

# Why are disadvantaged children less likely to use formal childcare than their better-off peers?

## Exploring the Matthew Effect across Europe

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# Starting point

- Social investment is the dominant principle guiding social policies across Europe and beyond
- Provision of high-quality childcare is a cornerstone of such strategy
  - Employment effect
  - Development effect
- Should be in particular beneficial for disadvantaged children
- Regarded an efficient ('cheap') way to combat poverty and foster social mobility
- UNESCO: "the greatest of equalizers"

According to the OECD, childcare...

*“brings a wide range of benefits, including **social and economic benefits**; better **child well-being and learning outcomes**; more **equitable outcomes** and **reduction of poverty**; increased **intergenerational social mobility**; higher **female labour market participation** and **gender equality**; increased **fertility rates**; and better **social and economic development for society at large**.”*

OECD. 2006. *Starting Strong II, Early Childhood Education and Care*. Paris.

# So... **Skeptic cat**

If we go  
better of  
childcare

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**is skeptical**

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# A brief review of the evidence on employment and development outcomes



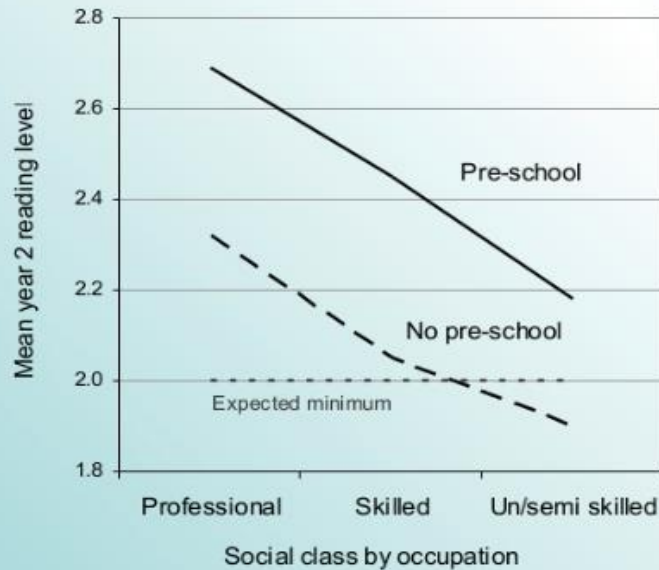
# High-quality care is good for children?

- True. Abundant amount of evidence on the benefits of bestowing upon children a stimulating and high-quality care environment
- Enhance cognitive as well as non-cognitive skills, enabling children to better prepared for learning
- In turn leads to better chances to obtain diplomas and on the labour market

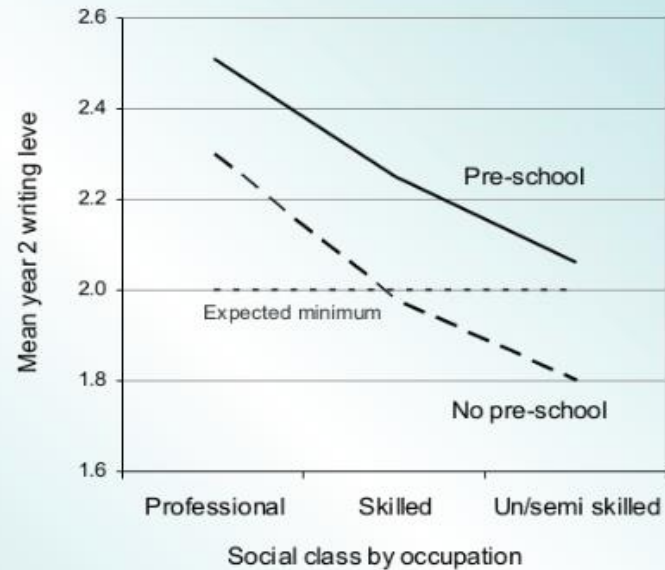
# Yet...it doesn't necessarily close the gap

