



Foundation Findings

Childcare services in Europe



European Foundation for the Improvement of Living and Working Conditions

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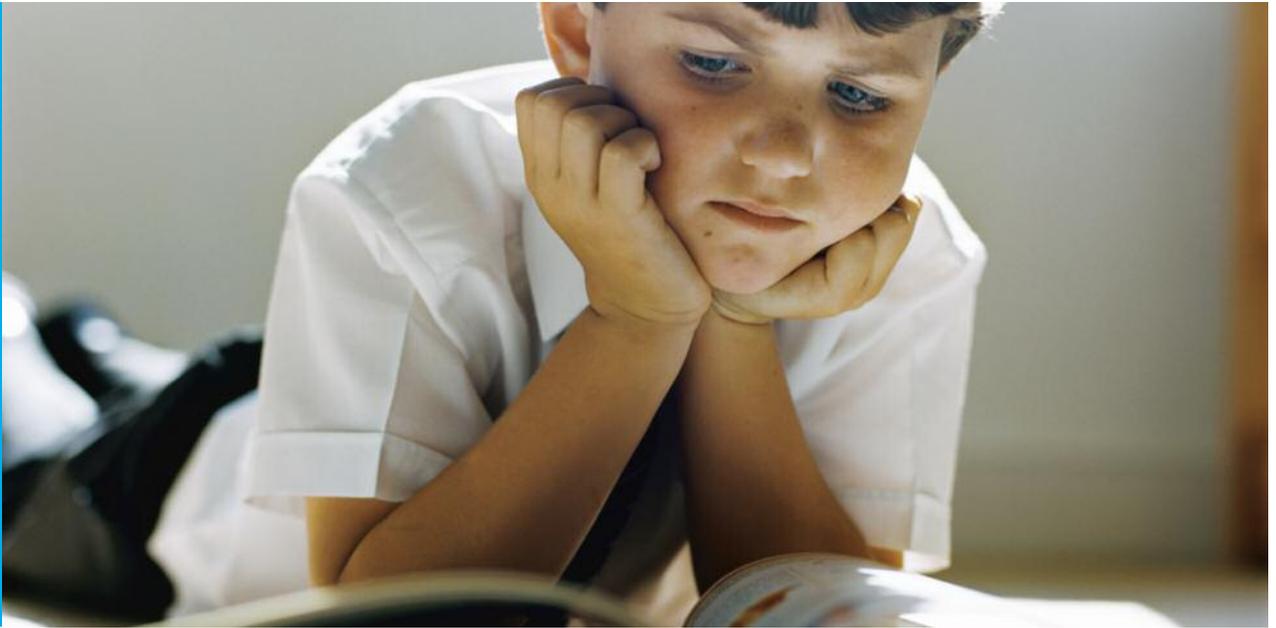
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Childcare services in Europe



The policy background

The importance of ensuring suitable childcare services as an essential step towards achieving gender equality and increasing female labour market participation has been recognised by the European Council and Commission for some time. New childcare targets established during the Barcelona summit in 2002 built on the goals set for female employment rates in the Lisbon Strategy in 2000 and in 2008, the Commission's report *Implementation of the Barcelona objectives concerning childcare facilities for pre-school children* provided a further boost. During this time the EU has also provided practical and financial assistance to significantly increase investment in childcare initiatives across the Member States in order to raise service delivery standards. The European Social Fund has been used in a number of countries to support existing childcare facilities, increase the number of childcare places and improve the quality to meet the diverse and changing needs in employment, education and training.

European directives have been issued on equal pay, maternity and parental leave, equal treatment of men and women at the workplace and in the area of social security. However, it is important to note that the notion of family policy as an overall concept across Europe

continues to evolve and a common understanding has still to be reached in this regard.

The Barcelona targets were designed to address the needs of parents of pre-school children, rather than the needs of parents with children of mandatory school age. The targets were intended to promote childcare services largely in order to remove barriers to employment for women. To date, no European-level childcare policy exists that directly targets children of mandatory school age. National governments have reached various stages in establishing priorities to meet the demand for childcare places for pre-school children, but only a few are addressing the needs of school-age children. Over recent years, therefore, Eurofound has completed a growing body of research in this area (Elniff-Larsen et al, 2006; Reid and White, 2007).

Childcare policies in the EU

The Social Agenda for 2005–2010 sets out the EU's commitment to expanding Europe's labour market, improving flexibility for working parents and removing barriers to employment for women (European Commission, 2005). Member States are being encouraged to take action to

expand the childcare sector to meet the demand for childcare in the EU which has grown with the increase in female employment. Female employment grew from 53.7% in 2000 to 57.1% in 2006. The supply of childcare services, however, has not expanded at the same rate. As women tend to bear the main responsibility for childcare in the household, their labour market participation can be influenced by the availability, quality and type of childcare. Women often leave the labour market because childcare facilities are unavailable, too expensive, inaccessible or inadequate. Indeed, women without children are more often employed than those with children. Many of the new Member States (NMS) have a history of high female labour market participation, supported by a range of high-quality childcare services. However, a decline in childcare services in these countries over the past decade has led to an increase in the number of women working part time or not taking up employment at all.

