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**REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE
COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE
COMMITTEE OF THE REGIONS**

**Implementation of the Barcelona objectives
concerning childcare facilities for pre-school-age children**

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1. INTRODUCTION

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*"¹. 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.

The development of childcare facilities gives parents more freedom to choose how to organise their time and thus better reconcile their working life with family life. This applies in particular to women, who, faced with inadequate childcare options, are more likely than men to have to give up work or to choose working arrangements which prevent them from fully exploiting their talents. The European economy is thus deprived of their productive potential, at a time when it is having to contend with economic and demographic challenges.

This report reviews the progress made towards achievement of the Barcelona objectives in the Member States and identifies the obstacles and challenges with regard to the development of childcare facilities for pre-school-age children. It fits within the context of the actions provided for in the "Roadmap for Equality between Women and Men (2006-10)"² and provides a basis for the ideas and initiatives presented by the Commission to promote a better work-life balance³.

2. CHILDCARE, A CENTRAL PLANK OF WORK-LIFE BALANCE POLICIES

A political commitment reaffirmed on several occasions

As long ago as 1992 the Council adopted a Recommendation⁴ highlighting the importance of developing affordable, accessible and quality childcare services while at the same time encouraging flexibility and diversity in these services in order to meet the needs and preferences of parents and their children. The 2002 Barcelona

¹ Presidency conclusions, Barcelona European Council, 15-16/03/2002, document SN 100/1/02 REV 1

² COM(2006)92

³ COM(2008)xxx

⁴ 92/241/EEC

objectives are essentially concerned with promoting access to employment and enabling parents, particularly women, to remain in employment, thus supporting gender equality. The European Council reiterated this commitment in the March 2006 "European Pact for Gender Equality"⁵.

In the Roadmap for Equality between Women and Men (2006-10)⁶, the Commission undertook to "support the achievement of the Barcelona targets on childcare facilities". The Commission has also welcomed the introduction of the European Alliance for Families⁷, which will provide a platform for exchanges between Member States on European pro-family policies, and which it will support through a variety of mechanisms⁸. The Structural Funds have also provided cofinancing for measures to facilitate the reconciling of work with family life, including the construction of childcare facilities, the training of personnel and the provision of childcare services for parents seeking employment. Over the period 2007-2013 an estimated half a billion euros from the Structural Funds and the European Agricultural Fund for Rural Development will be available for developing childcare facilities, while 2.4 billion euros will be available for funding measures to facilitate the access of women to employment and the reconciliation of working life with family life, including access to childcare.

An active contribution by the European social partners

The European social partners have contributed actively to the production of this report and recognise that they have a key role to play alongside public policies in this field. They emphasise the importance they attach to ensuring the availability of accessible, affordable, quality childcare facilities, this being a priority area in the framework for action for gender equality that they have been implementing since 2005. Thus they have developed practical tools and launched innovative initiatives to support the development of childcare facilities, both in terms of availability (e.g. company crèches) and cost (e.g. financial allowances to parents). They are actively involved in the decision-making and legislative process concerning work-life balance policies, and in the implementation of the Structural Funds. Finally, they state their intention of encouraging exchanges of good practice and of innovative experiences, as well as the use of the Structural Fund programmes available at national level.

Support for employment

Better reconciliation of work and private life, and in particular the development of childcare services, is essential if the objectives of the European Strategy for Growth and Employment are to be achieved. Accordingly, there is a specific guideline devoted to this subject⁹. There is a direct connection between availability of childcare facilities and the scope for parents to engage in paid employment. Childcare facilities allow parents to take a job and keep it, thereby improving their quality of life and removing a major obstacle to their freedom to organise their time. In the EU more than 6 million women in the 25 to 49 age-range say they are forced into not working,

⁵ Presidency conclusions, 7775/1/06/ REV 1.

⁶ COM(2006)92

⁷ EU Council document 9317/1/07 REV 1

⁸ COM(2007)244

⁹ Employment Guideline 18.

or can only work part-time, because of their family responsibilities¹⁰. For more than a quarter of them, the lack of availability of childcare facilities, or the cost of such facilities, is the problem. If this demand were met, the overall rate of female employment could be increased by at least one percentage point.

Despite this, although some Member States have committed themselves to creating more childcare facilities, most of them are still below the targets set in the Barcelona objectives or do not even mention them in their national reform reports¹¹. Consequently, the Council has made several specific recommendations to the Member States on this subject within the context of the European Employment Strategy.