## The effect of social class and pre-school attendance on literacy at age 7

**READING at key stage 1, social class and pre-school experience**



**WRITING at key stage 1, social class and pre-school experience**



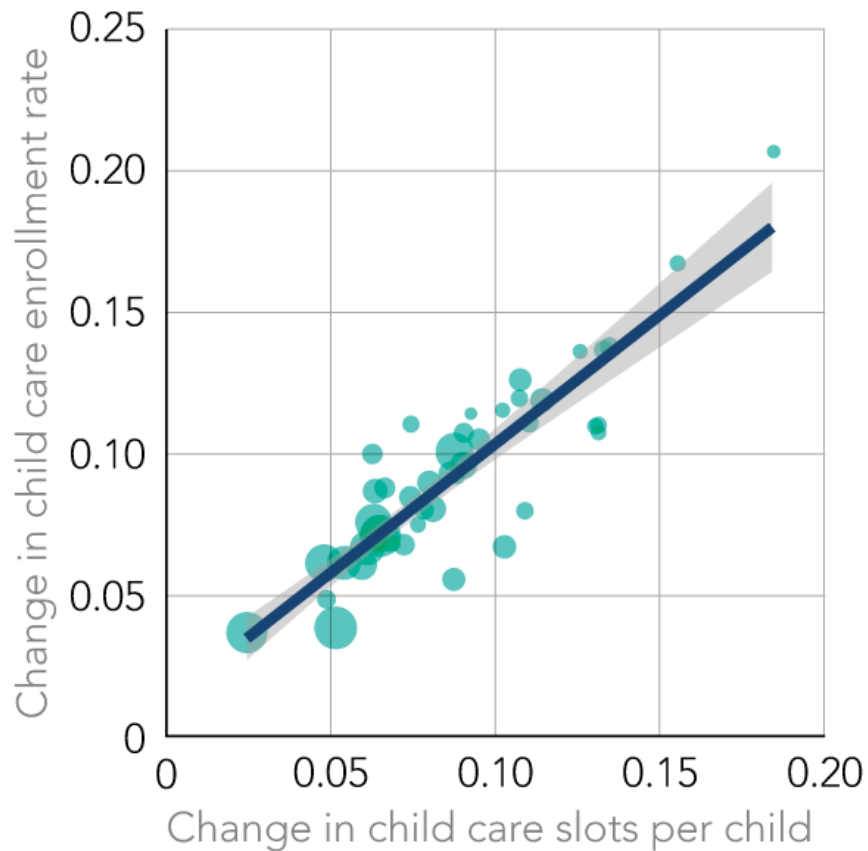
*From Sylva et al. (2004)*

# Childcare leads to higher (maternal) employment rates?

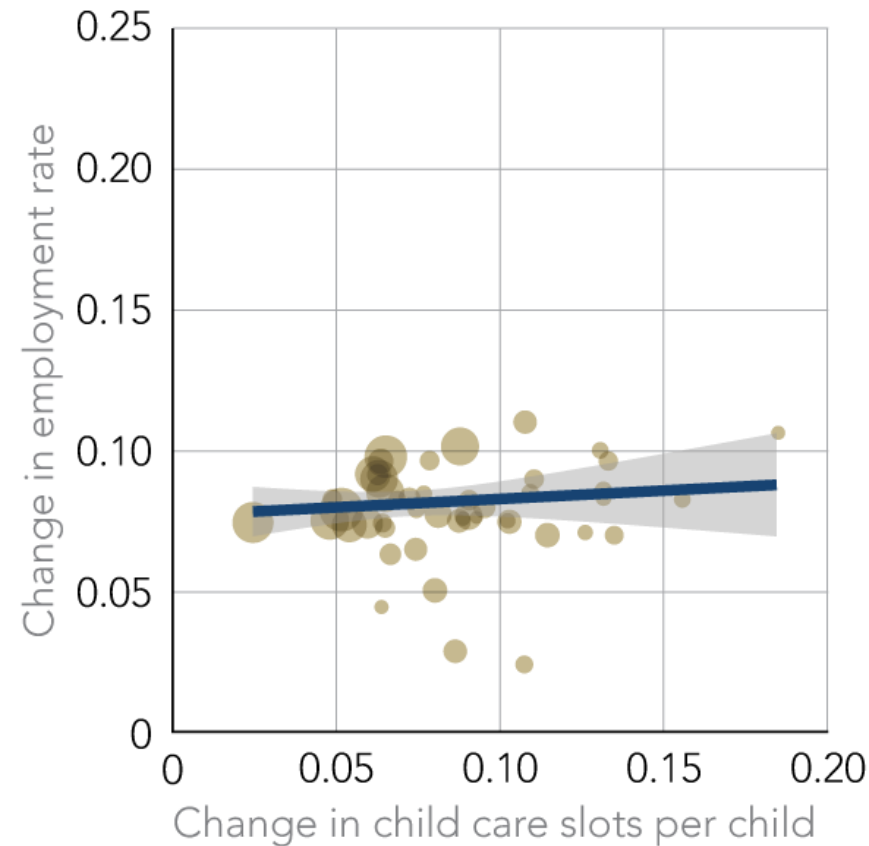
- Childcare coverage and maternal employment are closely intertwined
- Yet the causal relationship is more complex than often anticipated
- Experimental evidence on childcare expansion and maternal employment:



