

# Type of Childcare Strongly Socially Selective

## A European Comparison of Childcare for Children under the Age of Three

*Throughout Europe increasing importance is being attached to the care situation for small children, first with respect to the integration of mothers in working life, second with respect to the welfare of children in terms of their cognitive and emotional development as well as social integration. The socio-political relevance of childcare is expressed in the goals formulated by the European Council in 2002 in Barcelona, goals through which the EU countries are urged, "taking into account the demand for childcare facilities and compatible with the guidelines of the individual countries (...)[,] by 2010 to provide childcare places for at least 90% of children between the age of three and the mandatory school age and for at least 33% of children under the age of three" (KOM (2008) 638: 2). While the care service for children between the age of three and six in most European countries is meanwhile relatively well developed, the provision of care for children under the age of three varies significantly between the various countries. The reasons for this lie both in the general financial conditions and in the particular national orientation of family policy. If the care of small children is seen as the primary task of the family, family policy benefits are then mainly directed at supporting care by the parents, whether it be in the form of extended paid leave for gainfully employed parents and/or in the form of financial grants.*

All women between the ages of 18 and 55 whose youngest child is younger than three years of age are included in the analyses. Only the care situation of their youngest child is taken into account.<sup>4</sup> With a total of 13,916 cases, women with children under the age of three represent only a very small population. At the same time, however, the three care arrangements are in part very heavily skewed according to country. Any further differentiation quickly leads to cell frequencies below the just about acceptable threshold of 20 cases. For that reason, in considering the maternal factors educational background and poverty risk, the institutional and private types of care are brought together under the heading "external" care.

Since the SILC data from Switzerland and Turkey have so far not been as scientific-use-files and since the data from Portugal and Malta could not be taken into account, the country comparison refers to the remaining 25 EU countries as well as Norway and Iceland. In addition, as far as the German EU-SILC data are concerned, no distinction can be made between Eastern and Western Germany. This significantly limits the validity of the German findings, since the care services and their utilization in the two parts of Germany continue to differ significantly (Steiber/Haas 2010; Kreyenfeld/Krapf 2010).

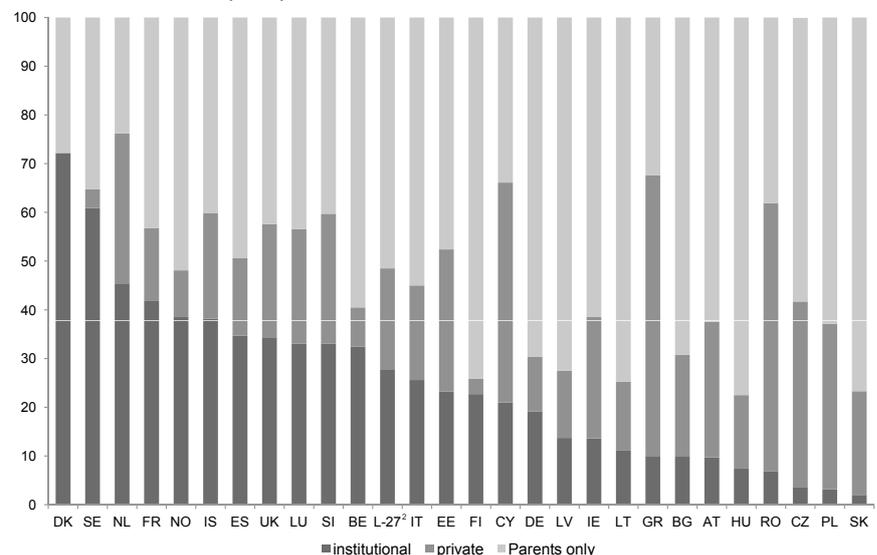
### Distinctive differences in the care arrangements for very young children

If one first looks at how the utilization of institutional and private care for children under the age of three in Europe is configured, distinctive differences appear between the various countries (Graph 1). It is hardly surprising that the institutional care in countries with well-developed early child-