Support for gender equality

There is still a huge imbalance between men and women in the sharing of domestic and family responsibilities, leading women – much more so than men – to opt for flexible working arrangements or even give up work altogether. Although these working arrangements may in part reflect personal preferences, they have an impact on women's career development, on the continuing wage gap between men and women and on the accumulation of pension rights. For example, approximately one third of women work part-time, compared with fewer than one in 10 men, and the employment rate falls by 12.4 points for women when they have children under 12 to care for, while it rises by 7.3 points for men.

Access to good-quality, affordable childcare facilities operating at hours to suit parents and children is therefore a key element in facilitating women's access to paid employment that utilises their abilities to the full and thus boosts their economic independence. This is a challenge that the Member States need to address.

Support for social inclusion and for the achievement of family plans

Full participation by a parent/parents in work with decent pay can also help to avoid in-work poverty and helps to combat the risk of poverty in lone-parent households, who suffer a much higher poverty rate (32%) than that applicable to all households with child (17%)¹². Access to childcare facilities can also improve the social situation of very young parents.

For the children themselves, increased family well-being offers better protection against child poverty, whilst providing a framework which allows them to develop in a safe and stimulating environment during their first years of life. In its communication on efficiency and equity in European education and training systems¹³ the Commission emphasised the need to invest more in pre-primary education as an effective means to establish the basis for further learning, preventing school drop-out, increasing equity of outcomes and raising overall skill levels.

¹⁰ Eurostat, Labour Force Survey 2006

¹¹ Joint Employment Report 2007-08, Council document no 7169/08

¹² Eurostat, EU-SILC 2006

¹³ COM(2006)481

Finally, against the background of the current demographic slowdown in Europe, the availability of childcare facilities provides encouragement for people to plan a family. It transpires that the Member States which currently have the highest birth rates are those which have also done most to facilitate the work-life balance for parents and which have a high rate of female employment.

3. REVIEW OF PROGRESS TOWARDS ACHIEVEMENT OF THE BARCELONA OBJECTIVES

The Commission has developed techniques for monitoring the Barcelona objectives, particularly through statistics. This report provides, for the first time, harmonised and comparable data on the use of "formal" systems of early childcare in the Member States. These data provide a mid-term snapshot of the progress made towards achievement of the Barcelona objectives. They relate to the use by parents of existing childcare facilities, not the number of places existing in each Member State, which is difficult to compare at European level.

Childcare provision for pre-school-age children differs widely between Member States, depending on the systems in place and the different national approaches and priorities accorded to reconciling working life and family life. Nevertheless, there are certain challenges, in terms of availability, cost and quality of childcare structures, that are common to all Member States.

3.1. Availability and accessibility

The Barcelona objectives identify two age-groups of children, each with very different needs and requiring very different types of services. For the under-3s the demand is primarily for crèches or other childcare services. These are usually paying facilities, with only a handful of countries (FI, DK, SE) offering guaranteed access. In addition, cultural considerations and family traditions also play a role in the choice of childcare, formal or otherwise. Finally, maternity and parental leave systems (duration, financial compensation, flexibility) can also influence demand for childcare services, depending on whether or not parents choose to look after their children themselves, bearing in mind the financial and career-development implications of choosing to do so.

As regards the over-3s, however, many children begin pre-school education in nursery school, in systems that are usually at least subsidised if not entirely free, and may combine this with attending an after-school childcare centre.

The analysis of Member States' progress towards achieving the Barcelona objectives is based on the coverage rates for children provided by formal childcare systems (for the year 2006¹⁴). The figures relate to the use made by parents of existing childcare provision, not the number of places offered in each Member State. Also, it is important to differentiate the coverage rates in terms of the number of hours for which children attend childcare facilities (over or under 30 hours per week) since this determines how much scope parents have for working full-time.

¹⁴ The data for BG and RO will only be available as from the reference year 2007.

Regarding **the lower age-group (0 to 3 years)**, only five Member States (DK, NL, SE, BE, ES) have surpassed the Barcelona objective of a 33% coverage rate, while five others (PT, UK, FR, LU, SI) are approaching this target. In most of the other countries, much still needs to be done to meet the demand for childcare facilities. While seven Member States (FI, IT, CY, EE, DE, IE, LV) have reached an intermediate level of coverage (between 16 and 26%), eight Member States (EL, HU, MT, SK, LT, AT, CZ, PL) show a coverage rate of 10% or less. Nevertheless, these coverage rates relate to all children, irrespective of how many hours per week they attend a childcare facility. Attendance hours vary widely from one country to another, and in numerous countries a particularly high proportion of childcare facilities operate on a part-time basis only¹⁵. The Netherlands and the United Kingdom are prime examples, with under-3s attending childcare centres almost exclusively on a part-time basis.

