct fee reduction). For example, in Hungary, single parents do not pay childcare fees¹⁹.

¹⁸ http://www.oecd.org/els/soc/PF3_1_Public_spending_on_childcare_and_early_education.pdf

¹⁹ Richardson L. (2012), op. cit.

Luxembourg (where the rate of children attending formal care increased by 22% between 2006 and 2010) implemented the 'maisons-relais' (childcare centres offering before and after school care for children up to the age of 18) in 2005. This measure was combined with the reorganisation of the school system in 2009 (which integrated three year olds into the first cycle of basic schooling) and the introduction of childcare vouchers²⁰. In January 2011, 69.27% of children aged 0–12 were enrolled in this system. This policy is accompanied by a constant increase in the number of childcare places, including in childcare facilities for children of school age up to the age of 12.

In Austria, between 2008 and 2010, 24 500 new places for children aged between 0 and 6 were created. The following year, the introduction of 20 hours of free childcare per week contributed to increase the rate of children enrolled in formal childcare (the rate increased by 13%).

3.3.2 Cash benefits

Member States also provide direct transfer to parents (cash benefits that take into account the family situation) or to the suppliers (providing direct funding to private suppliers, in exchange of them applying regulated fees to low income families).

In Belgium, to respond to the lack of supply, the Flemish government introduced some structural measures. A parental financial participation system (PFP) based on income was introduced to enable more parents to access the non-subsidised group childcare or childminder services. Childcare facilities that work with the PFP have to reserve 20% of their places for single-parent families and low-income families (who in both cases are unemployed or on labour market inclusion programmes, etc.). In France, parents who choose to place their children in the care of a registered childminder receive a monthly allowance which varies depending on the childminder's status and remuneration, the child's age and the household income²¹.

Some Member States recognise the role that grandparents play in providing childcare, and provide support to this specific type of childcare arrangement. In the Czech Republic and Slovenia, parental allowance can be taken by grandparents (or another person) if they provide day care for the child and if the parents agree to transfer their entitlement. In the Netherlands, a grant for grandparents caring for their grandchildren on a regular basis was introduced in 2007. Parents may receive an allowance to cover the cost of this type of care if the grandparents are registered in a host parent agency and they satisfy a set of requirements (most of them related to safety provisions)²². However, recent evaluations showed that this measure had little effect on formal labour supply and, in the framework of austerity measures, spending was scaled back²³.

In Slovakia, following the period of maternity leave, parents may choose between the parental allowance, provided to the parent on parental leave, or the childcare allowance, provided in case the child is placed in a childcare institution. The parental allowance is provided monthly and is fixed at 199.60 Euros, independently of the parent's former employment status. The childcare allowance is provided monthly, at a rate varying between 41.10 Euros and 230 Euros (with an obligation to report the real costs of the childcare). This childcare allowance is funded in the framework of the European Social Fund²⁴.

²⁰ The childcare voucher system introduces three hours of educational childcare free of charge per week, and the right to have access to a reduced fee (based on the household incomes and the position of the child in the family) for the next 21 hours of educational childcare.

²¹ European Commission (2013), p.7.

²² Richardson L. (2012), op. cit.

²³ OECD, Doing better for families (reducing barriers to parental employment)

²⁴ Plantenga et al. (2013), *Barcelona Targets Revisited, Compilation of briefing notes* – Workshop organised by the Policy Department C – Citizens' rights and constitutional affairs.

Among the Member States that transfer over 2% of their GDP to families in cash payments are Austria, Hungary, Ireland, Luxembourg and UK (OECD 2011).

3.3.3 Tax deductions and/or tax credits

There are different channels used to provide financial support to parents (demand-side support), including tax deductions and tax credits.

Tax deductions aim at fostering carers' (and especially mothers') to return to work, by lowering the tax payments. However, this measure usually targets middle and high income workers (subject to a higher income tax rate).

Tax breaks for families are an important tool for delivering family support in Belgium, France, Germany, Czech Republic and the Netherlands.

In Belgium, the cost of childcare (provided to children between 0 to 3 years and out of school services) is tax deductible, with a maximum spend of 11.20 euros per day²⁵.

Tax credits can be targeted to be more supportive of low-income earners. Tax credits are similar to cash benefits, but they are usually paid out after taxes have been submitted, so if tax returns only happen once a year, it can be difficult for parents to manage childcare cost over the year. In the UK, tax credits can be paid weekly or monthly, based upon the estimated income of the family.