The European Commission's *Communication on demographic change* outlines the factors that contribute to an ageing European population: current low fertility rates (around 1.5 children per woman), a peak in the population aged between 45 and 65 years due to the post-war baby boom and life expectancy rising by another five years by 2050 (European Commission, 2006b). It points to Eurostat figures indicating that at least 40 million people are expected to migrate to the EU by 2050. However, such levels of immigration only partially offset the larger demographic trends. The Communication indicates that the impact of demographic change will lead to an eventual decrease in the size of the labour force, a decline in economic growth and increased pressure on public spending.

A second Communication on promoting solidarity between the generations (European Commission, 2007b) responds to the issues of demographic and social change. It argues that young adults now live in the family home for longer, while their parents are increasingly likely to also be supporting their own parents. These responsibilities fall on the young or intermediate generations and most often on women.

Therefore, gender equality is a key condition for establishing a new solidarity relationship between the generations and will be crucial in promoting demographic renewal. How families are supported in Member States, and particularly childcare provision, is at the heart of this solidarity and can impact on fertility rates. Demographic change for its part, can be a more significant challenge in particular regions or areas. For example, in regions that are economically disadvantaged, demographic change can be exacerbated if young people leave in search of better employment opportunities. Regions with a large elderly population are likely to have lower labour market participation rates and consequently may face difficulties in funding and supplying goods and services, including childcare (European Commission, 2006b).

EU perspective on children's rights

Children's rights are included in the full range of human rights in the EU. However, it is recognised that the rights of children need to be seen as autonomous and specific to children. The United Nations (UN) 1989 Convention on the Rights of the Child drives the development of child-centred activities. However, the 2002 UN Special Session on Children highlighted the gap between the good intentions of international treaties and the reality of poverty, neglect and exploitation faced by millions of children. A 2006 Communication from the Commission, *Towards an EU strategy on the rights of the child* (European Commission, 2006a), states that parental poverty and social exclusion seriously limit the opportunities and life chances of children; as a result, it is vital to break this cycle of poverty.

Under the Open Method of Coordination (OMC) on social protection and social inclusion, the Commission and Member States have given priority to eliminating child poverty. This aims to promote access to social protection systems in Member States and ensure their quality. Significant progress has taken place in response to safeguarding the rights of the child and ensuring that children's needs are met. A specific objective of the EU strategy on



children's rights is to establish a European Forum on the Rights of the Child.

The United Nations Children's Fund (UNICEF) report *Child poverty in perspective: An overview of child well-being in rich countries* (UNICEF, 2007) assessed the well-being of children in 21 countries of the Organisation for Economic Co-operation and Development (OECD) along six dimensions: material well-being, health and safety, educational well-being, family and peer relationships, behaviour and risks, and subjective well-being. Of the EU25, the United Kingdom (UK) was ranked lowest among the participating countries, while Hungary was third from the bottom. The Netherlands ranked

highest, followed by Sweden, Denmark and Germany. Belgium and Ireland were ranked in the middle of the table. These findings highlight the need for Member States to continue to consider how the safety, care and well-being of children can be ensured. The EU's Lisbon Strategy highlights the need to improve the situation of poor children and their families and children's rights have been consistently included in the criteria for EU membership in recent waves of enlargement. Nevertheless, many children in the NMS are still experiencing high levels of exploitation, discrimination and poverty. UNICEF therefore argues that work still remains to be done.

Key findings

- Overall, the childcare sector is growing in the EU; however, working conditions vary in terms of employment practices, opening hours and coverage.
- Across Europe, a lack of availability, high costs and inaccessibility of services often prevail.
- Childcare services contribute to the successful integration of work and family life.
- In Member States where the childcare workforce is highly educated and trained, the pay and image of childcare workers tend to be higher.
- A variety of training schemes and qualifications are available in the EU, with qualified workers providing care in some Member States, and less qualified staff providing it in others.
- Employment growth in the childcare sector can help to promote equality of opportunity to all children and also boost women's labour market participation.
- The childcare sector should support a diverse workforce that reflects the diversity of the children in its care.
- A gender imbalance is evident in the workforce and needs to be tackled sensitively, for example, by creating incentives to recruit more men to work in the sector, and identifying role models who endorse the value of childcare as a career choice.
- Childcare services should meet the needs of children and provide a variety of stimulating and engaging, age-appropriate activities. It is also essential that care provision meets the needs of families by offering flexible hours and affordable services.
- Families living in disadvantaged areas often face a number of problems that are best addressed in a holistic manner, notably by care that works in partnership with other services, such as social services, education and health.
- The key characteristics of successful out-of-school childcare in disadvantaged areas are public sector support, community involvement and joined-up services



