

Inequality in access to childcare: evidence and explanations for 31 countries

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Main argument

Generally, two channels through which childcare is expected to mitigate social inequalities in early life:

Maternal employment

Child development

However, it was claimed in a recent European Commission review on employment and social developments in Europe that “*the resources devoted to early childhood education and childcare (ECEC) services are seen to benefit the rich more than the poor*” (European Commission 2011, 107).

Main argument

If there is a social gap in childcare use, government investment in childcare could fail to live up to its inequality-reducing potential or, even worse, exacerbate rather than mitigate social inequalities.

Aim of this presentation is to:

- 1) Investigate whether, and if so in which countries, childcare use is distributed in a socially uneven way;
- 2) Explore some explanations of the outcomes;
- 3) Pay attention to the broader picture of child poverty;
- 4) To draw policy lessons.

In doing so, I take a country-level (macro) perspective.

Datasources & method

Usage rates as a measure of access to formal childcare services, drawn from EU-SILC (wave 2009) for EU27 + Norway and Iceland, ECCP 2005 for US and HILDA (wave 2010) for Australia.

Information on **formal arrangements** (day care centers, early education programs, preschool, family daycare and professional childminders, (early) head start) and **informal arrangements** (grand-parents, relatives and friends).

Focus on **youngest children** (between 0-3), in order to compare homogenous groups across countries (cf. universal kindergarten use in Belgium).

To take 'intensity of use' into account, I calculate a **Full Time Equivalent (FTE) measure** of formal childcare use: the share of children as if they were receiving formal childcare for 30 hours a week.

Datasources & method

Educational level of the mother (or father if mother is absent) as stratification variable (strong correlation with labour market chances and disposable income).

To gauge disparities in access, I calculate an **inequality ratio** at the country level: share of children with a high skilled mother using formal childcare / share of children with a low skilled mother using formal childcare.

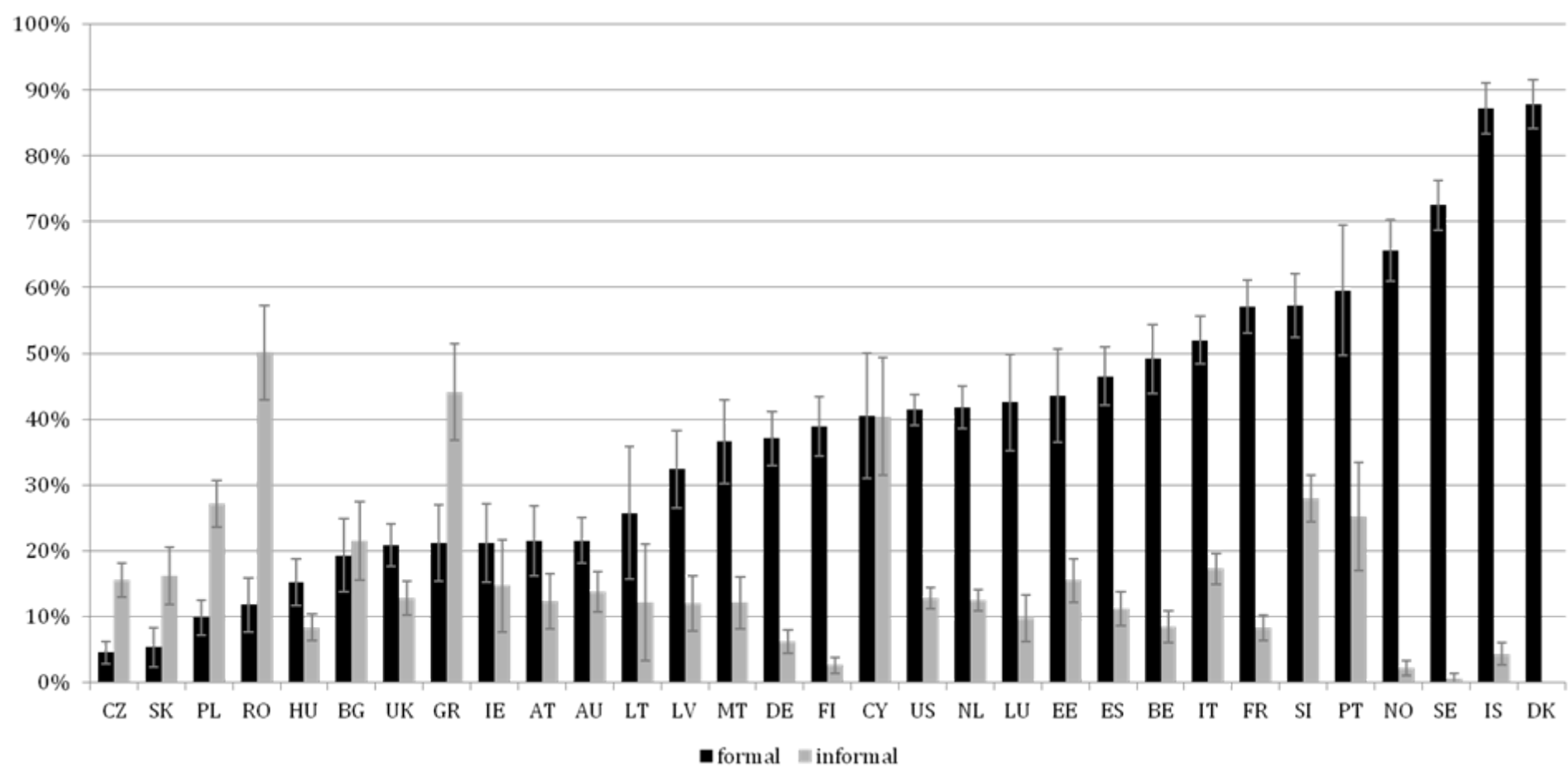
If ratio = 2: high skilled twice as much likely to use formal childcare;

If ratio = 1: equal use.

For the explanations in the second part, I rely on several sources such as the OECD family database, OECD Social Expenditure Database, EVS 2008, ISSP 2002, Labour Force Survey 2005 (ad hoc module on work-family life).

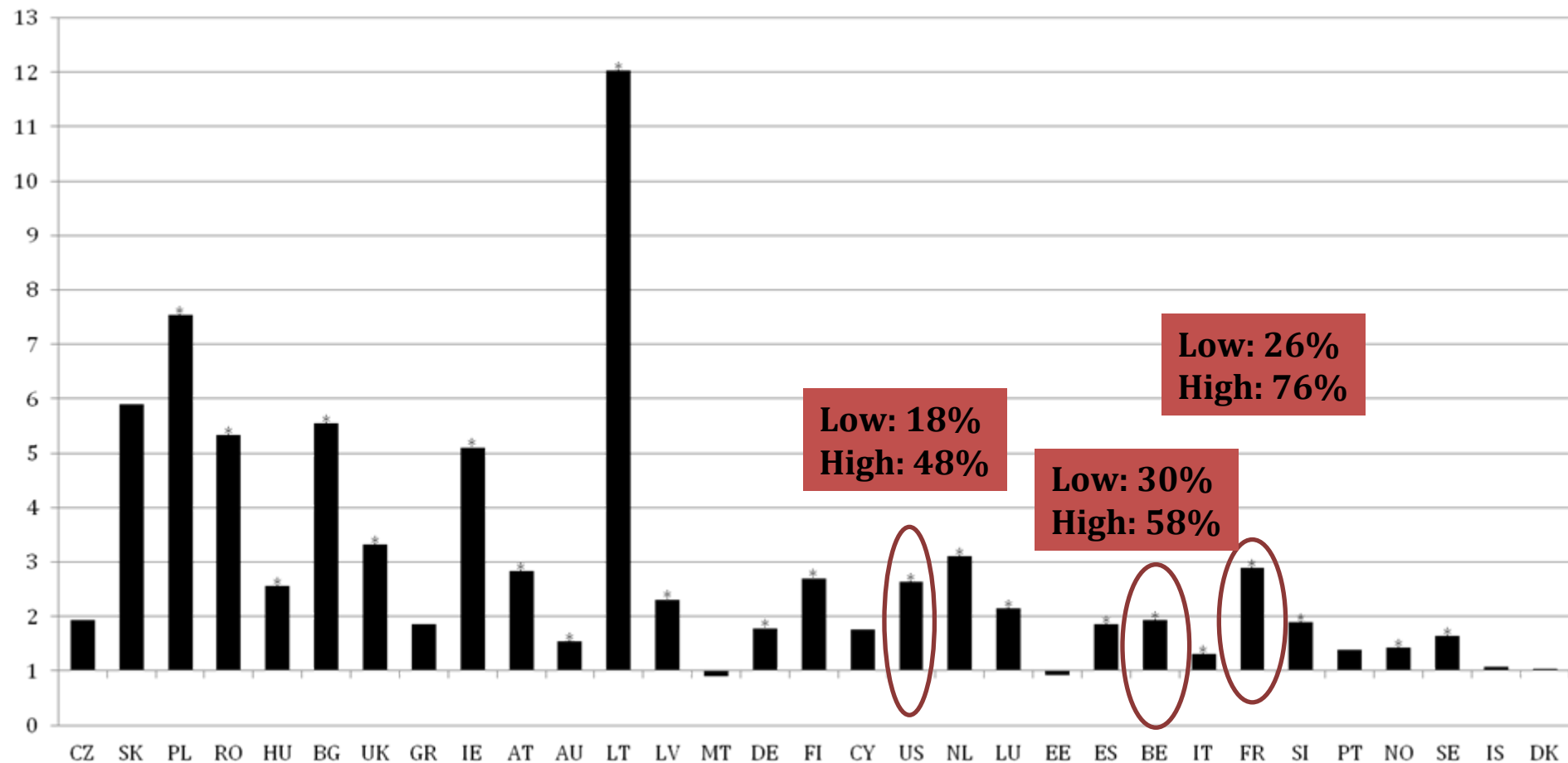
Average FTE childcare use in 31 countries