Tax credits can also target employers. In France, a tax credit was introduced in 2004 and targeted enterprises that finance childcare services for their employees.

3.4 Measures to improve availability

Demand for non-parental care is increasing and even in Member States where childcare is more affordable, demand is often unmet (e.g. FR, BE). Insufficient childcare capacity is another important issue that Member States have tried to address.

In France, a large set of providers of formal (collective) childcare exists, including publicly run centres ('crèches municipales') depending on local authorities; parents' associations ('crèches parentales'), run by parents with the assistance and supervision of qualified childminders; nurseries run by enterprises and financed by the employers; kindergartens; short-term care (haltes-garderies); and family nurseries, providing collective care to a reduced number of children (usually up to four) at the home of a parent or childminder. Since 2008, partly to respond to this availability issue, childminders were recognised as formal childcare providers. Childminders should be registered, and the infrastructures in which they provide care is regularly quality checked by local authorities. This form of childcare has become the main one in France and accounts for the care of a third of children under the age of three whose parents work.

Some Member States have implemented measures that would give preferential access to particular types of families (e.g. lone mothers in employment; large families). In Slovakia, Roma children's access to childcare facilities is particularly low. Thus, several measures have been implemented to increase their attendance and their inclusion in childcare structures, in the framework of some projects such as the "Inclusive model of education at pre-primary level of the schooling system". This project focussed on capacity building for childcare professionals as well as on social inclusion of Roma children²⁶.

Finland has introduced a universality principle in access to subsidised childcare services, and municipalities have to guarantee a place in a municipal childcare facility to all

²⁵ Plantenga et al. (2013), *Barcelona Targets Revisited, Compilation of briefing notes* – Workshop organised by the Policy Department C – Citizens' rights and constitutional affairs.

²⁶ Plantenga et al. (2013), *Barcelona Targets Revisited, Compilation of briefing notes* – Workshop organised by the Policy Department C – Citizens' rights and constitutional affairs.

children under school age, without considering the employment status of the parents²⁷. The 'Act on Day Care' states that municipalities have to provide childcare adapted to parents' specific needs due to atypical working hours (night shift, weekends, etc.). In 2009, it was estimated that 62% of municipalities were responding to this demand²⁸. The universality principle is also recognised in Sweden, where childcare services are largely publicly funded²⁹.

In Belgium, children between 2.5 and 6 years have universal and free access to public childcare arrangements³⁰.

In other Member States, such as the Netherlands, the employment status of both parents is a condition to access specific schemes. The 2005 Childcare Act changed the funding approach from supply-side financing to demand-side financing. As a result, there is no longer a public provision of child care services and only private for-profit or not-for-profit providers may provide childcare services. The system is based and financed by a tripartite agreement: employers pay one third of the costs; parents pay part of the costs and might receive a subsidy from the tax authorities based on their income (thus the State also assuming part of the costs). Parents with low incomes also receive some additional help from the State. However, only dual earner families can apply for subsidies.

3.5 Measures to improve quality

In most Member States, childcare quality is an issue: childcare workers' remuneration is usually low, associated with a low status. However, childcare work has become more complex and requires workers to have strong pedagogical skills and competences. Although some Member States have taken steps to professionalise and increase the level of education required to work in childcare, others still lag behind and have less trained non-teaching staff provide the majority of childcare services. As noted by Eurofound, *'on the whole, apart from the Scandinavian countries, the childcare workforce does not represent a highly trained sector'*³¹.

According to an OECD 2007 report, there is a need to tie public support to compliance with quality standards, for instance covering health and safety aspects, rules on the number of certified staff among personnel and staff-to-child ratios, child developmental goals and involvement of parents in the supervision of childcare facilities³².

With regard to this, some Member States have taken steps to improve training requirements for childcare services personnel. In Belgium, efforts have been made to improve the professional qualification of childcare workers. In the Flemish community, a specialised bachelor degree in childcare has been created and the French community is now discussing the possibility to implement a similar degree. Both communities have also started to discuss the implementation of a monitoring system to assess the quality of childcare services³³.