Exploring the issues



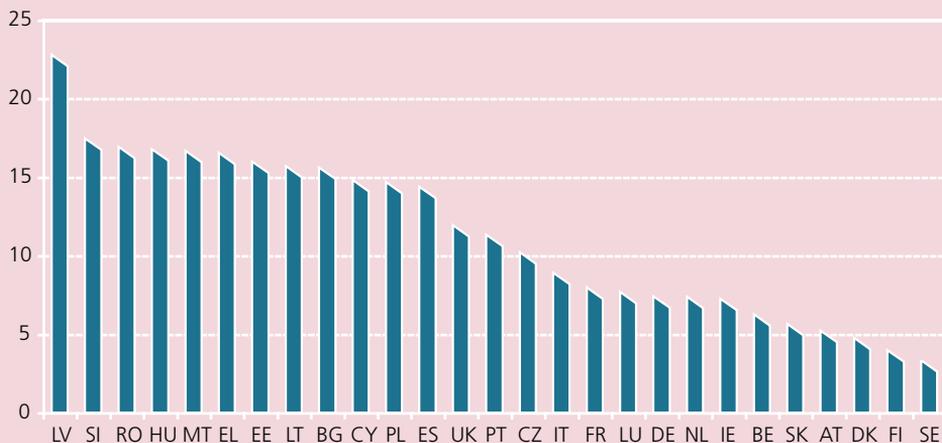
Childcare services in Europe

The development of childcare facilities for children aged up to 12 years gives parents more freedom to choose how to organise their time and thus better reconcile their work and family life. This applies in particular to women, who when faced with inadequate childcare options, are more likely than men to give up work or to choose working arrangements that prevent them

from fully exploiting their talents. The European economy is thus deprived of their productive potential, at a time when it has to contend with economic and demographic challenges (see European Commission, 2008).

Many Europeans say that they have difficulties in combining paid work with family responsibilities and household tasks (Figure 1).

Figure 1: Difficulties in fulfilling family responsibilities (%)



Source: Eurofound, European Quality of Life Survey (EQLS) 2007



Figure 2: Total fertility rate, number of children per woman, 2000, 2006 and 2007



Note: No data available for some countries: Belgium 2006, Ireland 2007, Cyprus 2006 and 2007, Poland 2007 and UK 2000 and 2007.

Source: Eurostat, Statistics in Focus, Population and Social Conditions 81/2008

Women spend more time on domestic work than men. A direct link exists between childcare provision and access for parents to paid employment. Across the EU, more than six million women aged 25–49 years say that they are forced into not working, or can only work part time, because of their family responsibilities. For more than a quarter of them, a lack of childcare facilities – or their cost – is the main problem. Access to good quality, affordable childcare operating at hours to suit parents and children is thus key to facilitating women’s access to the labour market. Allowing parents to work can also help to avoid in-work poverty and reduce poverty in single-parent households, which suffer a much higher poverty rate (32%) than that for all households with a child (17%). Finally, against the background of the current demographic slowdown in Europe, provision of adequate childcare is an incentive to plan a family.

As part of Europe’s drive to improve flexibility and equality for working parents, a key driver in the childcare market was the EU directive setting minimum standards for maternity and paternity leave. Another driver of change in the EU was the cross-national group, the Childcare Network, set up by the Commission and which

ran from 1986 to 1996. This focused on three particular areas: services for children; leave for parents; and men as carers.

An underlying EU driver of childcare services is a political commitment to reverse the decline in fertility and birth rates which are currently below levels needed for population replacement. It is estimated that a continuation of this trend could reduce the EU’s annual economic growth rate from its current 2–2.5% to 1.25% by 2040. One of the key policies that aims to enable parents to achieve a better work–life balance is to increase childcare support, particularly for families that have difficulty accessing childcare or cannot afford it. Although the Commission may currently be looking for policy direction, its political objectives will continue to drive forward the expansion and development of childcare services in Europe.

In many European countries, the informal childcare often provided by grandparents is changing as either they are still in employment or already too old to take care of their grandchildren due to the trend among many women towards having children later in life. As investment in childcare is progressing in most former EU15 countries, it remains different in

many of the eastern European countries. In these countries, prior to the fall of communism, childcare was delivered as a centralised, standardised service for all children. Since then, market forces have dominated central and eastern European economic systems and government ideologies have changed, resulting in the progressive decline of childcare provision. The decrease in childcare places has been accompanied by declining opportunities for women to secure paid employment, limited availability of part-time jobs and unsuccessful measures to reintegrate women returning from leave back into employment.

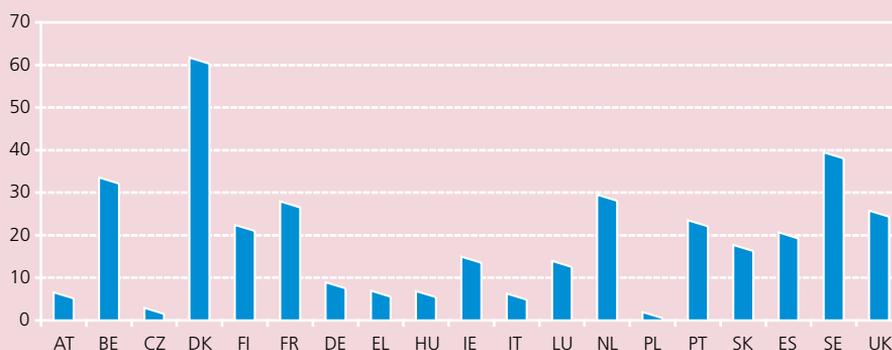
Good childcare provision for children of all ages can help women manage the complex demands of work and parenthood. Quality childcare impacts on quality of life for parents, children and communities. A broader range of employment issues impact on the demands for childcare services, such as parental leave, care services for other dependants, flexible work patterns, job sharing, part-time work, and the balanced sharing of domestic tasks and family responsibilities between men and women. Childcare provision cannot be developed in isolation and should be explored in the context of other systems that interact with the care of children and the family unit. This will ensure that childcare policy developments support the protection of women's rights and help stimulate active labour market participation.