FIG1 *Formal and informal FTE childcare use, % children (0-2)*



Inequality in FTE formal childcare use in 31 countries

FIG2 Social distribution of FTE formal childcare use, inequality ratio, children (0-2)



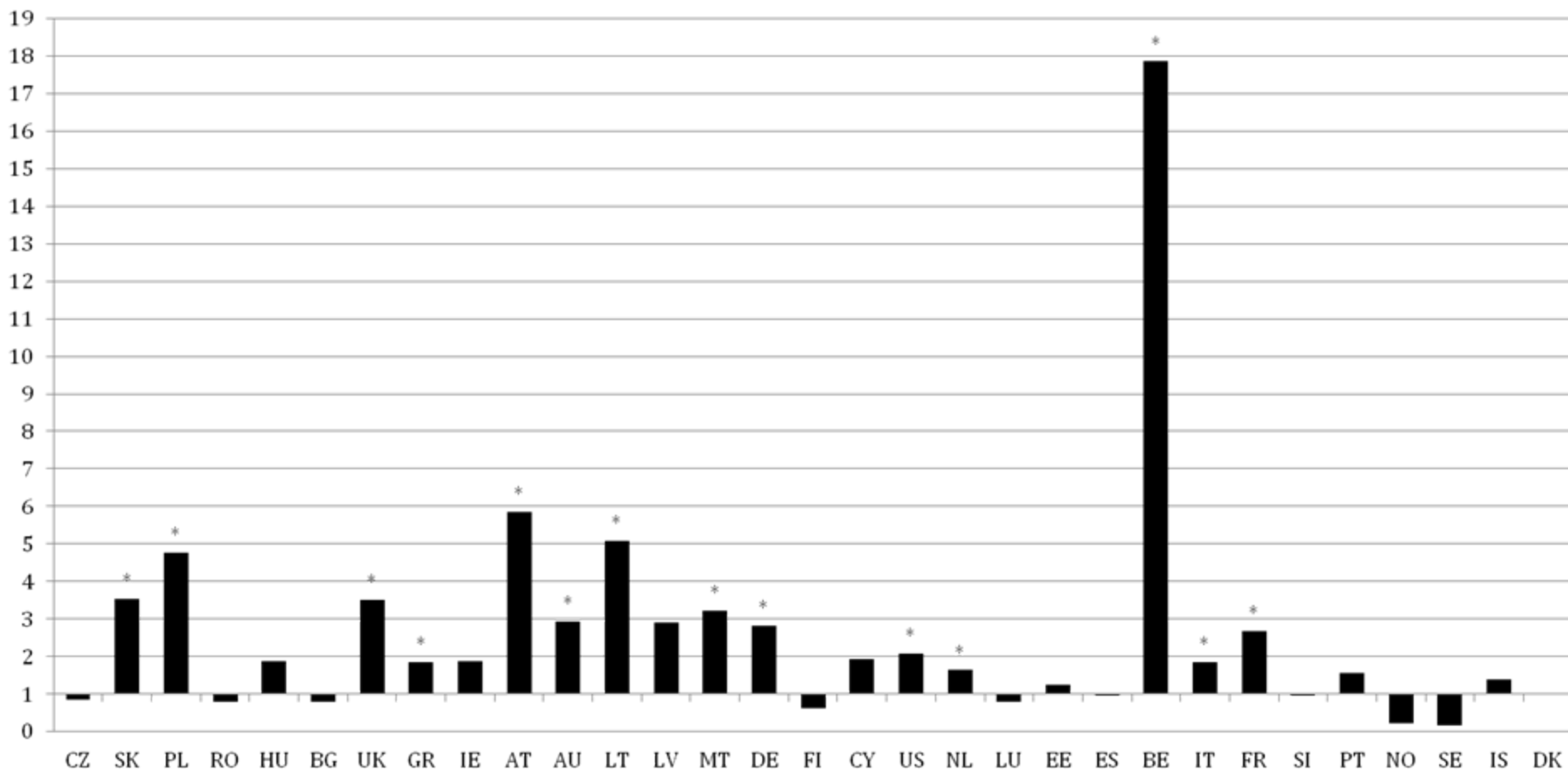
Explaining inequality in FTE formal care use

Following explanations will be considered from a birds-eye view:

- **Informal care**
- Insufficient supply
- Insufficient demand
- Maternal employment
- Affordability

Explanation 1: Informal care use

FIG3 *Social distribution of informal FTE childcare use, inequality ratio, children (0-2)*