²⁷ The role of childcare facilities for the reconciliation of work and private life of men and women
²⁸ European Commission (2009), *The provision of childcare services, A comparative review of 30 European countries*

²⁹ European Alliance for Families (2011), Best practice Workshop on Child wellbeing and quality of childcare, Synthesis report. Available at:

http://europa.eu/epic/docs/eaf_childcare_report_final.pdf

³⁰ European Commission (2009)

³¹ Eurofound (2009), Childcare services in Europe

<http://www.eurofound.europa.eu/publications/foundation-findings/2009/quality-of-life-social-policies/foundation-findings-childcare-services-in-europe>

³² OECD (2007), *Babies and Bosses*, Reconciling work and family life,

http://www.keepeek.com/Digital-Asset-Management/oecd/social-issues-migration-health/babies-and-bosses-reconciling-work-and-family-life_9789264032477-en#page1

³³ Plantenga et al. (2013), *Barcelona Targets Revisited, Compilation of briefing notes* – Workshop organised by the Policy Department C – Citizens' rights and constitutional affairs.

Denmark adopted a generic approach to Early Childhood Education and Care (ECEC) training of childcare professionals (as opposed to the specialist approach, where practitioners are trained and qualified to work with specific age groups in certain types of establishments). The generic approach qualifies students to work in all educational settings and allows for more occupational mobility. It also recognises the previous experience of students. This has helped to attract men to the ECEC sector and challenged gender stereotypes³⁴.

Slovenia is among the 'best performers' in matters of accessibility of childcare. However, a relatively high share of childcare is still provided by unregistered childminders. To ensure some quality control over this market, a voluntary registration scheme was introduced in 2006 encouraging childminders to declare themselves as service providers. However, childminders are still outside public funding and control³⁵.

3.6 Measure to improve access to and use of childcare for school age children

The Barcelona targets focus on children under the compulsory school age (from 0 to 3 years old and from 3 to compulsory school age). However, in most MS, school hours are usually shorter than a full-time working day; school holidays are also longer than workers' holiday entitlements. Thus working parents need additional facilities and services to care for their children both after school and during school holidays.

Plantenga and Remery found that only a few Member States have implemented comprehensive out-of-school-hours care systems, including Denmark, France and Sweden (although in France there are issues with service availability)³⁶. The OECD 2007 report also emphasised that the '*development of out-of-school-hours services deserves a higher priority than it currently gets in many OECD countries*'³⁷. In theory, the costs of out-of-school services should not be very high, as it is possible to make use of existing infrastructures (such as schools), the child-to-staff ratios for this older age groups are relatively low compared to childcare for pre-school children, thus, operational costs can be low.

Some Member States have implemented measures to provide better out-of-school services. In Portugal, school timetables were reorganised in 2006 and school hours were extended towards a full-time schedule. Primary schools had to implement 'curriculum enhancement activities', free of charge, between 15:30 and 17:30. In addition to this measure, centre-based childcare services (CATL) offer before and after school care. These services range from accompanying children on their way to school or returning them home³⁸.

Research has shown that children from lower income families, single parent families and ethnic minority backgrounds participate less in out-of-school programmes³⁹. In the UK, the 'extended schools and services' programme targeted every pupil in primary education. A set of activities are available from 8:00 to 18:00, 48 weeks per year. Some of these services are not free. In the framework of 'extended schools subsidy pathfinders', some local authorities received funding to subsidise the services that are not free for disadvantaged children and young people.

³⁴ Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions (2013),

³⁵ European Platform for Investing in Children, Slovenia factsheet.
http://europa.eu/epic/countries/slovenia/index_en.htm

³⁶ Plantenga, J., Remery, C. (2013), *Childcare services for school age children*, European Union: Belgium http://ec.europa.eu/justice/gender-equality/files/documents/130910_egge_out_of_school_en.pdf

³⁷ OECD (2007), op. cit.

³⁸ Plantenga, J., Remery, C. (2013), op. cit.

³⁹ OECD, Doing better for families (reducing barriers to parental employment)

3.7 Measures to encourage parental care

All measures described above encourage formal childcare. Some Member States (FI, BE, AT, EL and FR (if two children)) have taken a different approach by encouraging parental care of children after the end of parental leave alongside approaches to improve formal childcare to increase choice. Parents are given the option to receive a childcare allowance, if they chose to stay at home to care for their own child. The allowance is usually provided at a flat rate and is lower than the average wage⁴⁰.

In Germany, since 2013, parents who choose not to make use of public childcare structures are granted a parental allowance of 150 Euros per child per month, regardless of their employment status and hours of work. This allowance is paid for children aged between 15 and 36 months⁴¹. The government promoted this initiative as a “way to guarantee freedom of choice”, but it has been argued that such measures reinforce traditional family roles, and discourage mothers from returning to the labour market⁴².