## Child care availability, enrollment rate



## Child care availability, mother's employment Rate



# Childcare leads to higher (maternal) employment rates?

- Assuming that *more childcare* will *by itself* lead to *more employment* is misguided. It depends on the question 'who benefits'
- Labour market context matters
  - Fewer opportunities for low skilled workers
  - Employment patterns are socially stratified
- Working parents (mothers) will benefit first and foremost from expansion of childcare places, due to:
  - Direct need
  - Social and cultural capital
  - Financial resources

A simple argument  
precedes these issues

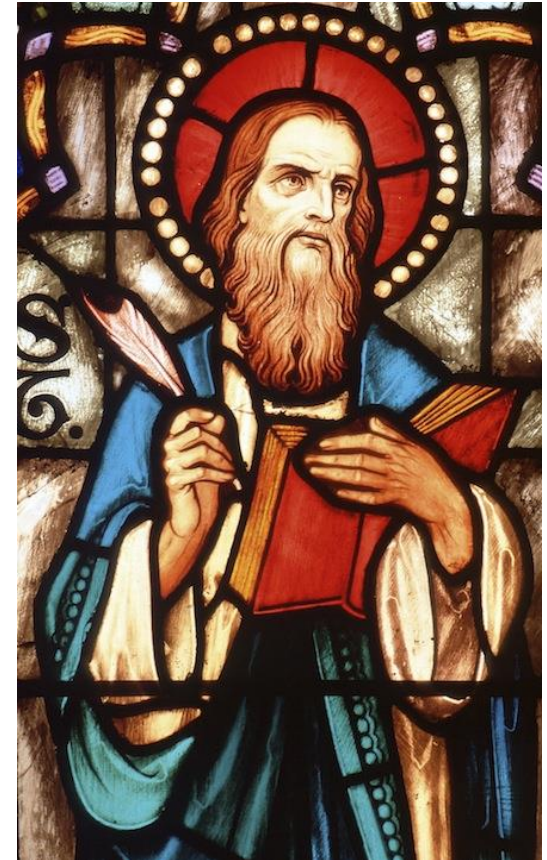


# A simple argument

- High-quality childcare is conducive for cognitive and non-cognitive child development *and* allows (both) parents to work.
- This holds in particular for disadvantaged children, because they are at higher risk of growing up in work poor families, and stand the most to gain in terms of closing the development gap.
- **It follows that in particular disadvantaged children should be enrolled in quality childcare services.**
- If not, social inequality in early life might increase rather than decrease: disadvantaged children face a 'double disadvantage' (UNICEF 2008); the opposite of what is intended

# Matthew effect (ME)

- « For unto every one that hath shall be given, and he shall have abundance: but from him that hath not shall be taken away even that which he hath” »  
*Mt.25:29*



# The Matthew Effect in Science

- Robert Merton in 1968
- Science gives far more credit to well-known scientists, Nobel Prize laureates in particular, than to relatively unknown scientists for comparable contributions
- They acquire more research money, allowing them to do more and better research, which in turn allows them acquire even more money
- Self-reinforcing process of cumulative advantage

<http://www.garfield.library.upenn.edu/merton/matthew1.pdf>



**The poor stay poor, the rich get rich  
That's how it goes  
Everybody knows.**

(Leonard Cohen – 'Everybody Knows')