Regarding **children between 3 years old and the mandatory school age**, eight Member States (BE, DK, FR, DE, IE, SE, ES, IT) have surpassed the Barcelona objective of a 90% coverage rate¹⁶, while three others (UK, NL, CY) are approaching this target. Seven Member States (EE, SI, HU, FI, PT, SK, AT) have a coverage rate that is substantial but nevertheless still some way short of the target, between 70% and 85%. Moreover, in many countries a high proportion of childcare facilities for children in this age-group operate on a part-time basis only. For example, the coverage rate for full-time attendance is below 50% in more than half of the Member States and not even 30% in a third of Member States. Any interpretation of these figures must take into account, however, different countries' particular ways of organising nursery-school education and the availability or not of after-school childcare services.

Thus, the demand for formal systems of childcare is far from being met in most Member States, hampering parents (especially women) from participating in employment. The situation could be improved both by opening new childcare facilities and by professionalising informal childcare, for example by setting quality standards for childcare, improving conditions of employment and remuneration, and staff training. In addition, the more specific needs of parents with atypical working hours or sick children must also be met.

3.2. Cost and financing

Indissociable from the issue of childcare availability is the issue of cost. For parents, a place in a crèche or childcare centre may as well not exist if it is not financially affordable. This issue must also be viewed in a wider perspective, namely that work must be made financially worthwhile: the cost of childcare should not be a deterrent to parents returning to employment. From the point of view of social inclusion, measures are also needed to ensure that childcare facilities are also available to the lowest income households.

The affordability of childcare differs widely from one Member State to another. And even within a single country the cost can vary, depending for example on the type of

¹⁵ Less than 30 hours a week.

¹⁶ When all children attending for at least one hour per week are considered.

service used, on whether it is public or private, or on whether means-testing is applied.

For parents, it is **childcare for the youngest children (the under-3s)** that is likely to involve the biggest financial outlay. Various types of public financing exist for this type of childcare, ranging from universal access based on direct public funding and means-tested parental contributions, through to tax-concession systems or voucher systems. In this latter case the accent is on freedom of choice and the private sector plays an important role here. In most Member States these different "models" co-exist. Various childcare possibilities thus exist side by side, at different prices. Beyond these differences in systems, the net cost of childcare services for families (i.e. the actual price minus the various subsidies) varies considerably, ranging from 5% to more than 30%. In some Member States, despite means-testing, childcare costs consume a significantly bigger slice of the budgets of low-income families than of the better-off. And there is a growing dichotomy between, on the one hand, crèche places provided by the public sector, which are affordable but not readily available (with long waiting lists, for example) and, on the other hand, private-sector crèche places, which are readily available but not easily affordable.

Regarding **children between 3 years old and the mandatory school age**, in most Member States these are covered, at least for two years, by pre-school education services financed from the public purse and often free of charge to parents.

Overall, the share of GDP public expenditure allocated to pre-school childcare facilities has increased in most Member States in recent years. Nevertheless, it still varies widely within the EU and is well below the level achieved in the Nordic countries. This is especially true as regards expenditure on childcare facilities for the under-3s, compared with the pre-primary structures for the over-3s.

In conclusion, the cost of childcare facilities, principally for the under-3s, remains a major obstacle to their take-up by parents in more than half of the Member States. And it is the main factor cited by women who have been compelled to restrict their participation in the labour market (involuntary part-time working, or not working at all) through lack of childcare facilities¹⁷.

3.3. Quality of childcare facilities and conditions of employment

For parents, quality is a key factor when it comes to choosing which childcare facility to entrust their children to. This covers such considerations as the type of service on offer, quality standards, staff numbers and staff qualifications. Ensuring a certain basic level of quality for everyone is also a question of equality of opportunity, for both children and parents. The Commission has already emphasised the need to promote the quality of social services of general interest, which of course include early childcare services, notably through the development of voluntary quality standards¹⁸.