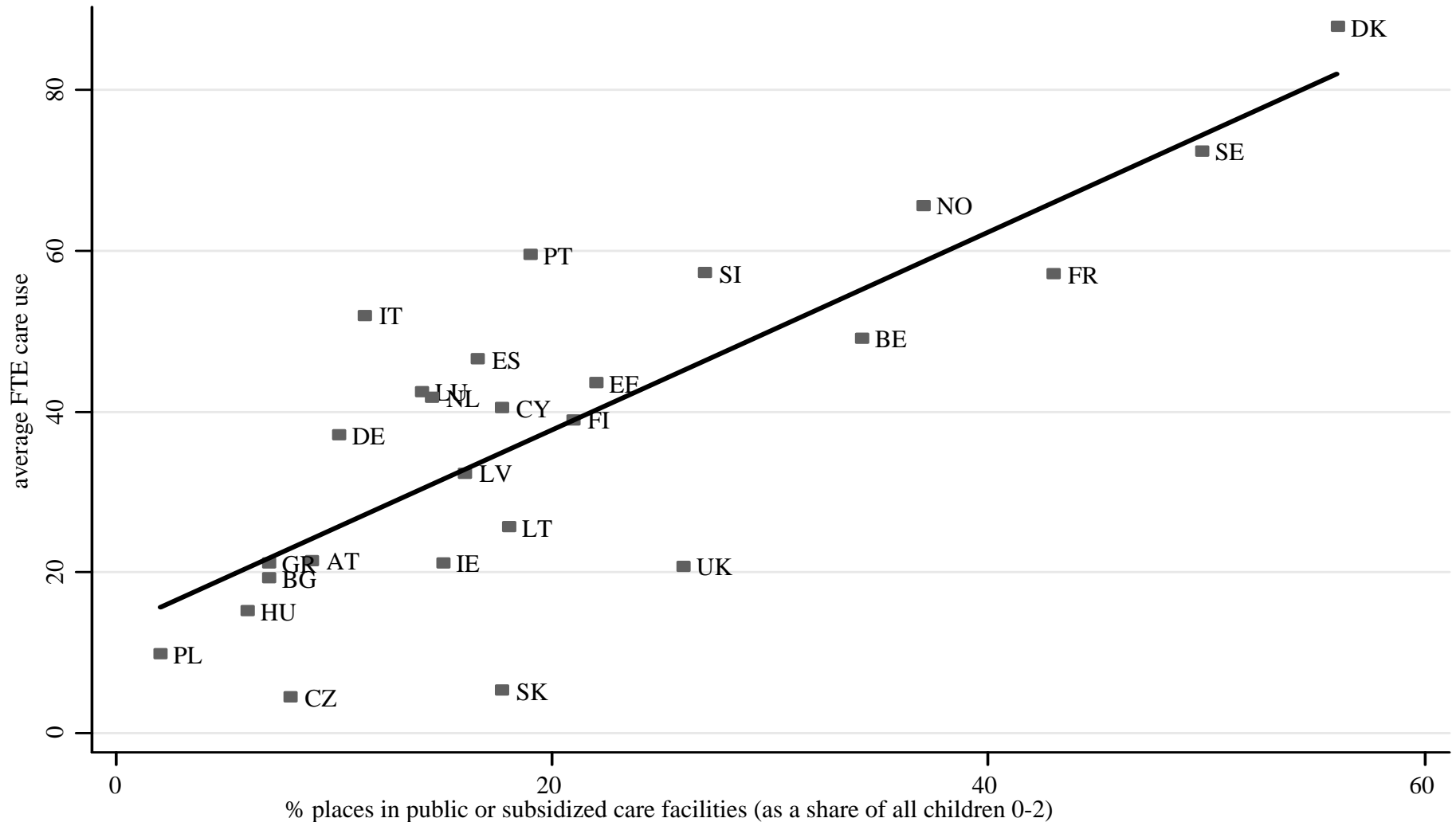


Explaining inequality in FTE formal care use

- ~~Informal care~~
- **Insufficient supply**
- Insufficient demand
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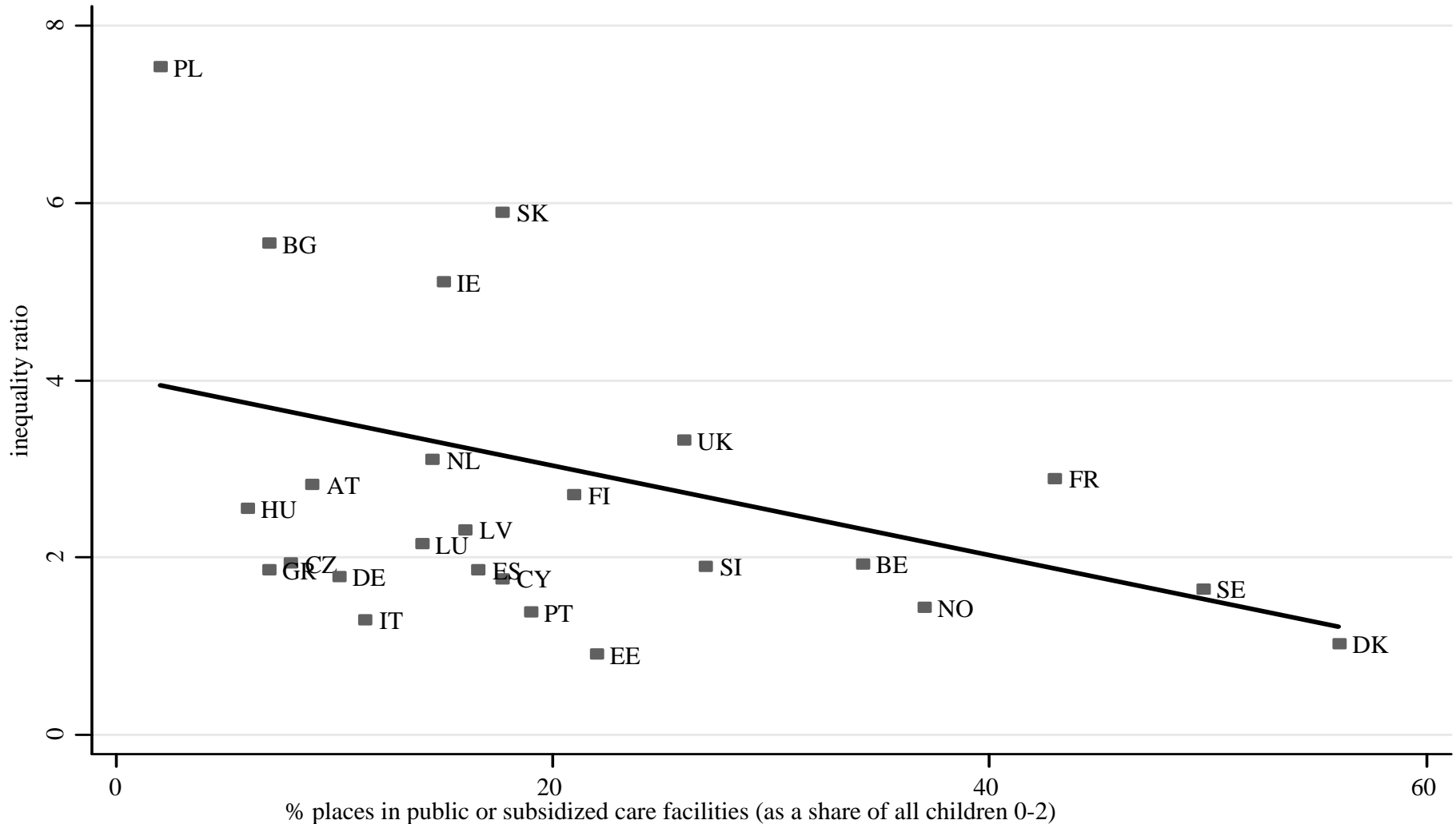
Explanation 2: Insufficient supply

FIG4 Association between supply and average FTE care use, children (0-2)



Explanation 2: Insufficient supply

FIG5 Association between supply and inequality in FTE care use, children (0-2)



Explanation 2: Insufficient supply

Stating the obvious: **sufficient supply is a precondition for equalising use.**

However, supply as such does not fully account for inequality in use: countries reporting relatively high levels of childcare supply do not necessarily report low levels of inequality in FTE formal care use and vice versa. In case supply is not sufficient (a situation of rationing), what matters is **how the available places are distributed** (cf. rural areas, disadvantaged regions, disadvantaged neighbourhoods).

However, other explanations may be valid too.

Explaining inequality in FTE formal care use

- ~~Informal care~~
- Insufficient supply ✓
- **Insufficient demand**
- Maternal employment
- Affordability