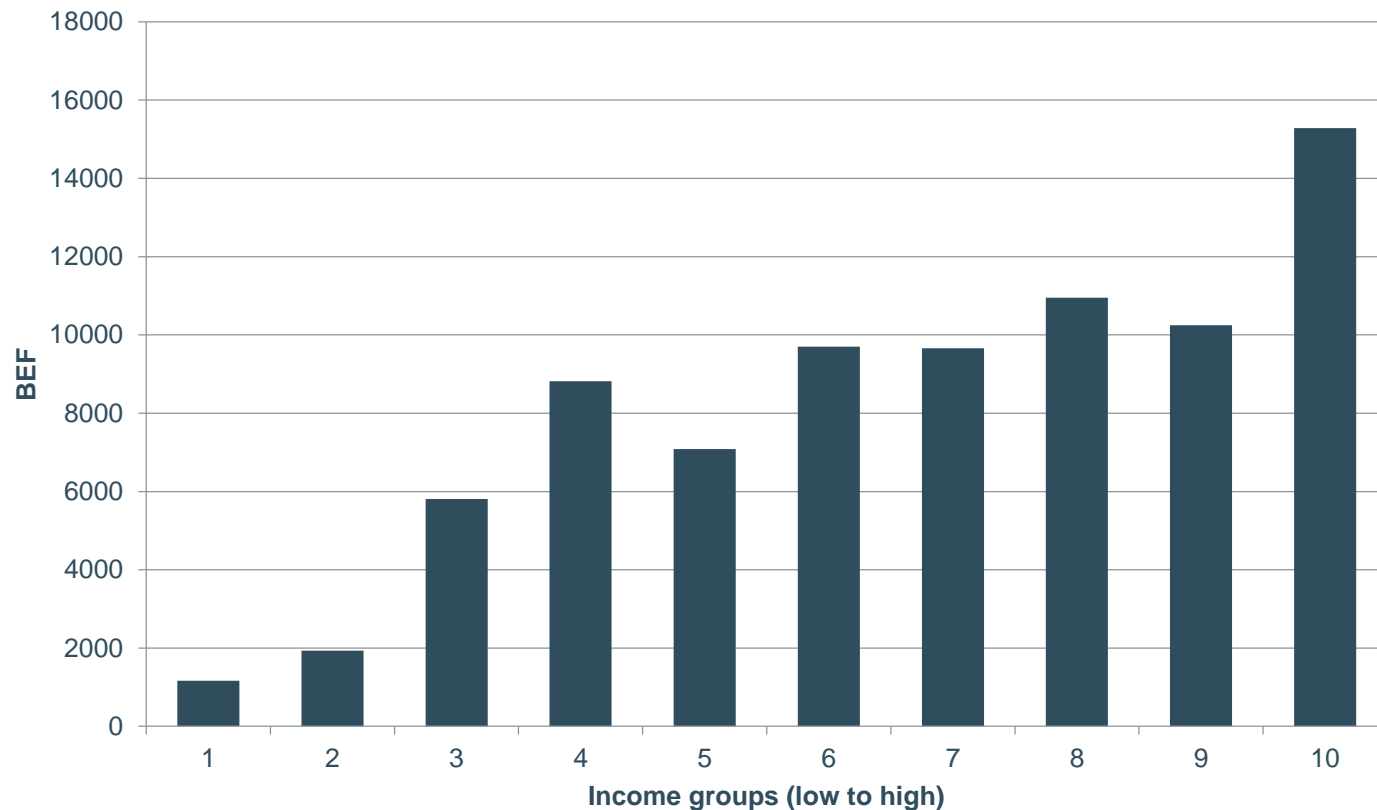


# Childcare and the Matthew effect

- Initial advantage begets further advantage, initial disadvantage begets further disadvantage
- In social policy: the benefits of government interventions accrue to middle and higher income groups (1980s: Le Grand for UK, Deleeck for Belgium)
- Unintended consequence of deliberate policy action
- ➔ Initial advantage is often a matter of luck, such as the lottery of birth

# An old but relevant example

- Child benefits in Belgium in the 1970s



# The Matthew Effect in childcare

- Inequality in childcare participation by social background will serve to reinforce existing inequalities in the early life
- The opposite of what is intended
- Importance of a macro-perspective to spot this issue