In France, parents with children under three years of age may receive a child-rearing allowance for up to six months after the birth of the first child and up to the child’s third birthday if there are other children in the family. The allowance is fixed at 566 Euros (just below half of the minimum wage). Assessment of the impact of these policies showed that they were particularly used by low income earners and in large majority women (98% of the beneficiaries in 2008). Although part-time options are available since 2004 and allow the parent taking up the allowance to work part-time while benefiting from a part of the child-rearing allowance to a level which is proportionally higher than what he/she would have received in case of complete withdrawal from the labour market, research showed that due to difficulties in combining atypical working hours with family life, poor working conditions and income constraints, most beneficiaries chose to withdraw completely from the labour market. Surveys show that 40% of the beneficiaries of the full-rate allowance would have preferred to remain in employment⁴³.

Those types of measures might be problematic, for several reasons. As Saraceno stressed, they can ‘strengthen mothers’ role as the main carer’; increase socio-economic differences between children (as most of the families choosing those options are usually the most socio-economically disadvantaged whose children would benefit the most from collective childcare); and support the informal care market⁴⁴. Besides, research has shown that long parental leaves can have negative impacts on women labour participation⁴⁵.

In Central and Eastern European Member States, long leave arrangements and relatively high financial support is provided to new parents. By contrast, childcare facilities are not well developed. As a result, few mothers are able to remain in full-time employment. These types of policies do not promote return to the labour market and may result in larger gender gaps (in term of wages, working hours and later on, pensions).

⁴⁰ Janta B. (2014), *Caring for Children in Europe, How childcare, parental leave and flexible working arrangements interact in Europe*, Rand Europe. (p.13)

⁴¹ European Platform for Investing in Children, Germany factsheet. Available at: http://europa.eu/epic/countries/germany/index_en.htm

⁴² Plantenga et al. (2013), *Barcelona Targets Revisited, Compilation of briefing notes* – Workshop organised by the Policy Department C – Citizens’ rights and constitutional affairs.

⁴³ Thévenon, O. (2013), ‘Public childcare services in the European Union: the Model of France’, in Plantenga et al. (2013), *Barcelona Targets Revisited, Compilation of briefing notes* – Workshop organised by the Policy Department C – Citizens’ rights and constitutional affairs.

⁴⁴ Janta B. (2014), *Caring for Children in Europe, How childcare, parental leave and flexible working arrangements interact in Europe*, Rand Europe.

⁴⁵ Richardson L, (2013), op. cit.

3.8 Family leave arrangements

Most Member States combine childcare arrangements with a family leave framework as well as work-life balance measures. It has been noted that different family leave provisions (i.e. maternity, paternity and parental leave) directly affect the demand for childcare, especially for children in younger age groups. For example, in North European countries, children between 0 and 1 year old are usually cared for by one of their parents. Children join formal childcare after the end of the parental leave. In some countries (e.g. East European countries), maternity and parental leaves are longer, but children are not entitled to formal childcare. In those countries, parental leave tends to replace subsidised childcare. This is the case in the Czech Republic, where women are provided with 28 weeks of maternity leave compensated at a replacement level of 69% of their salary and up to four years of parental leave⁴⁶. The maximum amount of maternity allowance is 30,810 CZK, about 1,232 Euros per month⁴⁷.

Some Member States have implemented specific measures to increase the take-up of parental leave among fathers. In Germany, the introduction of father's quotas (part of the leave is reserved for the fathers) had a positive impact. In 2007, the reform led to an increase of fathers taking parental leave from 3.3% in 2006 to 27.8% in 2011 (but 82.5% did not take more than their individual two-month entitlement in 2012⁴⁸). In Portugal, the share of fathers taking parental leave increased from 10.1 per cent in 2009 to nearly 23% in 2011 as a result of specific measures introduced to encourage the take up by fathers.

3.9 Other family friendly arrangements

Good provision of childcare services may support mothers in remaining or re-entering the labour market, but they may not be sufficient. Research has demonstrated that even in countries where childcare is well supported, mothers might still choose to remain at home if no suitable work incentives are provided⁴⁹. The OECD 2007 report showed that in order to promote women's return to employment, childcare policies should be combined with both tax-benefit policies (direct financial incentives to work are aimed at enabling parents to positively weight earnings from paid work or working more against the additional taxes, the loss of any benefits associated with the additional incomes and the cost of childcare) and good work-life balance policies.

To increase women's employment, the EU recommends that the provision of affordable and quality childcare be combined with flexible work arrangements. The need to include paternity and parental leaves targeting specifically fathers in the family leave framework, and a strong incentive for fathers to take on more family responsibilities is also a concern that has been raised in several EU policy documents.