The present paper outlines how the type of childcare for children under the age of three varies dependent on the mother's gainful employment, her educational background and her risk of poverty, and it also examines the extent to which characteristic transnational patterns can be discerned. The statistics concerning the income and living conditions of households in the European Union (compiled in the EU-SILC 2009) serve as the database<sup>1</sup>. Since 2004 the EU-SILC has been compiled on an annual basis. Currently, 27 EU countries as well as Norway, Iceland, Turkey and Switzerland participate. The focus of the EU-SILC is on households and the people aged 16 or older who live in them. For children under the age of 13 living in the household, inquiries about the care situation<sup>2</sup> are made. Data are gathered concerning the particular type of care and its scope (in hours per week). In particular, the distinction is made between six different types of care, in which case the actual country-specific implementation may vary in detail: (1) Nursery schools or the equivalent; (2) compulsory schools; (3) childcare facilities outside of regular instruction; (4) day care centres, crèches, nursery schools or the equivalent; (5) care performed by non-institutionally involved individuals (childminders, au pairs)<sup>3</sup>; (6) care performed by grandparents, other household members (not including parents), relatives, friends, etc. A differentiated identification of these six types is not sensible because of the low number of cases. A differentiation is thus made between the following care arrangements: I. Institutional care: This includes types (1)–(4). II. Private care:

Included here are paid or unpaid assistance (5)–(6). III. Parental care only, i.e., neither institutional nor external private forms of care are used. In the text we circumscribe exclusively parental care in shortened form as "care for alone". Although we are only considering mothers here, this formulation also refers to fathers. In addition, in order to avoid double counting, children who are cared for both institutionally (I) and privately (II) are only identified as being in institutional care.

**Graph 1: Care arrangements for the youngest child (under the age of 3) in the household<sup>1</sup> (in %)**



1) Applied to mothers of children under the age of 3; 2) L-27: All 27 countries studied.

Database: EU-SILC, own calculations

hood care services is the most widespread. This includes Denmark (72%) and Sweden (61%), followed by the Netherlands (45%), France (42%), Norway (39%) and Iceland (38%). Within the Nordic countries, Finland is unusual in this respect. Similar to Denmark, Sweden and Norway, children in Finland at the latest from the first year of life have a legal right to a childcare place and at the same time access to a comprehensive care infrastructure. Nevertheless, only 23% of mothers in Finland take advantage of institutional support for their youngest child. Almost three-quarters of the mothers in Finland, by contrast, choose to take care of their child entirely alone, i.e. they do not claim any form of external care, whether it be of an institutional or a private character. An explanation for this might be the Finnish "parental choice" model. "Parental choice" models, which also exist in Denmark, Sweden and Norway, for example, enable parents to choose between public care services and private care with financial compensation. In Finland, however, there exists – in contrast to the other countries – only the right to a childcare supplement if in return no public childcare place is claimed for the child (Plantenga/Remery 2009). Moreover, this national childcare supplement may be supplemented by a municipal childcare supplement, since some Finnish municipalities in the case of renunciation of a childcare place also provide financial allowances.

By a percentage of more than 30% in each case, women in Spain, in the United Kingdom (hereafter referred to as the UK), Luxembourg, Slovenia and Belgium make above-average use of institutional care for their youngest child. For the UK this finding is unexpected. In the market-economy oriented childcare system in the UK, the fees are not only the highest in Europe. The public subsidy is at the same time the lowest in Europe. However, the length of paid leave (maternity protection and parental leave) for women is – at approximately 13 weeks – very limited so that simple economic necessity may also be reflected in the high use of the existing institutional care options. At best of marginal importance is the institutional care of children under the age of three in Poland, Slovakia, the Czech Republic, Romania, Austria, Lithuania, Bulgaria and Greece. One out of every ten women at most in these countries indicates having used a crèche or the like for their youngest child. Measured by the percentage of small children in private care, the actual care needs in most of these countries is, however, considerably greater. Clearly more than half of the mothers in Greece and Romania, as well as more than 30% of mothers in the Czech Republic, Poland and Austria, use private care options for their youngest child. In a European comparison, external care of an institutional or private character in Germany is of only secondary importance. Just under two out of every ten mothers fall back on formal support services for the care of their youngest child; a mere

10% make use of private support. Seven out of ten mothers, on the other hand, indicate that they take care of their child alone. A similarly strong dominance of exclusively parental care of children under the age of three can be found in Finland, Latvia, Bulgaria, Lithuania, Hungary and Slovakia, and somewhat less pronounced in Austria, Ireland and Poland.