# The Matthew effect in childcare

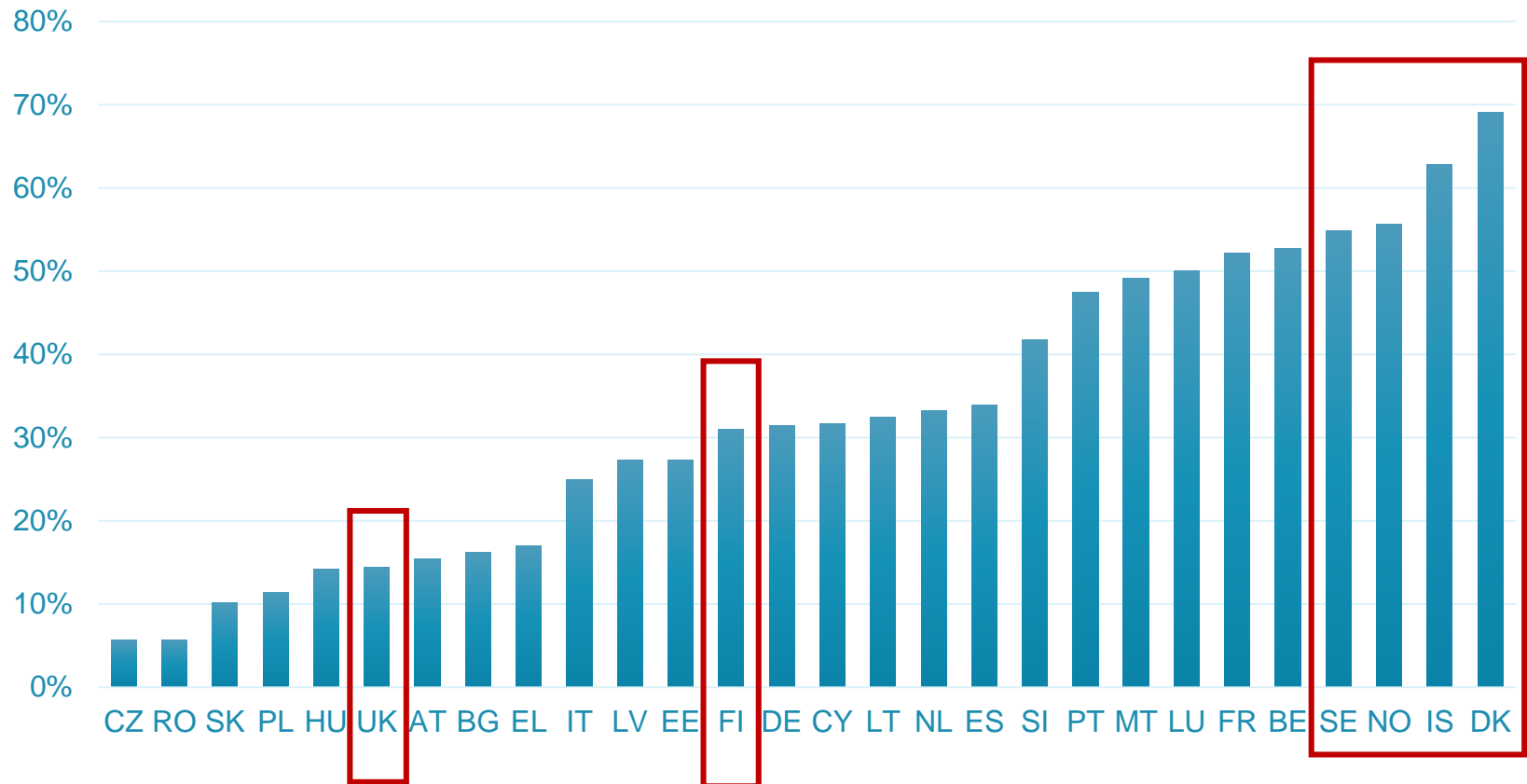


# The Matthew effect in childcare

- Based on my recent research on the issue
- Focus on the youngest children (0-3 yrs)
  - Comparing homogeneous groups
  - Investment should start early
  - Reality in many European countries
- Cross-country comparative data sources:
  - EU Statistics on Income and Living Conditions (SILC) microdata
  - EU Labour Force Survey (LFS) microdata
  - OECD Social expenditures (SOCX) data
- ‘Childcare’ includes paid childminders, center-based care, crèches, preschool etc (formal structures)