To be effective in ensuring that parents (and especially women) can reconcile their work and family responsibilities, some businesses have implemented 'family friendly policies'. Research has shown that family friendly policies may have several positive impacts, including increase staff motivation, reduce turnover, reduce stress and enhance workers' satisfaction and productivity⁵⁰.

However, the availability of flexible working time arrangements in the EU (27 Member States) is still relatively low. The third European Quality of Life Survey showed that there are important differences between Member States. Over 60% of respondents reported that they were able to vary start and finish times in Denmark, Finland and Sweden. By contrast, less than 30% of respondents had access to this type of arrangement in Bulgaria, Hungary, Slovenia and Slovakia. 31% of women reported that

⁴⁶ Mills et al, (2014).

⁴⁷ EU platform for investing in children

⁴⁸ Janta B. (2014), *Caring for Children in Europe, How childcare, parental leave and flexible working arrangements interact in Europe*, Rand Europe.

⁴⁹ Richardson, op. cit.

⁵⁰ OECD (2007), *op.cit.*

these measures could be very helpful or helpful to balance their work and private life and they would like to have better access to support services (e.g. childcare, elderly or long-term care) . Another important finding emerging from the survey was the fact that men tend to benefit more from these flexible arrangements. Differences exist in the level implementation of those measures, linked to company size; sector of activity, public or private sector and national institutional frameworks⁵¹.

⁵¹ Third European Quality of Life Survey – Quality of life in Europe: Impacts of the crisis

4 The impact of childcare arrangements

As discussed in Section 3 above, Member States have introduced a number of measures to support the participation of mothers in the labour market and promote the reconciliation of private and professional life. These range from supported childcare to an adapted family leave framework and flexible working arrangements. In many cases parents combine various childcare instruments (e.g. formal childcare and flexible working hours) and it is difficult to attribute specific impacts to a single reconciliation arrangement.

The following section presents the extent to which publicly supported, good quality childcare benefits:

- Women's labour market participation;
- Fertility;
- Protection against poverty and social exclusion; and
- Development of the child.

Women's labour market participation

As discussed in earlier sections, individual (e.g. mother's education level and age), cultural (e.g. norms about mother's participation in the labour market) and institutional (e.g. family leave framework, childcare arrangements) factors affect women's decision to return to work after having children.

Research evidence suggests that childcare services with opening hours similar to regular working hours have a positive impact on the employment rates of mothers. However, if the cost is high, highly educated women are more likely to make use of formal childcare arrangements as they have higher opportunity costs, both in terms of wages and career progression, if they stay out of employment for long periods. Highly educated women are also more likely to find childcare affordable as they tend to be in better paid jobs⁵².

As discussed above, the cost of formal childcare is the main determinant of use in the EU. Childcare costs have a significant negative impact on labour market participation rates of mothers, especially of those in lower income families. In many cases the cost of childcare, especially for more than one child, may exceed the wages parents earn. Hence, subsidised childcare or childcare provided by the state that is universally available can reduce the cost for parents, increase mother's labour market participation and stimulate growth (including employment opportunities) in the childcare sector.

While it is simplistic to suggest a direct correlation between maternal employment and childcare subsidies a number of studies suggest that there is a positive relationship between the two even though they recognise that other factors influence the outcome (e.g. labour market structure and initial maternal employment). Pettit and Hook note that in countries with a greater level of enrolment in publicly funded childcare, the probability of maternal employment is higher. Steiber and Haas reached a similar conclusion⁵³.

Childcare cost of approximately 10% of net family income appears to have a positive impact on maternal employment. Research evidence from Norway, Denmark and Spain suggest that a price cap on the cost of childcare can have a positive impact on maternal employment too. Hardoy and Schøne noted that a price fall from around 13% to 10% of net income for low-income families, and from 9% to 7% for medium income families,

⁵² Hicks, A., and Kenworthy L. (2008), "Family Policies and Women's Employment: A Regression Analysis.", pp. 196-221; Pettit, Becky, and Jennifer L Hook (2005), "The Structure of Women's Employment in Comparative Perspective." *Social Forces* 84: 779-801; Pettit, B. and Hook J. L. (2009), *Gendered Tradeoffs*, New York, NY: Russell Sage.