#### **Four out of ten gainfully employed mothers in Germany care for their youngest child without external support**

The employment behaviour of mothers, especially if the children are still at crib age, is the result of a multifaceted decision-making process. Important are both, the individual life situations, the available options and the costs of childcare, family policy and social policy incentives as well as cultural role models relating to an appropriate gender-specific division into housework, family care and gainful employment. Thus, in (west) Germany the gainful employment of women with small children is often perceived as problematic, both with respect to the child's well-being and in relation to the double burden on the mother (Scheuer/Dittmann 2007). This cultural role model is attended by social policy incentives which tend to oppose the gainful employment of mothers. Included here is the length of parental leave, including the recognition of 36 months of parental leave as counting toward the calculation of the individual's national pension fund contributions, as well as the impending introduction of a childcare supplement which – similar to the situation in Finland – is only paid out if no public childcare place is claimed. Opposing this is the limited availability of crèche places, which places limits on the employment of mothers. A similar situation presents itself in Austria. In the opposite direction, Denmark and Sweden, for example, with relatively short parental leave periods and need-based care structures set incentives for the gainful employment of women with small children. In the Netherlands, too, the quick return of mothers to working life is striven for. The maximum paid leave for women stands at 26 weeks (Table 1). Included among the countries with very short paid leave periods but at the same time with an only limited availability of care services are inter alia Italy, Ireland, Greece and Romania. France and Finland, for example, belong to the countries with longer periods of paid leave and a well-developed care infrastructure.

Well-developed childcare services undoubtedly facilitate the gainful employment of mothers with children at crib age, as is shown in a European comparison by the extraordinarily high employment rates of mothers in Denmark, Sweden, Norway and the Netherlands. However, over 70% of mothers in Slovenia, Lithuania and Cyprus are also gainfully employed, although in Lithuania as well as in Cyprus the care infrastructure is only weakly

developed. Greece, Ireland and Poland are also among the countries with insufficient childcare places but between 50 and 60% of mothers in these countries are gainfully employed. By comparison, in Germany, but also in Finland, the gainful employment of women with a small child remains an exception. In each of these countries only slightly less than one-third of these mothers are gainfully employed. In most European countries public childcare services are aimed at gainfully employed mothers. If the demand exceeds the supply, the children of gainfully employed women generally take precedence. Despite this, the existing infrastructure does not appear to come close to satisfying the actual needs – whether with respect to the number of available places, the opening hours or the costs incurred. For the average of the 27 countries, only four out of every ten gainfully employed mothers take advantage of institutional support in the care of their youngest child, 28% use private care options, and 31% indicate that their child is cared for by the parents alone. The last-named case is especially common in Lithuania, Bulgaria, the Czech Republic and Slovakia and serves to underline the financial constraints of these mothers, who are forced to be gainfully employed, even when there is a lack of childcare options. Cyprus, Romania, Poland, Austria and Ireland are also among the countries with a weak care infrastructure. Here, however, the deficit is increasingly compensated for by recourse to private support, whether it be in the form of an extended family circle, friends or neighbours. The extreme example is Greece: Only 10% of gainfully employed mothers use institutional care but 89% fall back on private assistance. In Germany, too, the care situation for children under the age of three is less than optimal: Only 40% of gainfully employed women take advantage of a crèche or day care centre; one out of every five women falls back on private forms of care, and in an additional 40% of the cases the smallest child is cared for by the parents alone.

#### **The utilization of external assistance in the care of children increases according to the educational level of the mothers**

In general it is above all highly qualified women who, following the birth of a child, quickly return to their place of employment, since they are more often engaged in occupations which are hard to combine with interruptions lasting several years. The greater income and career opportunities also represent positive incentives for limiting oneself to only short-term employment breaks. If the employment and income opportunities are unfavourable, it is, on the other hand, only logical for the woman (or the couple) to weigh the costs of external childcare against the amount of income achievable through gainful employment. If one takes the mother's level of education as an indicator of her potential income and ignores other factors which speak in favour

**Table 1: Care arrangements for the youngest child in the household (under the age of 3) according to the mother's participation in the labour market (in %)**