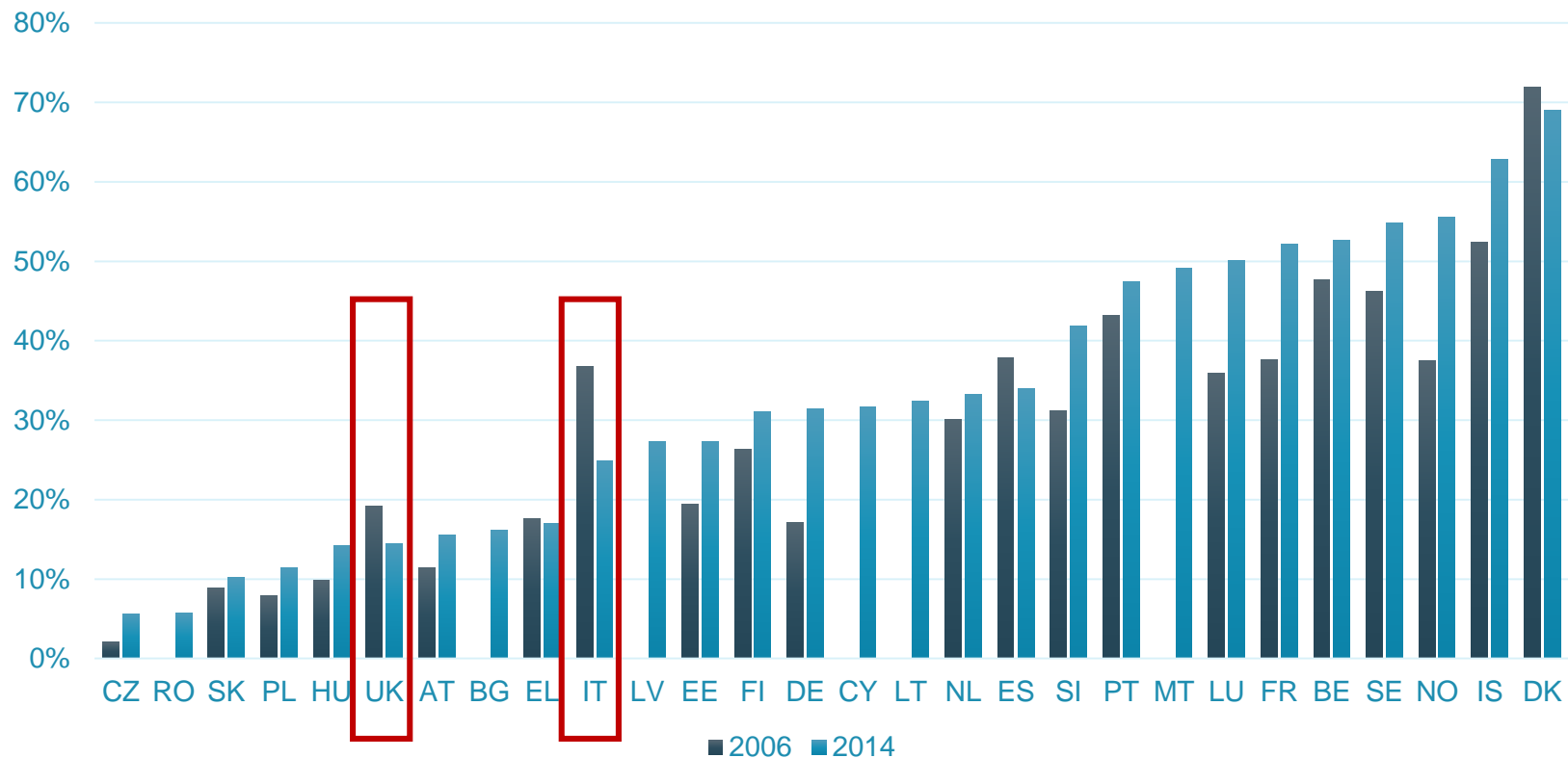
# Childcare use across Europe

- FTE childcare service use amongst children < 3, European Union, 2014



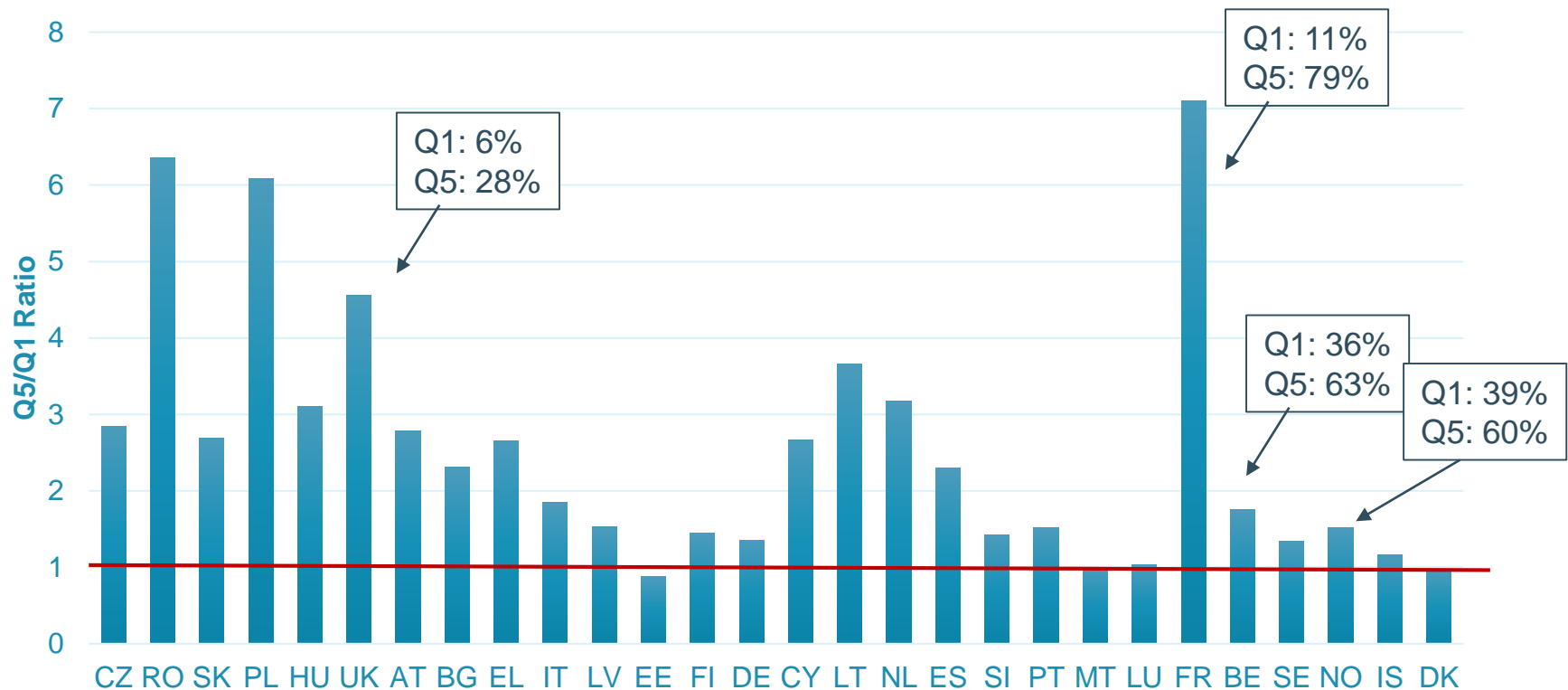
# Childcare use across Europe

- Change in FTE childcare use amongst children < 3, EU, 2006-2014



# Inequality in childcare use across Europe

- Inequality ratio (Q5/Q1), FTE childcare use amongst children < 3, EU, 2014, EU-SILC





Is it a matter of policies or preferences?



# The role of supply and demand

- Is childcare inequality related to structural constraints in the availability and/or affordability of childcare services (*supply*)
- ...or to preferences of families with children (*demand*)?
- Preferences and social norms may drive childcare choices, and not only affordability and availability
- Norms and preferences shape policies, and vice versa

# Research questions

- To what extent can the ME in formal childcare use be explained by maternal labour market participation?
- To what extent are supply-side constraints in terms of availability and affordability in the provision of childcare services related to the ME in formal childcare use?
- To what extent are demand-side constraints related to the ME in formal childcare use?

# Data, methods and variables

- **Dataset:** EU Labour Force Survey 2010 ad hoc module ‘reconciliation of work and family life’, 27 European countries, Households with a youngest child < 3 years old
- **Formal childcare services:** paid childminders, preschool, crèches, childcare centers, apart from compulsory school. Respondents are asked whether they have used it for their youngest child (not necessarily actual use!)
- **Social class of the household:** 1 “managers and professionals”, 2 “white collar workers”; 3 “blue collar workers/elementary occupation”