⁵³ Steiber N and Haas B (2009) 'Ideals or compromises? The attitude-behaviour relationship in mothers' employment', *Socio-Economic Review*, 7(4): 639-668.

contributed to an increase in maternal employment of four percentage points⁵⁴. Similarly, analysing the employment rates of Danish mothers, Simonsen points out that a 10% increase in the price of childcare services reduces their employment rate between 1 and 2.5% in the first year following childbirth⁵⁵. However, once childcare costs are less than 10% of net family income, there appears to be a less significant increase in the maternal employment rate. For example, reforms capping Swedish prices (which were already below 10% of net family income) in 2002 had no significant impact on maternal employment, indicating that at this cost, choice regarding childcare arrangements plays a more significant role.

The number of hours of subsidised childcare also affects the employment rates of mothers and the type work they do. When only a limited number of childcare hours are subsidised, mothers might return to work on a part-time basis only (if they cannot find other informal arrangements). As part-time jobs are often lower paid and with fewer career progression prospects the employment prospects of mothers are more limited.

Finally, the opening hours of childcare services also affect the employment prospects of women. An Austrian study showed that there is a significant positive correlation between the labour-market participation of mothers and the availability of adequate childcare services and a clearly negative correlation if the childcare facilities close for lunch⁵⁶. Many parents cannot find childcare provision for the hours that they work. This is particularly an issue for parents who work outside the conventional 9am to 5pm Monday to Friday pattern. Since many jobs of this type are in low-paid sectors, mothers working 'atypical hours' often face an additional disadvantage.

Fertility

Another potential positive impact of childcare provision is that it might increase fertility rates by facilitating the upbringing of a child for working women. Kotowska et al. argue that the main factors that affect parents' decision to have another child are the ability to access employment, the affordability of childcare and the ability to adjust working hours to childcare⁵⁷.

Taking into account current demographic trends in Europe, the availability of childcare services can encourage individuals to start a family. Research suggests that Member States which have the highest birth rates are those which also have a more extensive work-life balance framework and higher employment rates for mothers⁵⁸.

Protection against poverty and social exclusion

As discussed in Section 3 above, Member States have introduced a number of measures to increase the affordability of childcare for single mothers, migrant parents and families at risk-of-poverty, parents in low paid jobs and with low educational qualifications.

Low levels of maternal employment increase gender inequality in earnings and this is a particular problem for individuals from disadvantaged groups. The period spent outside the labour market following childbirth leads to a 'motherhood pay penalty', a reduction

⁵⁴ Hardoy I and Schøne P (2013) *Enticing even higher female labor supply: the impact of cheaper childcare*, Oslo: Institute for Social Research.

⁵⁵ Simonsen M (2010) 'Price of high quality day care and female employment', *Scandinavian Journal of Economics*, 112(3): 570–594.

⁵⁶ Neuwirth, N. and G. Wernhart (2007). Die Entscheidung von Müttern zur werbspartzipation — Institutioneller Rahmen, Werthaltungen und Aufteilung der Hausarbeit. OIF Working Paper 65/2007. Vienna, cited in European Commission (2009), *The provision of childcare services, A comparative review of 30 European countries*.

⁵⁷ Kotowska, I., E. Słotwińska-Roslanowska, M. Styrz, and A. Zadrożna (2007). Sytuacja kobiet powracających na rynek pracy po przerwie spowodowanej macierzyństwem i opieka nad dzieckiem. Raport z badan w ramach 'Wieloaspektowa diagnoza sytuacji kobiet na rynku pracy, SPO RZL 1.6b. Warsaw, cited in European Commission (2009).

⁵⁸ European Commission (2009), *The provision of childcare services: A comparative review of 30 European countries*.

in the earnings of mothers compared to women without children which subsequently affect their career prospects and pension⁵⁹.

Lawton and Thompson argue that the risk of child poverty is four times higher in families where only one parent works than in two-parent families with children where both parents work⁶⁰. The risk of poverty is higher amongst single parents but employment still has a substantial effect as the risk of child poverty drops by around 50% when the parent is in part-time work as opposed to out of work, and drops further down to 17% for single parents working full-time⁶¹. An increase in the employment rate of mothers is therefore likely to reduce rates of child poverty.

Impacts on the development of the child

It is difficult to assess the impact of childcare on the development of the child due to the fact that the provision of childcare services is very diverse across the EU and within Member States themselves. Different types of childcare may have different impacts on children. Besides, childcare quality is an important factor affecting its potential outcomes⁶². Despite these challenges, research has shown that childcare in general has a positive impact on the development of the child. We could distinguish between direct impacts (the outcomes/direct benefits on children who attended childcare) and indirect impacts (linked to the outcomes/direct benefits that childcare has on other targets, that in turn, benefit child development).