	Percentage of employed mothers <sup>1</sup>	Paid maternity protection and parental leave <sup>2</sup>	Max. length of paid leave for mothers	Mother gainfully employed			Mother not gainfully employed		
				Care of the youngest child <sup>3</sup>					
				Parents only	Institutional	Private	Parents only	Institutional	Private
	%	In weeks		%		%			
DK	82	32	46	26	74		34	66	
SI	81	52	37	35	36	29	63	22	16
LT	79	109	104	69	14	17	98	1	2
NL	78	21	26	14	53	33	58	17	25
SE	76	38	51	32	64	4	47	50	3
CY	75			15	26	59	90	6	4
NO	71	39	91	45	43	12	68	28	4
BE	68	14	15	47	42	11	87	12	2
FR	66	44	159	24	54	22	81	18	2
GR	58	25	43	1	10	89	77	9	14
IE	56	7	42	41	22	37	88	3	10
ES	55	16	162	30	46	23	73	21	7
LU	52	28	26	19	41	41	70	25	5
PL	50	39	156	42	34	28	84	17	11
IT	50	24	26	38	6	52	72	1	16
IS	49	21	26	14	56	30	65	21	14
RO	46	16	21	36	11	53	40	3	57
UK	46	13	52	26	45	30	57	26	18
LV	43	55	52	43	27	30	94	4	2
BG	40	57	63	63	19	19	74	4	22
DE	32	36	157	40	40	20	84	9	7
FI	32	55	162	40	53	7	90	8	1
EE	26	85	172	17	53	30	58	13	29
AT	25	35	112	26	27	47	75	4	22
SK	24	46	156	57	6	37	83	1	16
CZ	18	63	164	59	7	34	58	3	39
HU	10	76	136	35	50	16	82	3	15
all 27 countries	51			31	41	28	73	14	13

1) Mothers of children under the age of 3; 2) Converted into full-time equivalents: Source; OECD Family Database, PF2.1, 2011

3) May not sum to 100% due to rounding

Database: EU-SILC, own calculations

of or against exclusively familial care, the incentive to place an additional burden on the household budget through the utilization of a crèche place if at the same time parental care can take place “at no cost” would be less pronounced in the case of those with lower levels of education than with those with higher levels of education.

As emerges from Table 2, this form of “educational selectivity” shows itself in nearly all countries: It is the mothers with low levels of education who mainly care for their youngest child themselves. And it is the women with the highest levels of education who most often rely on external support in the care of their children. In terms of the European average, more than two-thirds of poorly qualified mothers take care of their youngest child exclusively alone; in the case of highly qualified mothers, on the other hand, the figure is slightly less than 4 out of 10. For Germany as well, strong educational differences are discernible: 85% of mothers with a low level of education care for their child alone; in the group of highly qualified

mothers the percentage is only 52%. As a result, the type of care (parents vs. external) in Germany is similarly educationally selective as in, say, Austria, Poland, Belgium or Bulgaria.

Even more pronounced is the educational selectivity of childcare in France and the Netherlands. In France 79% of poorly qualified mothers care for their children entirely alone. In the group of highly qualified mothers, this is true, on the other hand, in only 27% of the cases. In the Netherlands the respective percentages are 52% vs. 17%. In the case of the Netherlands, this very pronounced educational selectivity is not wholly unexpected. The Dutch childcare system is well developed but organized by private enterprise. The high childcare costs when compared with the rest of Europe are mainly borne by the parents and their employers. In France the situation is different. The French childcare system is a mixture of publicly organized and (state subsidized) individualized (assistantes maternelles) services. Despite heavy subsidi-

dizing, the remaining costs for the parents are still relatively high and appear in the case of mothers with a low level of education to tend to work against the utilization of the existing care infrastructure. Deviating from this, the educational level of mothers in Denmark, Norway and Iceland but also in Estonia, Romania, the Czech Republic and Slovakia has no appreciable influence on the type of care used for the youngest child. In contrast to the Nordic countries, the care infrastructure in Romania, the Czech Republic and Slovakia remains underdeveloped. This deficit is, however, – as mentioned above – compensated for by private care options, the use of which presents fewer obstacles to mothers with lower levels of education.