Explanation 3a: Norms on motherhood

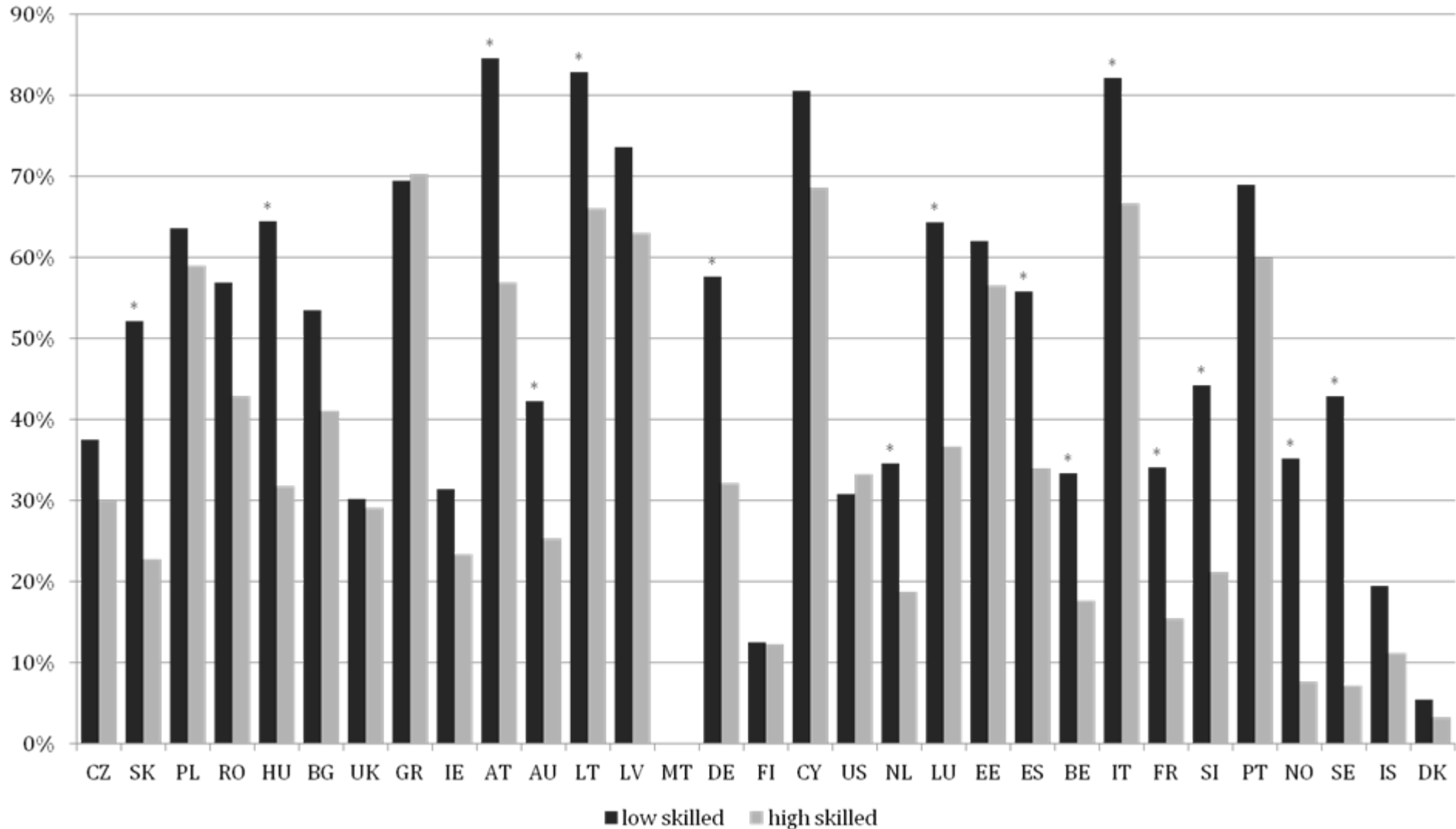
Source: European Values Study, wave 2008 (for European countries) and International Social Survey Programme 2002 for US and Australia.

Mothers of different educational levels with children at home answered the question: “A preschool child is likely to suffer if his or her mother works”.

Conservative views on motherhood: ‘Strongly agree’ and ‘agree’ are collapsed

Explanation 3a: Norms on motherhood

FIG6, share of low- and high skilled mothers having traditional views on motherhood



Explanation 3b: Insufficient demand

Labour Force Survey 2005 ad hoc module on reconciliation of work and family life (no data on Australia, US, Malta and Iceland)

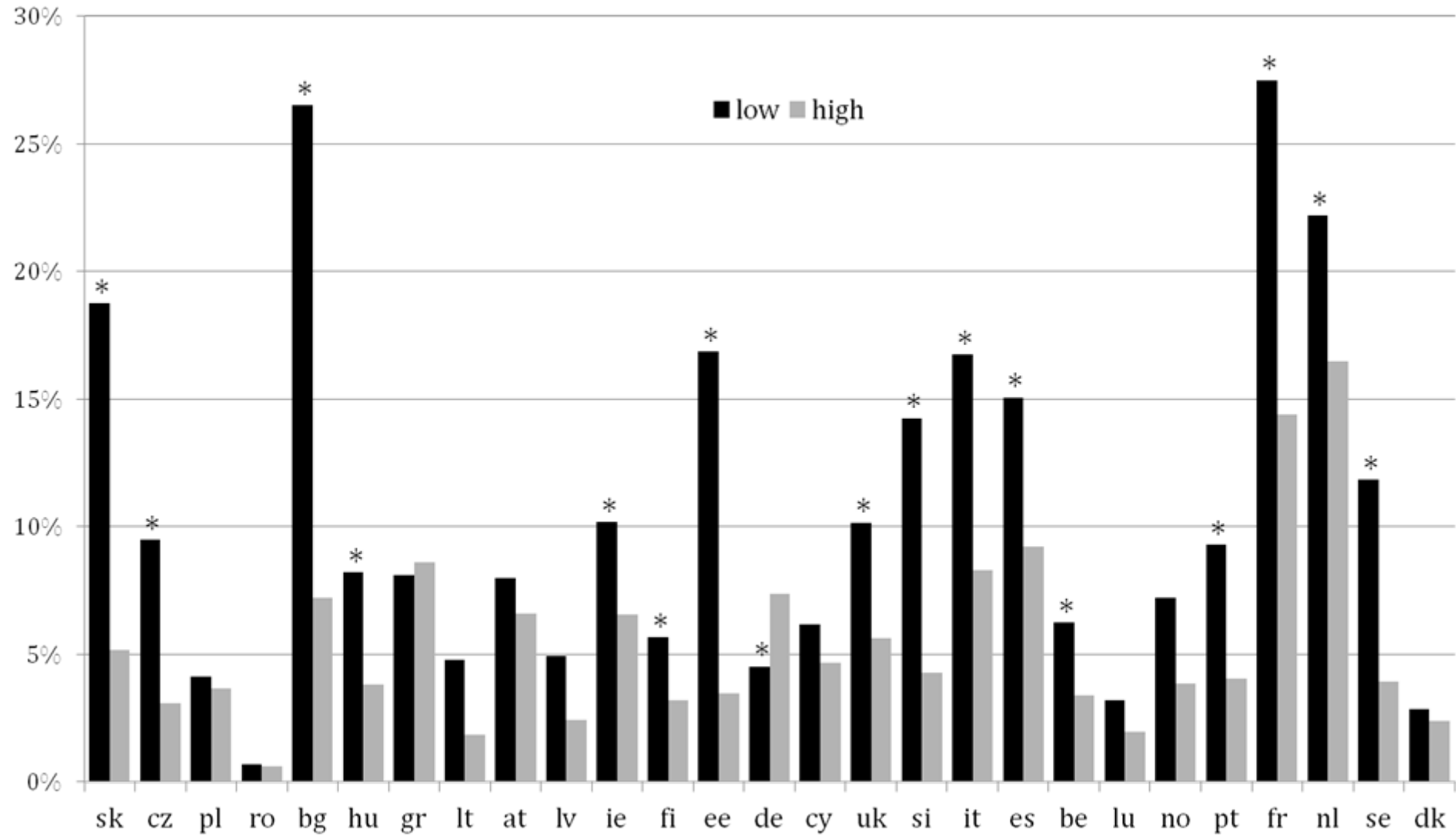
Mothers with young children, different educational levels

Question: “do you wish to change the organisation of your working life and your care responsibilities (linked with children)?”

% “Wish to work or to work more (and reduce caring time)”

Explanation 3b: Insufficient demand

FIG7, % mothers with young children wishing to work more and to reduce care time



Explaining inequality in FTE formal care use

- ~~Informal care~~
- Insufficient supply ✓
- ~~Insufficient demand~~
- **Maternal employment**
- Affordability