The main direct impacts include improved educational outcomes and social and behavioural outcomes, especially for children from disadvantaged groups. Research has shown that childcare attendance had medium and long-term positive effects on children's cognitive development and academic achievement⁶³. Based upon the 2012 results of the OECD's Programme for International Student Assessment (PISA), it was observed that 15 year-old students having attended Early Childhood Education and Care (ECEC) for more than one year outperformed students who did not (or did for less than one year) by 35%⁶⁴. However, the European Commission report notes that ECEC attendance is not the main factor, and its impact should be assessed in conjunction with other variables, such as students' socioeconomic background, gender and individual motivation. At EU level, childcare attendance would explain only about 2% of the variation among students tested in the framework of PISA.

Data gathered in the framework of the 2011 Progress in International Reading Literacy Study (PIRLS) show that the longer the period children spent in childcare, the more likely it is that their reading and literacy skills at 8 and 9 years old will be high (the study assesses the reading competencies of fourth grade children). On average, at EU level, fourth grade students who spent one year or less in childcare scored the lowest on the PIRLS scale (511 points). They were outperformed by students having attended childcare for more than one year but less than three years (525 points) and those who attended ECEC for three years or more (536 points)⁶⁵. It should be noted though that disadvantaged students were less likely to have attended ECEC for longer than one year, suggesting that other factors might have contributed to the performance results.

⁵⁹ Thompson, S. and Ben-Galim D. (2014), *Childmind the gap: Reforming childcare to support mothers into work*, Institute for Public Policy Research.

⁶⁰ Lawton K and Thompson S (2013) *Tackling in-work poverty by supporting dual-earning families*, York: Joseph Rowntree Foundation.

⁶¹ Department for Work and Pensions [DWP] (2013) *Households below average income (HBAI): 1994/95 to 2011/12*, London.

⁶² Peisner-Feinberg E. et al. (2001), 'The Relation of Preschool Child-Care Quality to Children's Cognitive and Social Developmental Trajectories through Second Grade', *Child Development*, September/October 2001, Volume 72, Number 5.

⁶³ European Commission/EACEA/Eurydice/Eurostat (2014), *Key Data on Early Childhood Education and Care in Europe, 2014 Edition*, Eurydice and Eurostat Report, Luxembourg, Publications Office of the European Union.

⁶⁴ European Commission/EACEA/Eurydice/Eurostat (2014), *op.cit.*, p. 71.

⁶⁵ European Commission/EACEA/Eurydice/Eurostat (2014), *op. cit.*, p.73.

Research has also identified positive outcomes with regards to the cognitive development of the child. Children who attended pre-school childcare demonstrate better cognitive and social skills, whatever their socioeconomic and family backgrounds are⁶⁶. These enhanced cognitive abilities would be more predictable later on (when children reach school age) if children spend a longer period of time in childcare (3 years or more)⁶⁷. Studies looking at long-term impacts of childcare have also identified some positive outcomes, such as fewer behavioural problems in elementary school⁶⁸.

Childcare also has substantial positive outcomes for children from disadvantaged backgrounds. The impact of childcare attendance on educational results is stronger for children coming from disadvantaged backgrounds. The PIRLS 2011 data tested children between 8 and 9 years. Data show that proportionally, the positive impact of childcare attendance on fourth grade children's reading skills is higher for children coming from families with lower level educational backgrounds than for children where one parent at least reached tertiary level education. On average, at EU level, the achievement of children who came from families with a low level of educational attainment and who attended childcare for one year or more was 18% higher than that of children from a similar background who did not attend childcare. When looking at children coming from highly educated families, the difference in achievement attributable to childcare attendance was only 9%⁶⁹. However, the impact of childcare on school achievements seems to decrease with age. At age 15, the PISA study shows no substantial differences in academic performance related to childcare attendance among children from disadvantaged background.

Childcare provision also has a number of indirect impacts on the development of the child. As discussed above, there is a positive relationship between affordable childcare and maternal employment rates. Employment rates have a positive impact on maternal well-being as mothers in employment have lower levels of depression irrespective of whether they are in a relationship or not. Besides, research shows that for single mothers who work full-time and with children under five, access to formal childcare can help reduce the risk of depression⁷⁰. Improved mental health in turn helps the development of the child because good maternal health is linked to good child development⁷¹.