Pre-school children (aged up to five years)

In March 2002, the European Council, meeting in Barcelona, took the initiative of inviting Member States to 'remove disincentives to female labour force participation and strive, taking into account the demand for childcare facilities and in line with national patterns of provision, to provide 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'. These 'Barcelona objectives' form an integral part of the European Strategy for Growth and Employment and are intended to increase the rate of employment of young parents, especially women, and thus help achieve greater gender equality (European Commission, 2008).

Demographic, economic, social and political factors act together to ensure that childcare in the EU is set to continue growing rapidly as an industry. In some Member States, relatively underdeveloped childcare services have greater scope for growth than in other countries. In other states, which in fact constitute the majority of EU Member States, childcare is better developed and hence the current tendency is to concentrate on improving the services for pre-school children. Here, the focus lies on the quality of childcare services provided by carers. Until now, public funding has mostly been directed at children aged from three years up to school-going age, in order to prepare them for

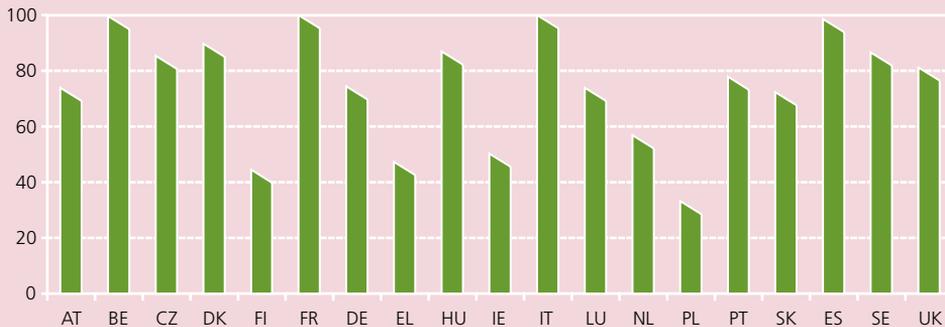
Figure 3: Enrolment rates of children up to two years of age in childcare and early education services, 2005 (%)



Source: OECD Family Database and OECD Education Database



Figure 4: Enrolment rates of children aged three to five years in childcare and early education services, 2005 (%)



Source: OECD Family Database and OECD Education Database

the education system. More recently, however, childcare investment has begun to be directed towards care services for children under the age of three years.

Countries investing in the quality of childcare services and in the education and training of their workforce also have the highest rates of enrolment (Figures 3 and 4).

As Europe has no common childcare system, all countries have different systems of public and private childcare facilities with different methods of payment. In some countries, it is expensive and often barely or not affordable for parents to have their children in pre-school care, and only few companies in Europe offer childcare facilities or financial contributions for childcare to their employees.

School-age children (aged five to 12 years)

The issue of childcare has been extensively studied in recent years. However, the area of out-of-school care for school-age children aged between five and 12 years has not attracted the same attention. This form of childcare includes any arrangement outside compulsory school hours that involves elements of physical care, socialisation, play and/or education. Eurofound has conducted in-depth research into out-of-school childcare, with a particular focus on

developments in employment and good practice in the childcare sector. Its research explored two key aspects of the issue: employment initiatives that support the development of a skilled childcare workforce, and the affordability and sustainability of provision for children living in disadvantaged areas – regions with a high density of households experiencing poverty and deprivation. The services in the study include day-care centres, before and after-school facilities in private, public and third sector settings, and other regulated and voluntary services. In addition to a literature review of the EU situation, the first phase of the research analysed the employment creation potential of childcare services in Austria, Cyprus, Hungary, Poland, Sweden and the UK. The second phase, on the provision of childcare in disadvantaged areas, analysed the national situations in Belgium, the Czech Republic, Estonia, Germany, Portugal and, again, the UK.

Childcare services for school-age children

Quality of services

As many Member States are still struggling to provide childcare services, the quality of services is often secondary to the provision. This is unfortunate as quality childcare is an important element in creating an excellent



quality of life for children across Europe. It is important that childcare services are able to meet the needs of children and provide a variety of stimulating and engaging age-appropriate activities. It is also essential that provision meets the needs of families by offering flexible hours and services at an affordable price. Defining the issue of quality across the EU is extremely difficult because of varying cultures and each country's ability to provide childcare services. While determining the quality of childcare services was not a focus of the research, it is still recognised that quality is a central component in any consideration of working conditions in the childcare sector. Setting a quality standard across Europe could potentially help regulate and promote quality standards in the childcare sector. It would also place the child as the central focus of the care to be provided.

Employment opportunities

As a whole, the childcare sector is growing across the EU, although the majority of jobs are not well paid and are often below the recommended pay levels. In Member States where teachers provide most out-of-school childcare, the pay and image of childcare workers are higher. In other contexts, childcare pay does not provide a sustainable wage and

the sector does not have an image of offering good-quality employment. Some childcare jobs, such as childminders, offer flexible schedules but provide poor pay.