Explanation 4: Maternal employment

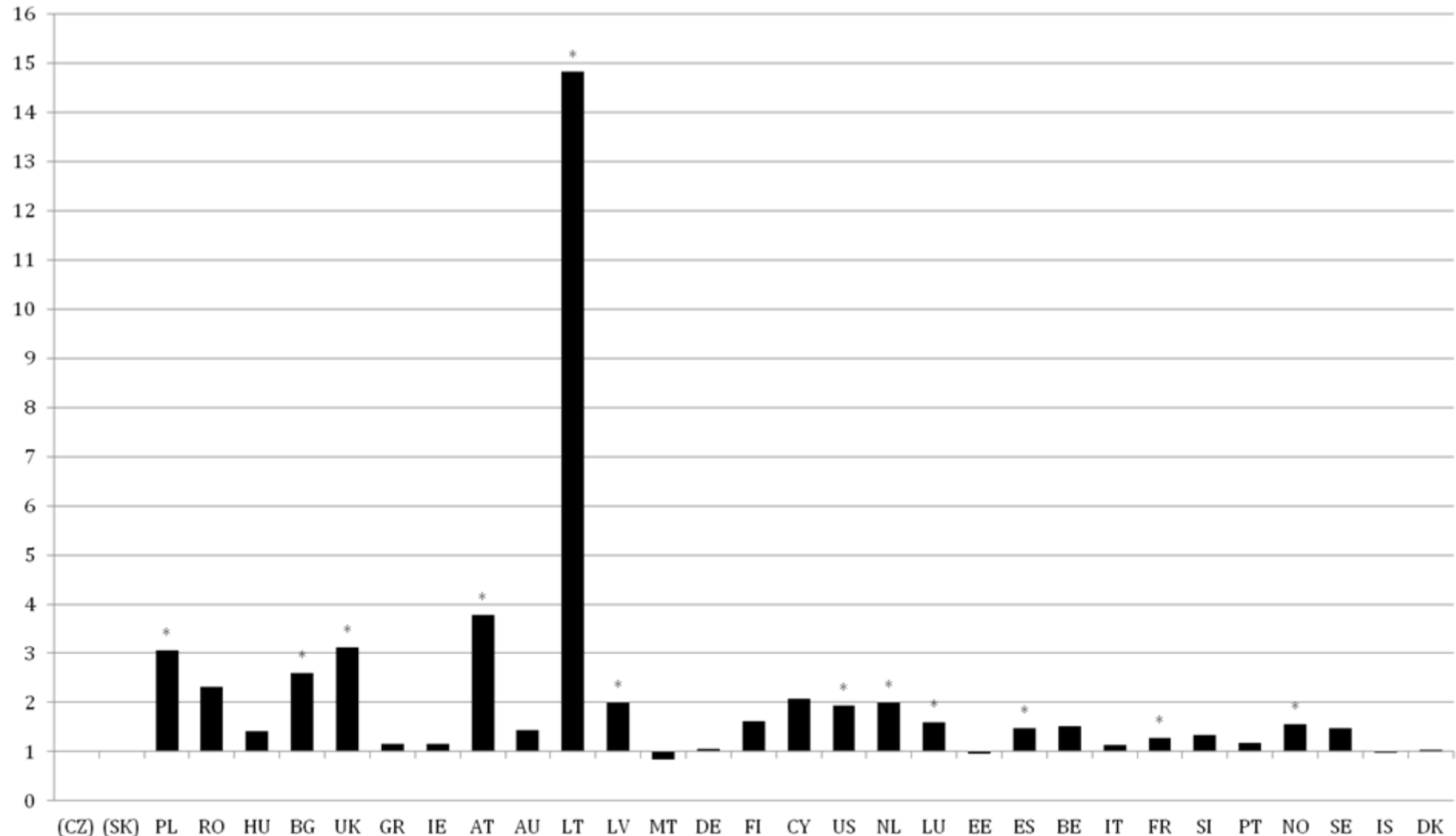
Current patterns of stratification in childcare use are a mere reflection of labour market attainment.

Hence goes the argument: when labour market participation among low skilled mothers increase, childcare use will also increase

However: if that were to be true, the inequality in FTE childcare use should disappear if we focus on the social distribution of childcare use *among employed mothers*

Explanation 4: Maternal employment

FIG8, Inequality in FTE formal care use, children (0-2) with working mothers



Explaining inequality in FTE formal care use

- ~~Informal care~~
- Insufficient supply ✓
- ~~Insufficient demand~~
- Maternal employment ✓
- **Affordability**

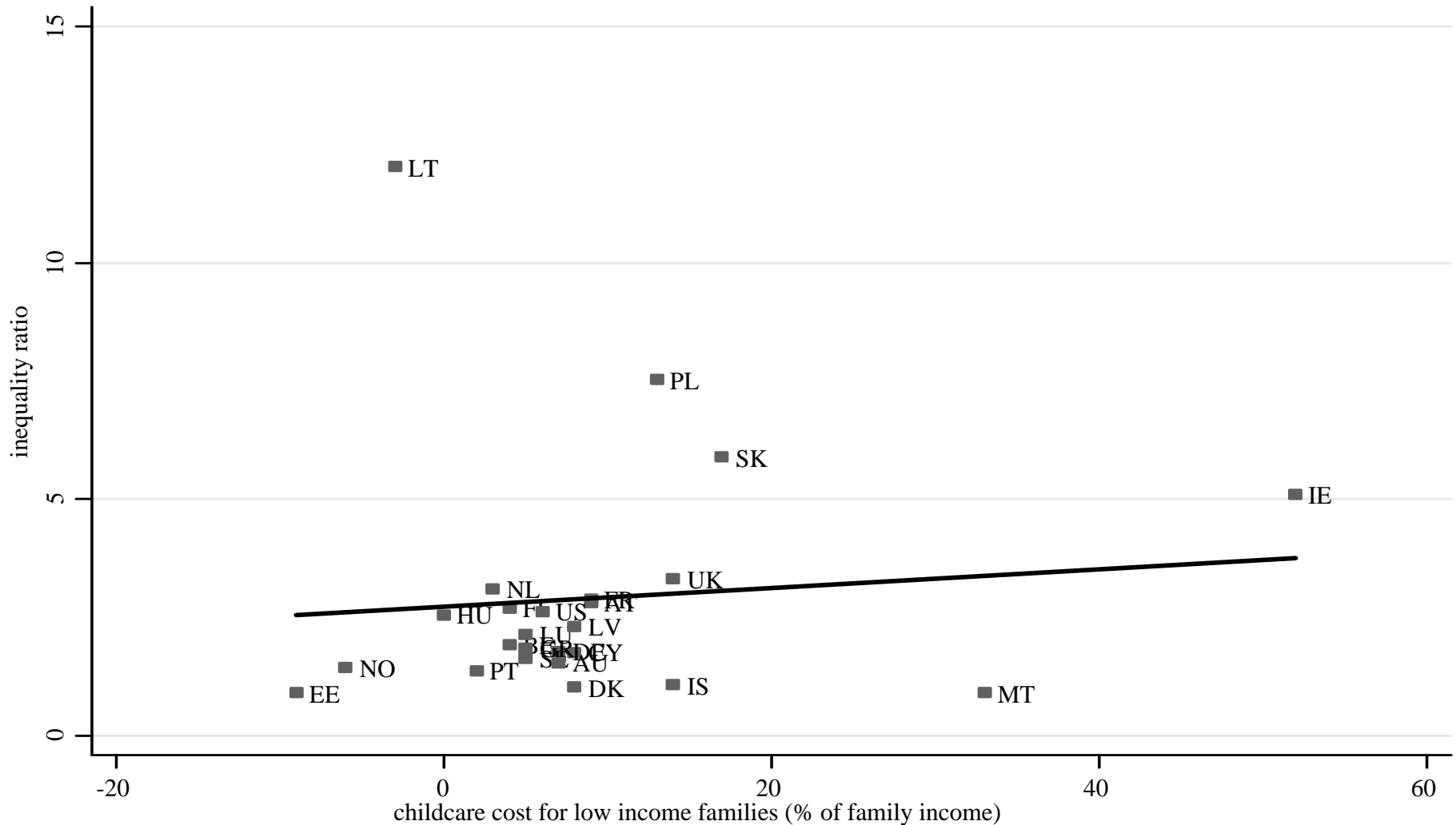
Explanation 5: affordability

Maybe formal childcare arrangements are just too expensive for low income families?