⁶⁶ Peisner-Feinberg E. et al. (2001), op. cit.

⁶⁷ Broberg AG. et al (1997), 'Effects of day care on the development of cognitive abilities in 8-year-olds: A longitudinal study', *Developmental Psychology*, Volume 33 (1).

⁶⁸ Peisner-Feinberg E. (2007), *Child Care and Its Impact on Young Children's Development*, *Encyclopaedia on Early Childhood Development*. Available at: <http://www.child-encyclopedia.com/sites/default/files/textes-experts/en/857/child-care-and-its-impact-on-young-childrens-development.pdf>

⁶⁹ European Commission/EACEA/Eurydice/Eurostat (2014), op. cit., p.71-72

⁷⁰ Harkness S. and Skipp A. (2013), *Lone mothers, work and depression*, Nuffield Foundation. Available at: <http://www.nuffieldfoundation.org/sites/default/files/files/Lone%20mothers,%20work%20and%20depression.pdf>

⁷¹ Harkness and Skipp (2013), op. cit.

5 Conclusions and issues for further consideration

Commitment to improve the quality, availability and affordability of childcare is high on the EU gender equality and employment policy agenda. In 2002 the Barcelona targets were put in place to improve the provision of childcare across EU Member States, and remove disincentives to women's labour market participation. Thereafter, a number of European instruments have given further support to the Barcelona targets by encouraging Member States to promote a better work-life balance for women and men by improving the availability, quality and affordability of childcare services and promoting flexible working arrangements.

Despite this commitment, the provision of formal childcare remains an issue in most EU Member States. More than a decade after agreeing on the targets, little progress has been made in the provision of childcare services. In 2013, 27% of European children under the age of three were cared for in formal structures. This rises to 82% of children between the ages of three and mandatory school age. If the EU average was close to meet the Barcelona targets, this was partly due to the fact that a few Member States had already met and exceeded the objectives (such as DK and SE). However, for both age groups, the amount of time spent in formal childcare was less than 30 hours a week.

Lack of affordable, quality care has a strong impact on mother's employment rates. The 2011 European Quality of Life Survey (EQLS) revealed that almost 60% of parents had difficulties in accessing and using formal childcare, due to its cost, availability, distance or quality of the services⁷². Although cost, availability and quality of childcare are the main determinants of access and the use of formal childcare arrangements, they are not the only factors influencing parental choice (and especially mothers' choice) between childcare and employment. Low use of formal childcare structures is also influenced by cultural and normative as well as the individual characteristics of working mothers.

Member States have introduced different types of administrative set ups and structures, either relying on the public or private sector to increase the availability of childcare, ensure its affordability for working parents and improve its quality. These include:

- Changes to the legal framework to frame childcare as a social right;
- Policy commitments to provide full childcare coverage;
- Fee subsidies to access childcare, cash benefits and tax deductions and/or tax credits;
- Recognition of certain providers (e.g. childminders) as formal childcare providers;
- Preferential access to childcare for particular types of families (e.g. lone mothers and large families); and
- Training requirements for childcare service personnel.

The provision of formal childcare is also complemented by an adopted family leave framework as well as other measures to facilitate work – private life balance.

It is difficult to assess the impact of individual measures as in many cases parents combine various childcare instruments (e.g. formal childcare and flexible working hours) to care for their children while they are at work. However, research findings suggest that the availability of affordable, quality childcare affects positively the women's labour market participation. While it is simplistic to suggest a direct correlation between maternal employment and childcare subsidies a number of studies suggest that there is a positive relationship between the two even though they recognise that other factors

⁷² Eurofound (2012), Third European Quality of Life Survey - Quality of life in Europe: Impacts of the crisis, Publications Office of the European Union, Luxembourg

influence the outcome (e.g. labour market structure and initial maternal employment). Fertility rates are also likely to increase by facilitating the upbringing of a child for working women. Childcare measures, especially the ones that target members of socioeconomically disadvantaged groups, have a positive impact on the fight against poverty and social exclusion and can contribute to the development of the child, especially the ones from disadvantaged groups who are often the least likely to attend formal childcare.

During the Peer Review meeting participants will be invited to share their experiences on the type of measures implemented across Europe to improve the availability, affordability and quality of childcare provision and pay particular attention to those measures that target families most in need of assistance. They will also consider the individual, institutional and cultural factors that affect women's participation in the labour market and reflect on other forms of family friendly initiatives have shown to be effective in increasing the active labour market participation of parents.

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