Many of the jobs in the childcare sector are also part time and finding full-time work can be challenging. Career possibilities are also limited in the sector and advancement is difficult with the lack of management positions. The variance in employment standards in childcare across the EU makes it difficult to assess if employment in the sector supports a work-life balance for families. However, in many Member States, it does not appear to be very supportive of a good quality life. Low pay, the poor image of working in the sector and poor working conditions are key areas to be addressed in the promotion of the childcare sector across Europe. Unfortunately, many countries have no initiatives designed to increase and support employment in the sector. Perhaps by beginning to recognise potential weaknesses in the sector's employment conditions, a natural progression may be that more countries will support quality employment in childcare services for school-age children in the future.

Training and qualifications

Across the EU, a variety of training and qualification programmes are available in the childcare sector. In some Member States, university-qualified teachers commonly provide care, while in other contexts less trained non-teaching staff provide the majority of childcare services. It is more common for countries to have partial accreditation and regulation systems in place for childcare training. On the whole, apart from the Scandinavian countries, the childcare workforce does not represent a highly trained sector; therefore, it struggles to pay a subsistence wage to many of its employees. In order for the sector to provide a better level of pay and support a quality workforce, it is important to provide accredited training and relevant qualifications for workers.

Standardising training and qualifications across the EU could substantially increase the quality of employment and provision of childcare services. A European framework could support the development of a quality, integrated, trained



and more mobile workforce. Networking activities across the Member States could be initiated to share good practice on the development of training and qualification structures in different contexts. These networking activities could also provide an important opportunity to explore demographic imbalances regarding labour supply and demand in different Member States, and explore the development of flexible training structures and mechanisms that can be adapted according to fluctuation in demand. Benchmarking standards in training and qualifications in the sector would also help address growing concerns about the quality of care services.

Childcare for children in disadvantaged areas

The provision of out-of-school childcare for children living in disadvantaged areas helps government and other bodies achieve their own strategic economic and social aims and objectives. In these areas, a more specific economic driver for out-of-school childcare development has been the goal of removing childcare as a barrier to employment and learning, and so enabling families to move out of poverty. Supporting parents in taking up work or improving their work situation will result in higher household incomes, bring personal benefits to parents and provide a positive environment influencing children's experiences and aspirations. Out-of-school childcare can play an important role in economic development at both local and national level. The recognition of the social benefits that out-of-school childcare can deliver has also been a driving force behind its adoption in some Member States. This can, of course, be combined with economic objectives. In some countries and communities, out-of-school childcare activities aim to improve children's engagement in formal education and enhance the educational attainment levels of individuals and the community as a whole. Out-of-school childcare for children living in disadvantaged areas should take a holistic approach to addressing the issues that lead to, or arise from, poverty and social exclusion. Thus, it should be

an integral part of the economic and social regeneration of disadvantaged areas.

Service delivery and affordability

Out-of-school childcare in disadvantaged areas is usually delivered by public sector providers or voluntary organisations. In some Member States, out-of-school childcare is also managed by parent-led management committees employing staff to deliver it on a day-to-day basis. Care will often be delivered through a combination of these three main models. Private sector providers with a profit motive are less likely to provide childcare services in disadvantaged areas and tend to offer care in more affluent areas where parents can pay the full cost. Providing effective sustainable out-of-school childcare services in these areas requires financial support from external sources, such as national or local governments, trusts or non-governmental organisations. In reality, for some initiatives, support will comprise a combination of two or more of these sources. Long-term funding is important, set at realistic levels and proofed against inflation. Short-term or annual funding is not effective in ensuring a reliable efficient out-of-school childcare service that will bring long-term sustained benefits. The funding can be directed through two routes: to the provider and to the service-user. Funding can be provided directly to the out-of-school childcare service provider to cover capital and start-up costs, and – on an ongoing basis – to cover or contribute to operating costs. It can also take the form of grants, or mainstream budgets, which means that it is included in the core budgets of the funding organisation.

'In-kind' support may also be provided, such as staff time or rent-free premises. Alternatively, out-of-school childcare services can be made affordable and sustainable in disadvantaged areas through funding directed at individual families and children. Funding can be in the form of tax credits, exemptions or subsidies provided directly to the family. Otherwise, it can be paid directly to the out-of-school childcare provider but be linked to a particular child or family, thereby reducing the amount that they need to pay for the services. Eurofound research indicates that financial support is essential in order to provide good quality, effective out-of-

school childcare services in disadvantaged areas and to disadvantaged groups.

Community involvement

Although state support is generally required in some form in order to provide out-of-school childcare services in disadvantaged areas, these services tend to operate more successfully and have a greater impact if the local community is involved in their development and operation. Involvement of parents, or of the wider community, in the delivery of services can help to ensure that these services meet families' needs and can respond to an area's changing priorities. Where parents or other community members have a role in the management of out-of-school childcare services, or are involved in an advisory capacity, this can raise their skills level, confidence and experience, and can promote social integration. This is particularly significant when different ethnic groups occupy a neighbourhood, where community-led out-of-school childcare can help to support social cohesion and integration in the local area as well as enhance social and educational development among disadvantaged ethnic minority groups. Furthermore, an intrinsic benefit of community involvement in managing childcare services is the sense of local empowerment, as residents play a key role in the delivery of important local services. However, Eurofound research reveals that, in disadvantaged areas, many parents or community members lack the skills and confidence to set up and manage an out-of-school childcare service. If community involvement is to be successful and sustainable, local parents or residents will require capacity-building and support.