OECD data: *net average cost of childcare as % of family income for different family types (low income, average income)*

Explanation 5: affordability

FIG9, Association between childcare costs and inequality in FTE formal care use

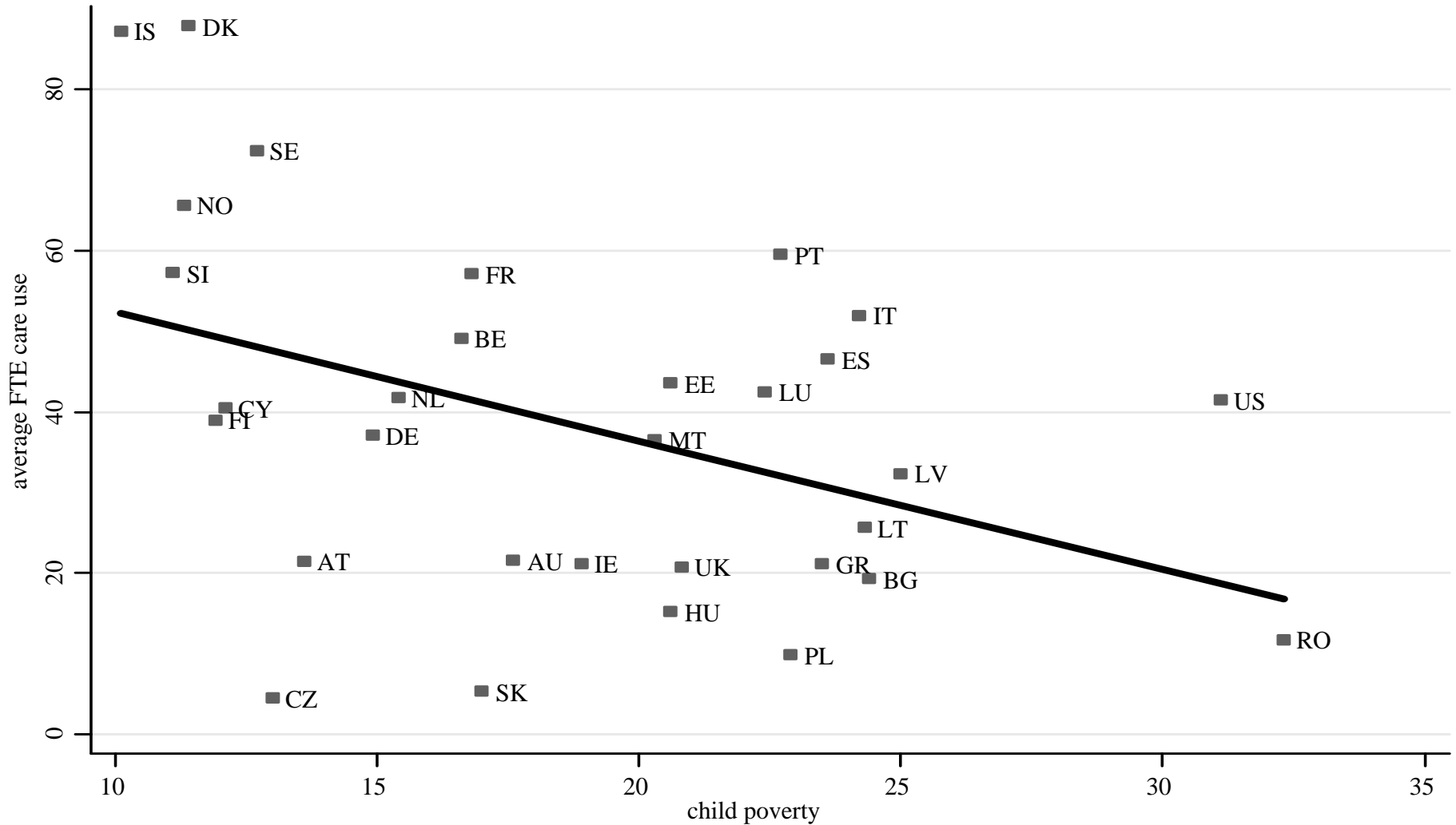


Explaining inequality in FTE formal care use

- ~~Informal care~~
- Insufficient supply ✓
- ~~Insufficient demand~~
- Maternal employment ✓
- ~~Affordability~~