Some Member States, chiefly those that have already achieved a certain level of childcare facilities, in quantitative terms, are now focusing on improving the quality,

¹⁷ Labour Force Survey, module 2005, Reconciliation between work and family life.
¹⁸ COM(2007)725

particularly as regards staff training. The need for improvements in this field has been recognised at Community level¹⁹. However, there is a marked difference between childcare services (which tend to be for younger children) and nursery-type education (for children aged 3 and older), except in those countries which have created an integrated service extending all the way from early childhood to mandatory school age. This impacts not only on how childcare is planned but also on the levels of training required and the average wages of childcare workers, which vary widely between countries and even between the different types of service provision within a single country.

For example, carers for very young children are generally required to have been trained to technical secondary level, or even have a higher education diploma. Their actual level of training, however, depends very much on the type of childcare facility they work in, and some self-employed child carers have no specific training in this field. In contrast, most individuals working in pre-school education services have a graduate qualification, in the same way as primary school teachers.

The number of jobs in the early childcare sector has increased very markedly in recent years in the EU due to the strong demand. However, in some cases the terms of employment (for example part-time contracts or atypical contracts) do not attract workers to this sector, which is characterised by a shortage of qualified staff and very high staff turnover rates²⁰. Moreover, this is one of the most female-dominated professions (males account for less than 5% of the workforce in most Member States) and this may be an impediment to the sector achieving a higher-status profile and combating gender stereotypes.

Another factor affecting the quality of childcare services is the ratio of adults to children, which varies widely between Member States, ranging between 1 to 3 and 1 to 7 for the younger age group and between 1 to 6 and 1 to 19 for the older age group. There are also wide differences between Member States as regards mandatory ratios and compliance with them in practice.

As regards the other quality standards, the State usually has an important regulatory and monitoring role to play, even if these powers are nowadays increasingly being devolved to decentralised levels. There is also a trend towards more diverse forms of childcare, especially private crèches or home carers, which gives parents more choice but does not make procedures for monitoring the quality of childcare any easier.

Improving the quality of childcare demands an adherence to strict standards, with enforcement through official checks, but it also demands all childcare workers having a specified minimum level of training, better working conditions and more opportunities for continuing training, and being given proper recognition, especially in terms of remuneration.

¹⁹ See Council documents 14136/07 and 6706/07

²⁰ EFILWC, The childcare services sector – what future?, 2006

4. CHALLENGES AND PERSPECTIVES

Six years on from the adoption of the Barcelona objectives, and with the 2010 deadline approaching, it looks as though most Member States will fail to reach the targets. Although there has been some progress made, a lot still needs to be done to achieve satisfactory levels of childcare provision, particularly for the under-3s.

In addition, childcare facilities are not always financially affordable, and their opening hours are not always compatible with full-time employment or with jobs involving atypical hours. This prevents parents, especially women, from achieving their full productive potential.

Finally, there must also be a focus on improving the quality of childcare facilities, including ensuring that childcare workers are better trained and more highly valued.

The Commission has no direct powers in the field of childcare but will continue to monitor the Barcelona objectives regularly as part of the Strategy for Growth and Employment, providing support through the timely provision of good-quality comparable statistics, and making specific recommendations to certain Member States where necessary. In addition, the development of childcare facilities and the contribution they make to gender equality will be analysed in the annual report on equal opportunities for women and men which the Commission submits to the Spring European Council.

The Commission will also promote exchanges of national experiences relating to childcare facilities, through its programme for the exchange of good practice on equal opportunities between women and men launched in 2008, through the exchange platform connected with the European Alliance for Families and through the High-Level Group on Gender Mainstreaming in the Structural Funds. The Commission will also encourage research into working conditions in the pre-school childcare sector and into ensuring that jobs in this field are more highly valued.

Nevertheless, the centre of gravity remains very largely national, or even regional or local. All stakeholders, in particular the national and local authorities and social partners, will need to play an active part in developing the provision of accessible, affordable and quality early childcare services. Consequently, it is essential that the cofinancing opportunities offered by the Structural Funds and the European Agricultural Fund for Rural Development be fully exploited in promoting measures to facilitate the work-life balance, and in particular to create better childcare facilities. The Commission applauds the commitment and active involvement of the European social partners towards achieving the Barcelona objectives.

This report reflects the Commission's own commitment, within the limits of its powers, to supporting the achievement of the Barcelona objectives and the development of affordable, accessible and quality childcare services in order to eliminate the obstacles to parents' participation in employment, to foster social inclusion and to promote equality of opportunity between women and men.