Integrated and diverse services

Out-of-school childcare providers can offer a range of services for parents and children – in addition to the basic services – such as family support, parenting classes, health services, employability support, community safety sessions, counselling and confidence-building courses. By providing a range of services to families, out-of-school childcare can meet these individuals' needs holistically and enable a range of economic and social benefits to be

achieved for disadvantaged children, parents and communities.

Furthermore, evidence from national research has indicated that where out-of-school childcare services in disadvantaged areas provide a diverse and varied range of activities for children this can have an important impact in ensuring their development of new skills and interests. It can also help to improve children's self-esteem and encourage learning.

Accessibility

If out-of-school childcare is to be delivered effectively within disadvantaged areas, it must be accessible to all families. Locally managed services can respond quickly and flexibly to changes in need. This is important in disadvantaged areas where families are likely to have a diverse range of needs. Flexible approaches can be particularly important in disadvantaged rural areas, where group out-of-school childcare services may not be viable and individual solutions may be required. The services also need to be flexible to the specific needs of families, such as children with special needs. While this is an important consideration for out-of-school childcare services in all areas, it can be particularly important in disadvantaged areas, where parents of children with additional needs may not have access to transport in order to take their child to services in other areas.

If out-of-school childcare is to have an impact on the economic situation of families living in disadvantaged areas, services should be available year-round and at times that suit the working patterns of families. A seamless link should be established between childcare services and school hours.

Ethnic minorities

In some countries, ethnic minority families are a key priority group for out-of-school childcare providers operating in disadvantaged areas. Language and cultural barriers can mean that certain groups may be more susceptible to social exclusion and therefore more likely to live in disadvantaged areas. Some Member States, such as Portugal, take the number of ethnic minority individuals living in an area into



account when classifying areas as 'disadvantaged'. Member States included in Eurofound's research have adopted various approaches to addressing the needs of ethnic minority families living in disadvantaged areas. One approach involves using out-of-school childcare services as a tool for integrating ethnic minority groups into the wider community and helping to reduce conflict between groups. This approach has been adopted in Estonia, where a significant Russian minority population lives, many of them in disadvantaged areas.

A similar approach has been taken in some areas in Germany and the Czech Republic, particularly where a high proportion of children living in a disadvantaged urban area come from ethnic minority families.

Quality, monitoring and regulation

In order for out-of-school childcare services to achieve maximum benefits for families in disadvantaged areas, service provision should be of a high quality and be perceived as such by parents and children. The quality of services should be transparent and therefore a system of assessing and ensuring quality is beneficial. At present, little rigorous work is done at national level to assess the progress of out-of-school childcare development in disadvantaged areas; limited evidence exists on the impact of out-of-school childcare services for parents, children and communities. This evidence is crucial to enable evidence-based planning. Some

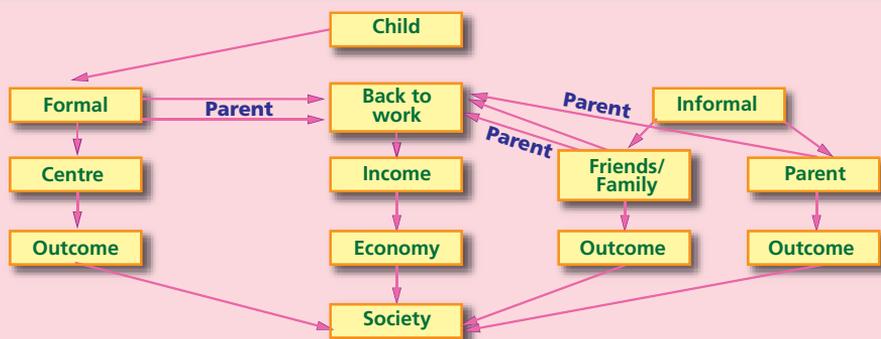
assessment of the impact of services does take place at local or project level within disadvantaged areas; where this happens, childcare services can respond to the changing needs identified. Service monitoring can also be an important tool in demonstrating the benefits of provision to funding bodies, parents and other stakeholders.

In some Member States, well-established systems exist for regulating out-of-school childcare services, including services in disadvantaged areas. Such regulation is beneficial in ensuring that services are of a high quality. These services can benefit from the presence of a national framework for the development of staff, taking into account the needs of different age groups. Such a framework would automatically cover staffing in disadvantaged areas. However, it is likely that greater need will arise for specialist staff in these areas to tackle particular local issues.

Investing in childcare

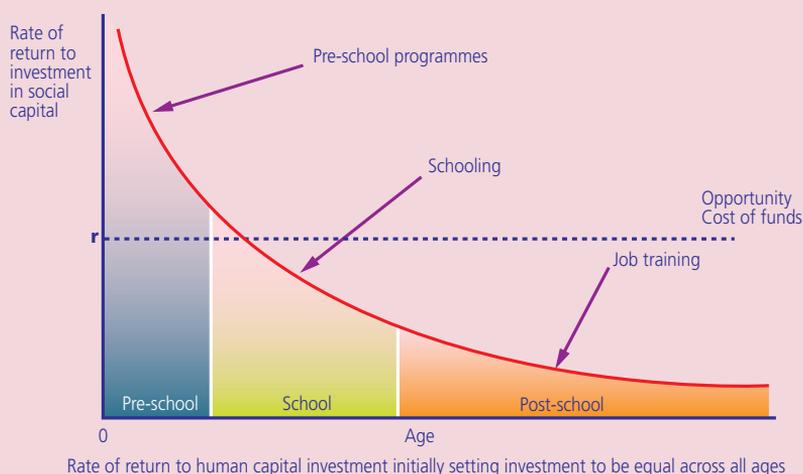
A distinct feature of childcare services in Europe is their diversity. After the EU enlargement in 2004 and 2007, which also brought about a growth in informal childcare, this diversity is likely to have increased further. An underlying driver of such diversity has been the distinction made across Europe, with a few exceptions, between care and education. In many Member States, for example, parents may have several