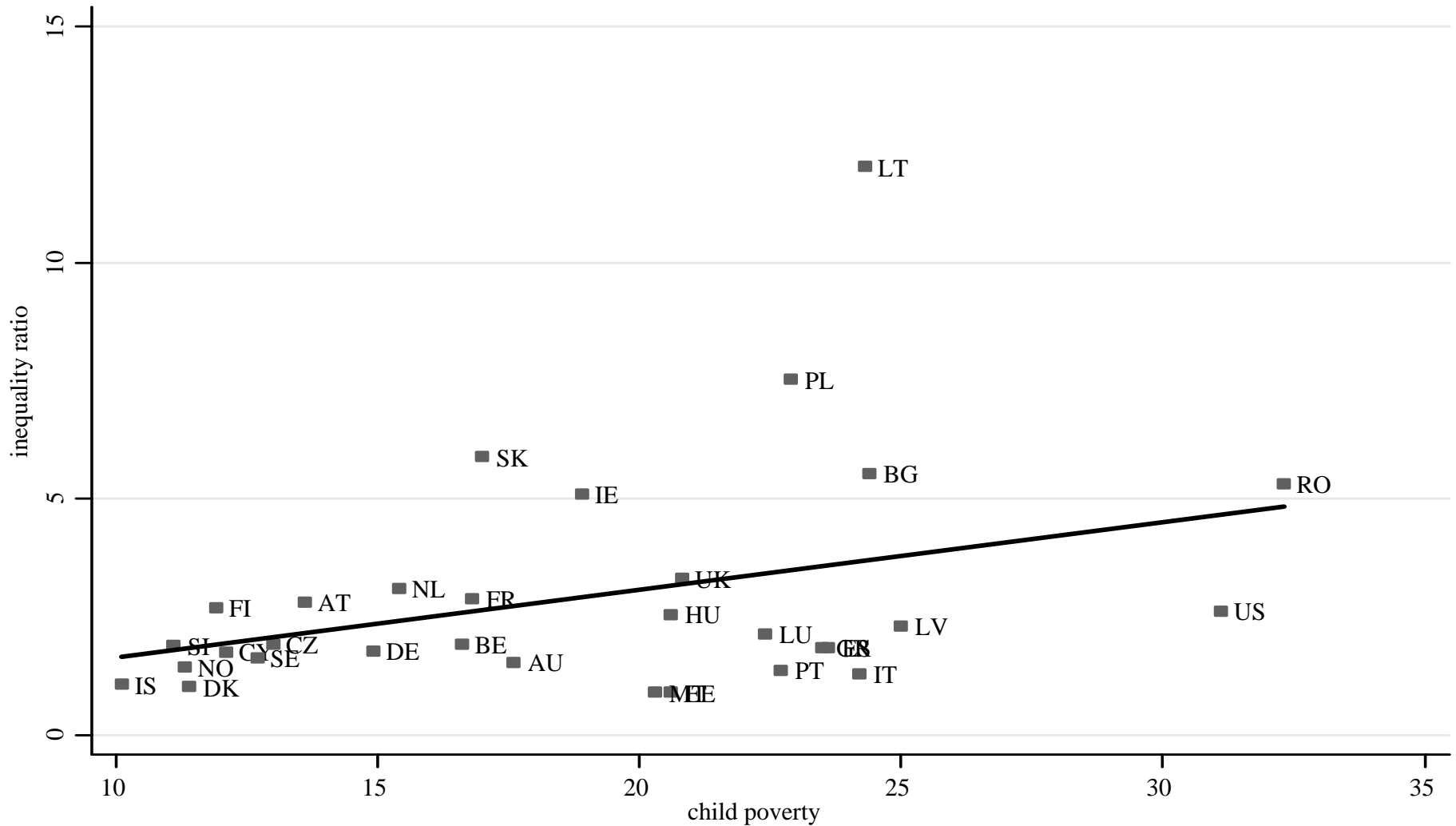
Child poverty: Childcare matters

FIG10, Association between average FTE care use and child poverty



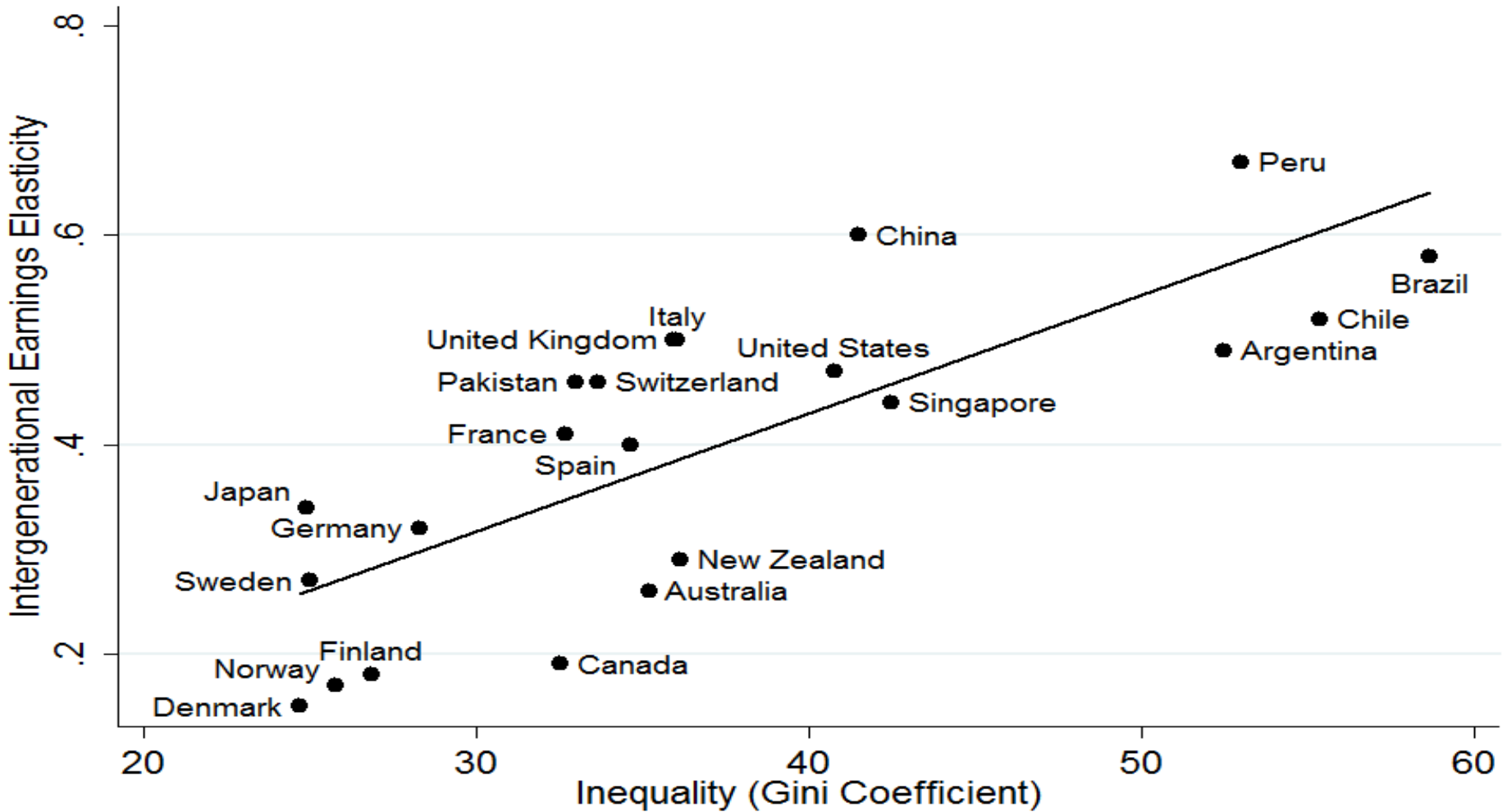
Child poverty: Childcare matters (2)

FIG11, Association between inequality in FTE care use and child poverty



The “Great Gatsby” curve

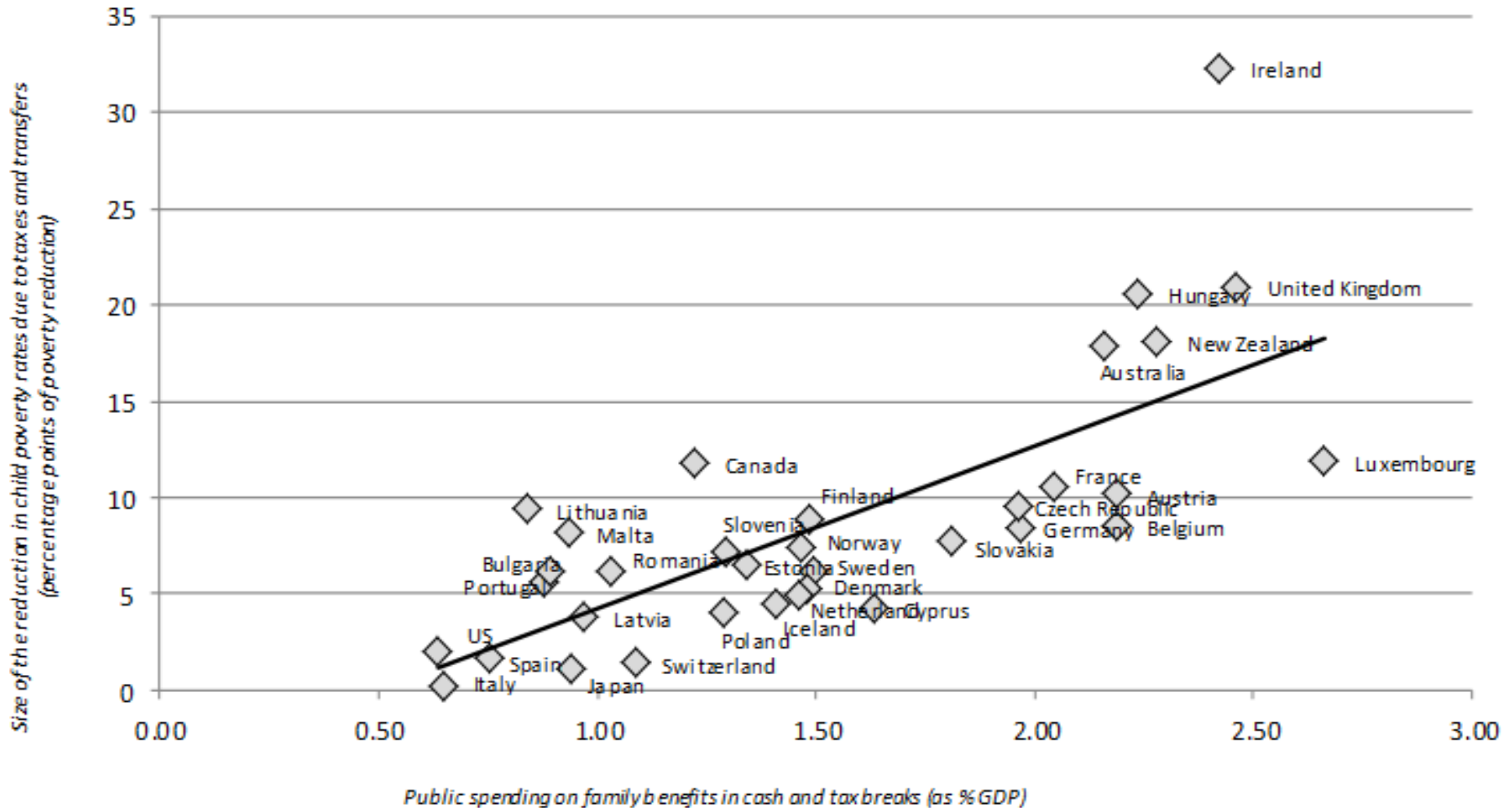
FIG12, Association between income inequality and social mobility



Source: Corak (2012)