#### **Mothers who live in circumstances at risk of poverty less often make use of external assistance in the care of their youngest children**

Growing up in poverty often goes hand in hand with poor starting points in adult

**Table 2: Care of the youngest child (under the age of 3) by the parents only (in %)**

	Educational Level <sup>1</sup> of the Mother <sup>2</sup>		
	basic	moderate	high
LT	97	77	70
FI	88	78	70
DE	85	73	52
LV	84	80	60
PL	83	71	49
AT	81	65	47
BE	81	56	52
HU	81	81	68
BG	79	72	50
FR	79	48	27
SK	77	79	73
IE	74	67	51
IT	68	52	43
CY	61	45	23
ES	61	50	41
CZ	60	59	56
UK	60	42	37
LU	59	46	30
GR	57	42	15
SE	56	35	32
SI	56	43	35
NL	52	24	17
EE	48	52	44
NO	48	52	46
IS	42	42	38
RO	34	42	36
DK	27	25	27
all 27 countries	68	55	39

1) ISCED 1997: basic: primary school sector and secondary school sector I; middle: secondary school level II and post-secondary, non-tertiary sector (e.g., vocational college, Abitur [German higher education entrance certificate]); high: tertiary sector (completion of vocational college, university)

2) Mothers of children under the age of 3

Database: EU-SILC, own calculations

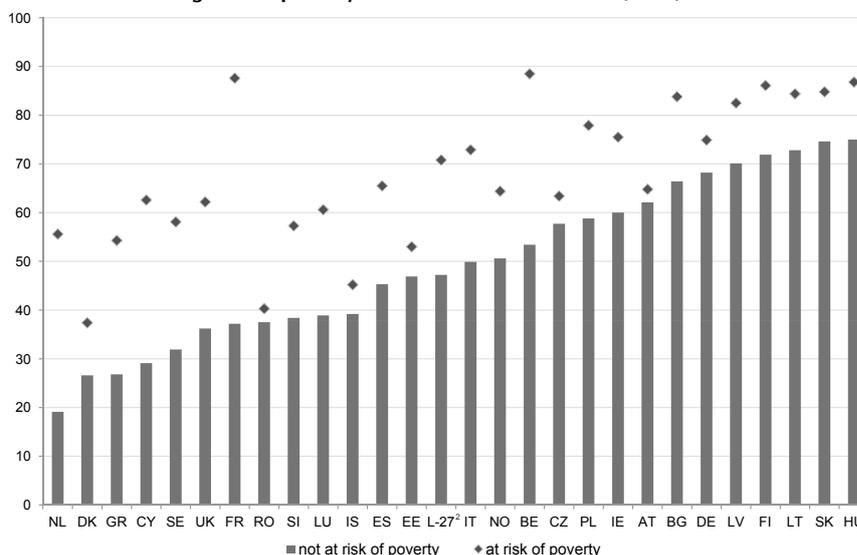
life, whether it be in social, financial or health terms. The reasons for this lie not only in income poverty as such but also in the resulting unfavourable accompanying circumstances in one's parents' house or in one's social environment. Through the expansion of early childhood care services, the aim is thus not only to facilitate the integration of mothers into working life and thus reduce families' risk of poverty but also to provide children from circumstances at risk of poverty early on with opportunities for cognitive and emotional development as well as for social integration. In order to reduce income-related barriers to access, most European countries subsidize early childhood care directly or indirectly. According to the information of the OECD, the European average of the net costs for full-time care of two children aged two and three stands at 16% of the average salary and at

12% of family income (OECD 2011).<sup>5</sup> The highest care costs throughout Europe are in the UK and Ireland – at up to one-third of family income. The smallest burden (< 5% of family income) for parents is in Estonia, Belgium, Poland and Greece. Then come the Nordic countries, Luxembourg, Latvia, Lithuania, Hungary, the Czech Republic, Germany and Slovakia, with net costs of between 5 and 10% of family income. At between 10 and 20%, the family budget in France, the Netherlands, Austria and Cyprus is burdened somewhat more.

If in light of this one takes a look at Graph 2, it is first noticeable that poverty income<sup>6</sup>, just as education, exerts a strong impact on the type of care for the youngest child. Women who live in circumstances at risk of poverty tend rather to care for their child themselves or take significantly less often advantage of external care than women in more favourable income situations. In terms of the European average, 7 out of 10 mothers in households at risk of poverty take care of their youngest child themselves. If the household income lies above the poverty threshold, this applies to less than one-half of mothers. This pattern shows itself in various degrees in nearly all European countries. The relatively high childcare fees do not appear in terms of the type of childcare (parents vs. external) to distinguish systematically between income-poor and other types of households. In support of this view is the fact that the strongest differences are not seen in the UK and Ireland, something which one would expect given the extremely high costs of childcare in these countries. It is rather again in the Netherlands and France, followed by Cyprus and Greece, where poverty – as is already the case with the mother's level of educa-