Figure 5: The childcare pathway



Source: Blackburn, P., Children's nurseries: UK market report 2005, 2005

Figure 6: Heckman curve: Rates of return to human capital investment



Source: Carneiro, P. and Heckman, J., Human capital policy, 2003

childcare choices. However, this choice may often be restricted due to income, location and accessibility.

Nonetheless, the issue of choice in childcare is making its way up the political agenda in Europe. In any future scenario, the issue of choice is likely to take on much greater importance than before. Within childcare, the choice issue is likely to focus on the following variables:

- ➔ work–life balance preferences;
- ➔ cost burden;
- ➔ information.

Economic, social and political momentum has led to a greater emphasis on enabling parents to make work–life balance choices. By improving parental leave entitlements and introducing flexible work arrangements, parental choice in relation to childcare has improved and is set to continue.

Figure 5 illustrates the types of childcare paths that parents can choose for their children and themselves, and the economic and social impact of their decisions.

The cost of different childcare services, whether borne by individuals indirectly through taxation or directly through fees, remains a key determinant in the type of childcare chosen by parents in the EU. Moreover, the balance of costs between formal and informal childcare, also taking into account the decision of choosing not to return to work, remains a key issue in many Member States. The key to sustaining childcare services continues to be linked to the cost of such services, whether these are borne by the state or parents.

The value of investing sufficiently in children and therefore in good and affordable quality services is shown clearly by the Heckman curve which illustrates the returns on investment that can be expected at different stages of the education cycle (Figure 6). Overall, investment in childhood education is more important than at any other stage of the education cycle. However, OECD research shows that current national investment in child education is far too low. In fact, to provide high quality services, some countries will need to double their investment (Bennett, 2008).



Role of the social partners

Labour force participation

A key driver of childcare demand in Europe has been the strong growth in female employment, which stood at just below 56% in 2004 for the EU25, compared with 51% in 1997. The increasing participation of women in the workforce in the EU has raised the overall employment level, thereby increasing economic output and reducing child poverty. The female workforce has grown strongly for a number of reasons:

- desire for a career;
- need to generate a second income;
- more flexible working practices, particularly wider choice of working hours;
- changes in maternity legislation;
- women's preference for financial independence;
- job seeking incentives, for example, changes to benefit systems to encourage job seeking;
- increased childcare availability.

The social partners have played a key role in these developments. Topics such as reconciliation of work and family life, parental leave and childcare benefits have been to the fore in their negotiations in recent years.

Collective bargaining

Reconciliation of work and family life today involves the relationship between different activities – paid work and unpaid caring, as well as social life, personal development and civic participation. It thus involves the relationship between a wide range of stakeholders, including families, employers, trade unions, governments at EU, national and local levels, services, carers, those receiving care and the wider society. The issue is central to these stakeholders due to various factors, namely demographic changes, changes in the composition of the labour force, technological development and new forms of work organisation, the restructuring of social

protection, and changes in family structure and in the distribution of caring work between women and men.

In recent years, the emphasis placed by the EU on policies devised to support equal opportunities for women and men and new forms of work organisation has given a major impetus to the introduction of work–life balance measures. In this sense, the provisions included in the EU Employment Guidelines, which coordinate Member States' National Action Plans for employment, and the European directives, which are transposed to national legislation systems, have supported a change in the prevailing attitudes of governments and social partners. Moreover, they have resulted in the development of new measures promoting work–life balance.

Labour market and family policies are closely related. As with other policy areas, variations exist across countries in terms of reconciliation as well as the means of regulation – legislation or collective bargaining. Topics such as new forms of work organisation, special leave, career breaks and childcare support are on almost all Member State bargaining agendas. Negotiations have been carried out at national, intersectoral, sectoral, company and local level (as in Italy), and they are influenced by the characteristics of the national industrial relations and legislative systems. New forms of work as part of the reconciliation agenda – gender equality, gender balance, maternity, paternity leave and work–life balance – have been negotiated in some countries, including France, Germany, Greece, Italy, Portugal, Slovenia and Spain. As far as special leave is concerned (parental leave, maternity leave, family or care leave) and career breaks and sabbaticals, agreements have been concluded at sectoral level in Austria, Belgium, Denmark, Finland, Germany, Greece, Italy, Luxembourg, Norway and Portugal, as well as at national level in Belgium, Finland, Greece and Ireland, and at company level in Greece, Italy and Portugal.