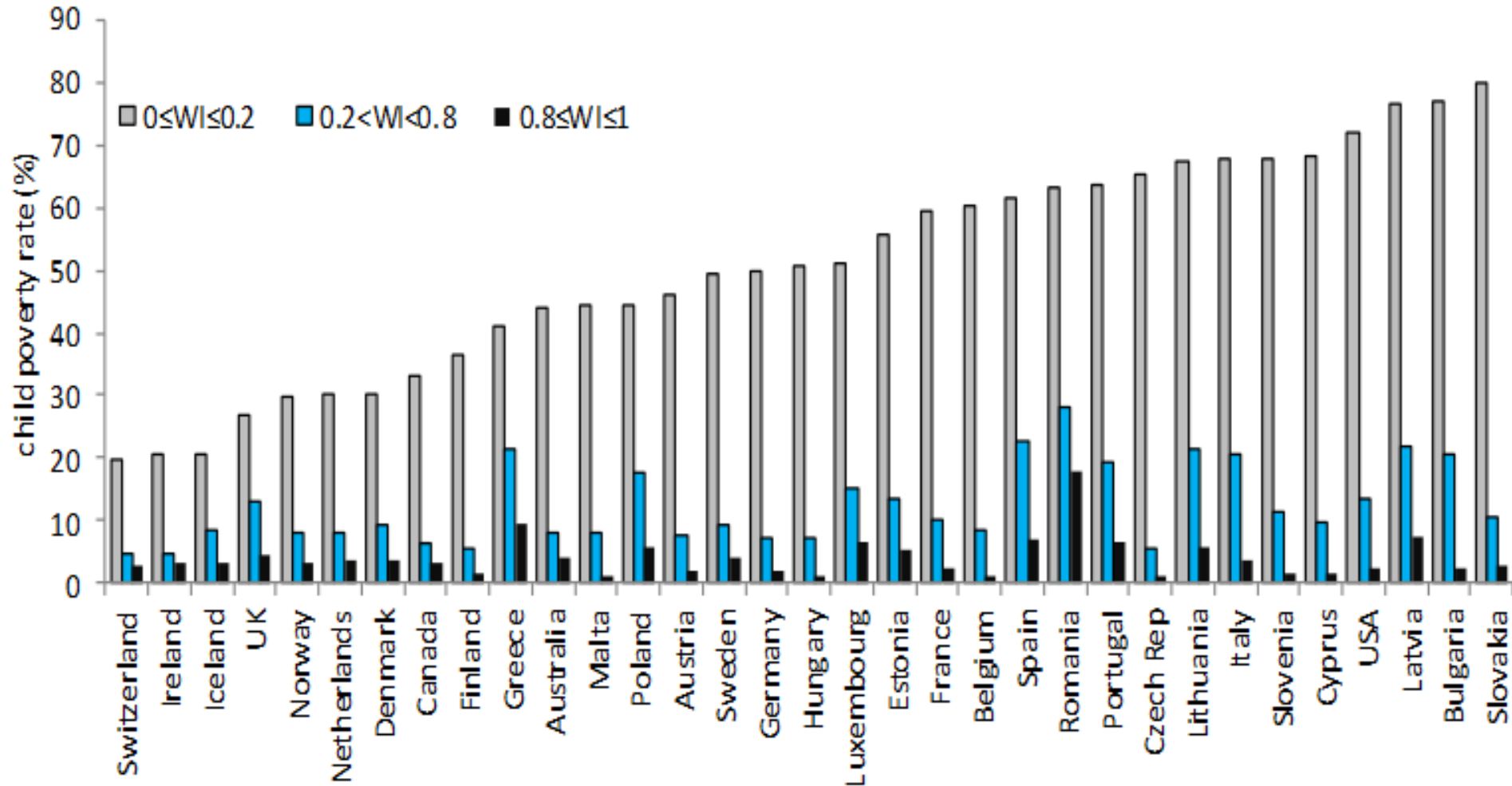
Cash transfers matter

FIG13, The (child) poverty reducing impact of child cash benefits



And employment matters too..

FIG14, Association between child poverty and household work intensity



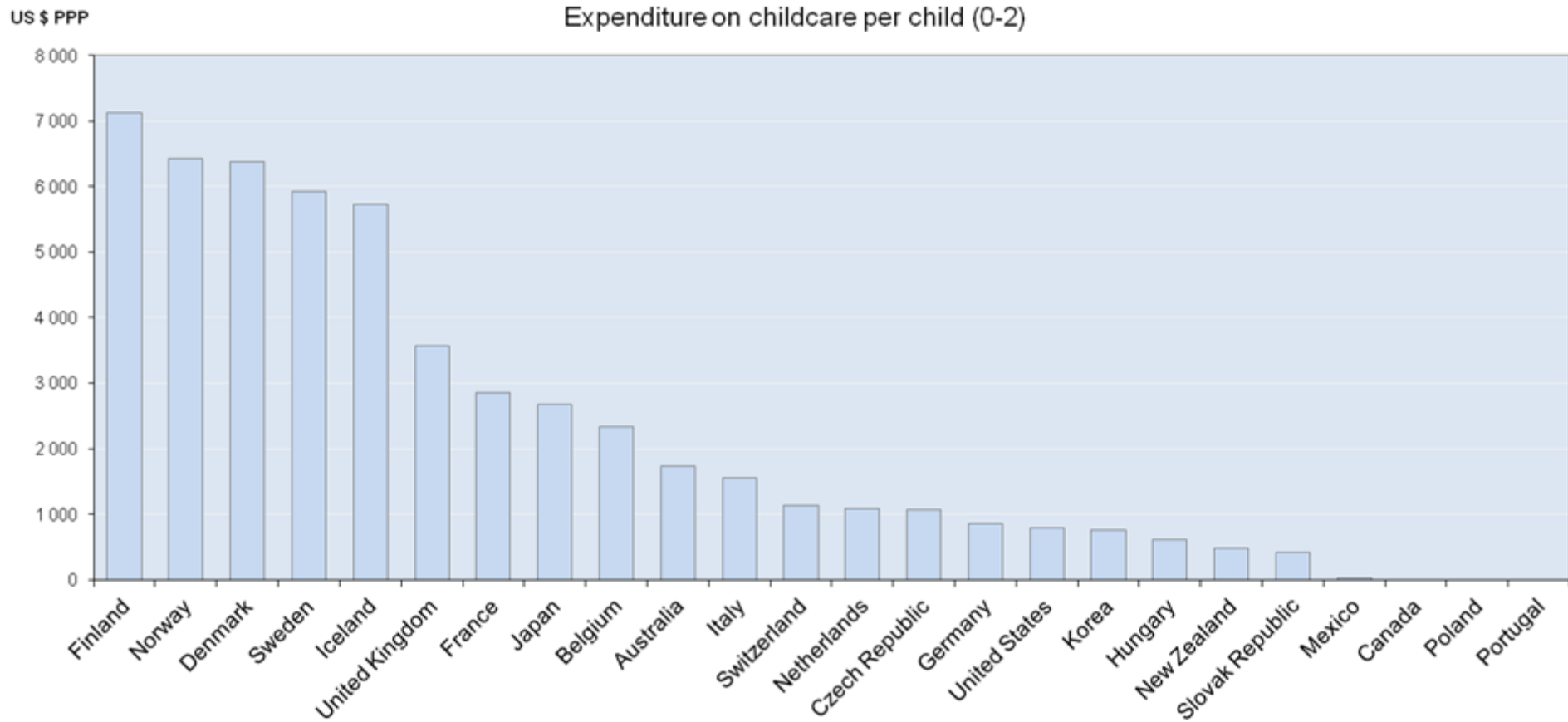
The broader picture

Increasing access to qualitative childcare services is but one part of the policy recipe to mitigate inequalities in early life. Social protection through cash transfers (redistribution) and increasing household employment (activation) is crucial as well.

Hence, for the sake of disadvantaged children, childcare services should be embedded in a broader welfare system (which also includes housing, health, education, unemployment benefits, leave schemes et cetera).

The way forward: Should we all become Denmark?

Universalising quality childcare services comes at a great cost:



Additional difficulties

The role of path dependency in financing and providing childcare: what can be done to universalise access when market forces are at play?

The economic and social context in which decisions have to be taken is not bright:

- Child poverty is on the rise.
- Austerity and fiscal consolidation lead to cuts in social redistributive schemes.

Summary and conclusion

All countries but Denmark and Iceland are characterized by (sometimes huge) inequalities in access to formal childcare services. It is no coincidence that the good performers approach universal use of childcare services among the youngest children.

Inequality in access to childcare at the country level is related to shortages in the supply of childcare slots and maternal labour market participation, but not necessarily to the cost of childcare, demand-side issues or the availability of informal care arrangements.

Policy lessons: increasing childcare supply (and monitoring affordability for low income families) while simultaneously focusing on integrating those with low earning potential (e.g. low skilled mothers) into the labour market. Relationship between labour market participation and childcare supply is presumable reciprocal!

Yet, a focus on childcare should not lead us astray regarding the role of redistribution and social protection.

Summary and conclusion

Perhaps we should not be too optimistic about the chances of universalising childcare services (which would be recommended for other reasons too) in the short or even in the longer term, given the huge budgetary outlays required, path dependency in the provision and financing of existing childcare services and the negative social and economic context.

Second-best solution: focus on the distribution of the available childcare places (targeting services to disadvantaged neighbourhoods?)

Main message to take home: at this point, one cannot reasonably expect for childcare services to have a large impact on inequalities in early life. The huge inequalities in childcare use might even exacerbate existing inequalities.

Thank you.
Suggestions welcome!

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