tion – significantly more strongly than in all other countries determines whether the youngest child is cared for by the parents alone or whether external assistance is also relied on. In the Netherlands mothers in households at risk of poverty care for their youngest child roughly three times as often, in France more than twice as often, even without supplemental institutional or private assistance, than is the case with other mothers. Poverty in Austria, Germany and most other European countries makes the least distinctions in this respect. Here the mother's risk of poverty has scarcely any or only a small impact on whether external assistance is used or not for the care of the child. In the Nordic countries, on the other hand, the range varies from negligible (Iceland) to moderate (Denmark, Finland) to considerable (Sweden). In Sweden the discrepancy between familial and external care attributable to the household's poverty risk equals roughly the level found in Greece and the UK. At this point one can only – without further analyses – speculate on the reasons, because the childcare fees in Sweden are minimal and the childcare supplement is paid even public childcare services are utilized. Still, Nyberg (2008), for example, suspects that the introduction of the childcare supplement in Sweden could result in an increase in the socially selective utilization of the care infrastructure. To examine this thesis, a longitudinal analysis would be necessary, which would exceed the framework of this paper.

In summary it can be maintained that the type of childcare provided for the youngest child is strongly socially selective throughout Europe. If the mother lives in circumstances at risk of poverty or if she has a low level of education, an increased tendency

**Graph 2: Exclusively parental care of the youngest child (under the age of 3) according to the poverty status of the household<sup>1</sup> (in %)**

1) Applied to mothers of children under the age of 3; 2) L-27: All 27 countries studied

Database: EU-SILC, own calculations

toward exclusively parental care exists in nearly all the countries considered. As far as that is concerned, this is not wholly unexpected given that the risk of poverty and the level of education are closely tied to the type of employment and given that it is mainly gainfully employed mothers who fall back on external assistance in the care of their small children. Nonetheless – and this is a surprising finding – social selectivity is not the highest in, say, those countries where the care infrastructure is very weakly developed, that is, for example in Germany, Austria and most Eastern European countries. Rather, the strongest selectivity is found in France and the Netherlands, in other words, in countries having quite comprehensive care options but with high care costs compared with the European average. The stronger social selectivity compared with Germany is at the same time essentially not determined by the care behaviour of mothers with poor qualifications or burdened with the risk of poverty, who at a similar level as in Germany tend to rely on exclusively parental care of their youngest child. It is rather highly qualified women in the Netherlands and France who are not at risk of poverty who to a considerably greater extent than in Germany make use of external types of care. In light of this it can be assumed that with the expansion of the care infrastructure in Germany, combined with the impending introduction of the childcare supplement, the scale of socially selective childcare in Germany will increase, since in the case of unfavourable income conditions the childcare fees result in an additional burden, the childcare supplement, on the other hand, contributing to easing the burden on the family budget.

- 1 For detailed information on the EU-SILC cf. <http://www.gesis.org/unser-angebot/daten-analysieren/amtliche-mikrodaten/european-microdata/eu-silc/>.
- 2 For a detailed presentation of the EU-SILC with respect to its potential and limitations for the analysis of childcare, see Wolf/Grgic (2009).
- 3 The “assistantes maternelles”, important in France for the care of the youngest children, have since 2008 been assigned to the category of “formal or institutional care”. The “assistantes maternelles” are indeed employed and paid for by the parents but one is dealing here with a licensed form of care for which the parents receive financial assistance.
- 4 We base ourselves here on the method standard in the respective studies; according to this, the employment behaviour of mothers – when several children live in the household – is primarily influenced by the age of the youngest child (Büchel/Spieß 2002).
- 5 Applied to institutional care (crèches, day care centres, etc.): Net costs are defined as the fees charged by the institutions minus direct and indirect monetary transfer payments, i.e., the fees actually incurred by the parents. The

information represents the upper end of the fee scale, i.e., a graduation according to income or other social criteria is not taken into account <http://www.oecd.org/dataoecd/52/11/42004407.pdf>.

- 6 A household’s risk of poverty is determined on the basis of the household equivalency income. If the available equivalency income comes to less than 60% of the national net equivalency income (median), the household is considered to be at risk of poverty.

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