Policy pointers



Achievement of Lisbon goals and childcare services

The Lisbon Strategy generates the context for childcare across the EU, but does not directly impact on service provision. Its significance is in setting the stage for economic growth and employment, in which women play a key role. The renewed Lisbon Strategy proposes focusing efforts on delivering stronger and more lasting growth, and creating more and better jobs. It calls for action to deliver growth and competitiveness, to make Europe a more attractive place to invest and work in and to facilitate innovation. However, it seems that without investment in gender equality, social cohesion and sustainable development, including strong policy commitments in these areas, the EU will not reach its economic goals. Gender mainstreaming is a central part of this

process and increasing women's labour market participation is an important component in achieving economic growth and increasing competitiveness across the EU. Providing adequate childcare services is a key mechanism to enable a higher rate of women's labour market participation.

Reconciliation of work and family life

The European Employment Strategy (EES) promotes the reconciliation of work and family life. In accordance with the European Council Conclusions of Barcelona (European Council, 2002), the EES has promoted quantitative objectives for increasing the availability of childcare provision across the EU.

The EU formulated targets for childcare during the Barcelona summit as a follow-up to the



Lisbon targets concerning men's and women's labour market participation. The importance of childcare services was recognised by the European Council and Commission by identifying suitable childcare services as an important component in achieving gender equality and increasing women's labour market participation.

National family policy

National family policies vary widely across Europe, despite family structures changing in similar ways. Cultural diversity has also led to varying styles of family policy development despite most EU Member States dealing with similar problems associated with low fertility, rising child poverty and low employment rates. With regard to younger children, pre-school childhood policies include maternity and parenting benefits. Maternity benefits are some of the oldest family benefits in Europe and exist in all Member States as a result of EU policy directives. However, policy development concerning childcare services for children, especially over the mandatory school age, is still required.

Social inclusion and equal opportunities

Childcare services should promote the successful integration of work and family life. Employment growth in the childcare sector can help to provide equal opportunities to all children while also boosting women's labour market participation. Issues of equality can be reflected both in terms of employment in the sector and the provision of services. The childcare sector should support a diverse workforce that reflects the diversity of the children in its care. A gender imbalance in the workforce remains and needs to be tackled: for example, by creating incentives to recruit more men to work in the sector and by identifying role models who endorse the value of childcare as a career choice.

Childcare provision and financial support

Childcare provision has also been recognised as a mechanism for addressing issues arising from demographic change and changing family structures. The provision of childcare has largely focused on children below school age, but the agenda has now widened to include care for school-age children. Positive developments have occurred in this field across Europe. Nonetheless, Member States differ markedly in the level of provision offered and are at different stages in addressing families' childcare needs. Financial support is required to ensure that parents can afford the fees and that services can be sustained over time. Common sources of support include governments, charities, trade unions, trusts and sponsorship. Contributions can be financial, in kind, or may take the form of technical and business support. Funding can be given directly to the childcare service provider to permit the provision of reduced-cost places, or it can be given to individual families to help them pay for their childcare. In some countries, funding is provided through both these routes.

Rising importance of out-of-school childcare

Out-of-school childcare is of increasing importance in the EU and gaining an increasingly high profile in European social policy. Many women work part time or are forced to stay at home when they have no access to out-of-school childcare. Improving the provision of out-of-school childcare is a key way to encourage and facilitate women's labour market entry and hence to achieve the Lisbon employment targets, which call for an employment rate of 60% for women by 2010. Providing high-quality childcare is also a way to support families, facilitate a better work-life balance and – crucially – ensure the welfare of children themselves, as it is increasingly being recognised that poverty and social exclusion still affect many children in Europe (European Commission, 2008b).

Out-of-school childcare in disadvantaged areas

Developing out-of-school childcare in disadvantaged areas can contribute to the economic development of the area and have a positive impact on educational attainment, social development and residents' health. The UNICEF report on child poverty (UNICEF, 2007) states that: 'changes such as the rapidly increasing participation of women in the workforce and the steep rise in single-parent families has made childcare into one of the biggest issues facing both families and governments'. It also makes the link between the provision of childcare and children's educational well-being.

Social partners

→ Trade unions support improvements in childcare provision for various reasons: to benefit workers, boost women's employment rates, improve opportunities for career development, reduce the stress experienced by workers with children, bring positive health outcomes to both children and

parents, as well as provide employment, especially in disadvantaged communities.

→ Employers are similarly keen to see improved provision. In order to compete effectively, companies need a good quality, reliable and productive workforce. Childcare can facilitate this by enlarging the pool of workers from which employers can recruit. When workers have access to reliable childcare they are also more likely to remain with their employer. Furthermore, increased employment in disadvantaged areas will result in higher household incomes: businesses in turn will benefit from the greater circulation of money in the local economy.

→ National governments are becoming increasingly aware of the need to move beyond simply meeting European targets and implementing childcare policy for children aged under 15 years. A key aspect in improving childcare provision is to integrate childcare policy into a broader set of policies around the reconciliation of work and family life for women and men.



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Adequate and accessible childcare is crucial to allow parents to work, to strengthen gender equality and to reinforce social inclusion... Childcare is also a vital ingredient in facing up to demographic ageing: without proper support services, parents are less likely to have children. The current provision remains inadequate. National governments need to address the challenge and the EU will support their efforts.

**Vladimír Špidla, European Commissioner for Employment,
Social Affairs and Equal Opportunities**

Foundation Findings provide pertinent background information and policy pointers for all actors and interested parties engaged in the current European debate on the future of social policy. The contents are based on Foundation research and reflect its autonomous and tripartite structure.



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