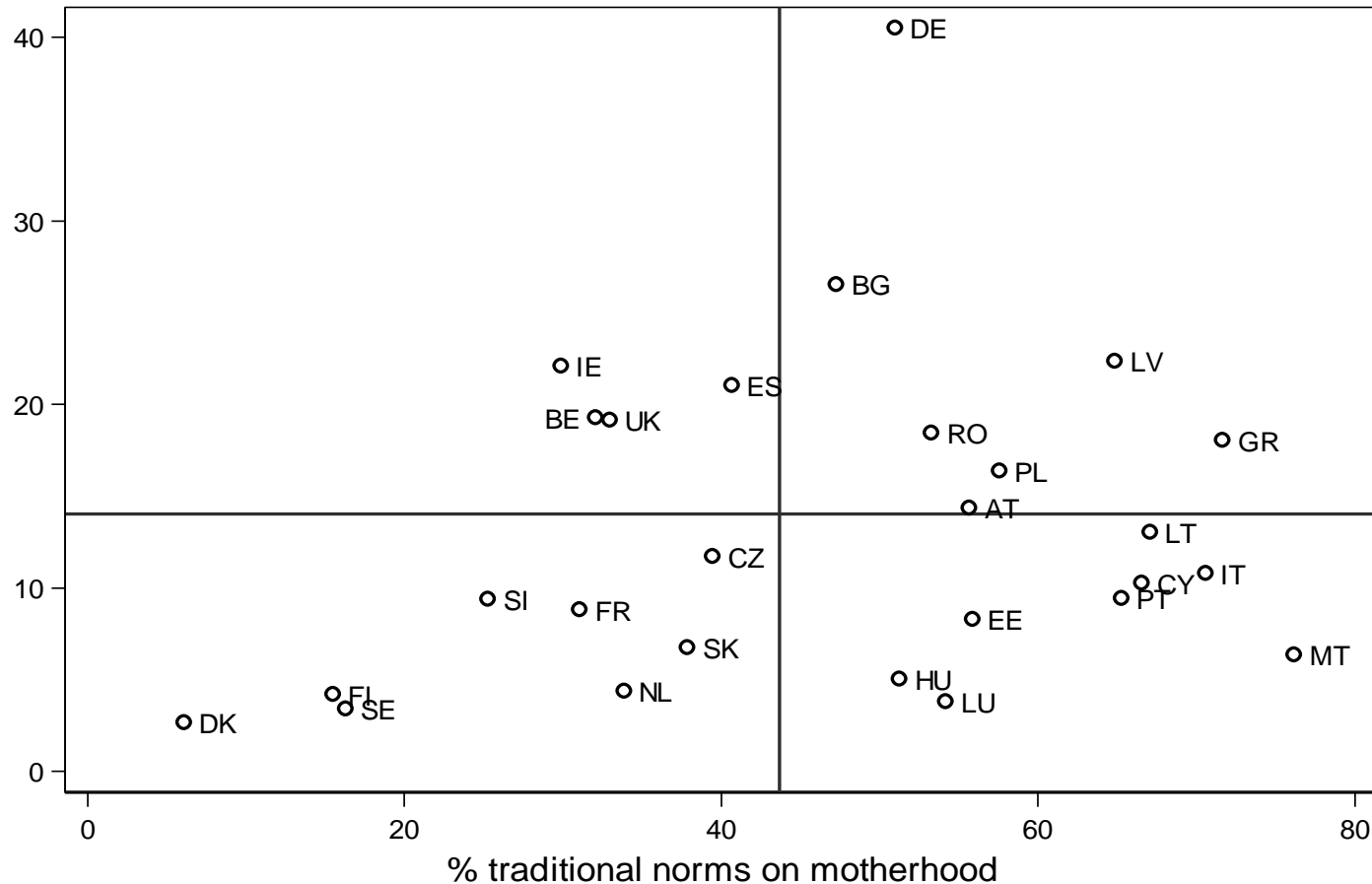
# Data, methods and variables

- **Supply:** respondents with young children are asked whether they don't work (more) because they face structural constraints in childcare availability/affordability
- Country-level variable: *weighted proportion of respondents with children below 14 yrs old referring to structural reasons not to work (more)*
- **Demand:** respondents with young children are asked whether they agree with the statement that '*a pre-school child is likely to suffer if his or her mother works*' (based on EVS 2008).
- Country-level variable: *weighted proportion of respondents with children below 14 yrs old "agree" or "strongly agree"*

# Data, methods and variables

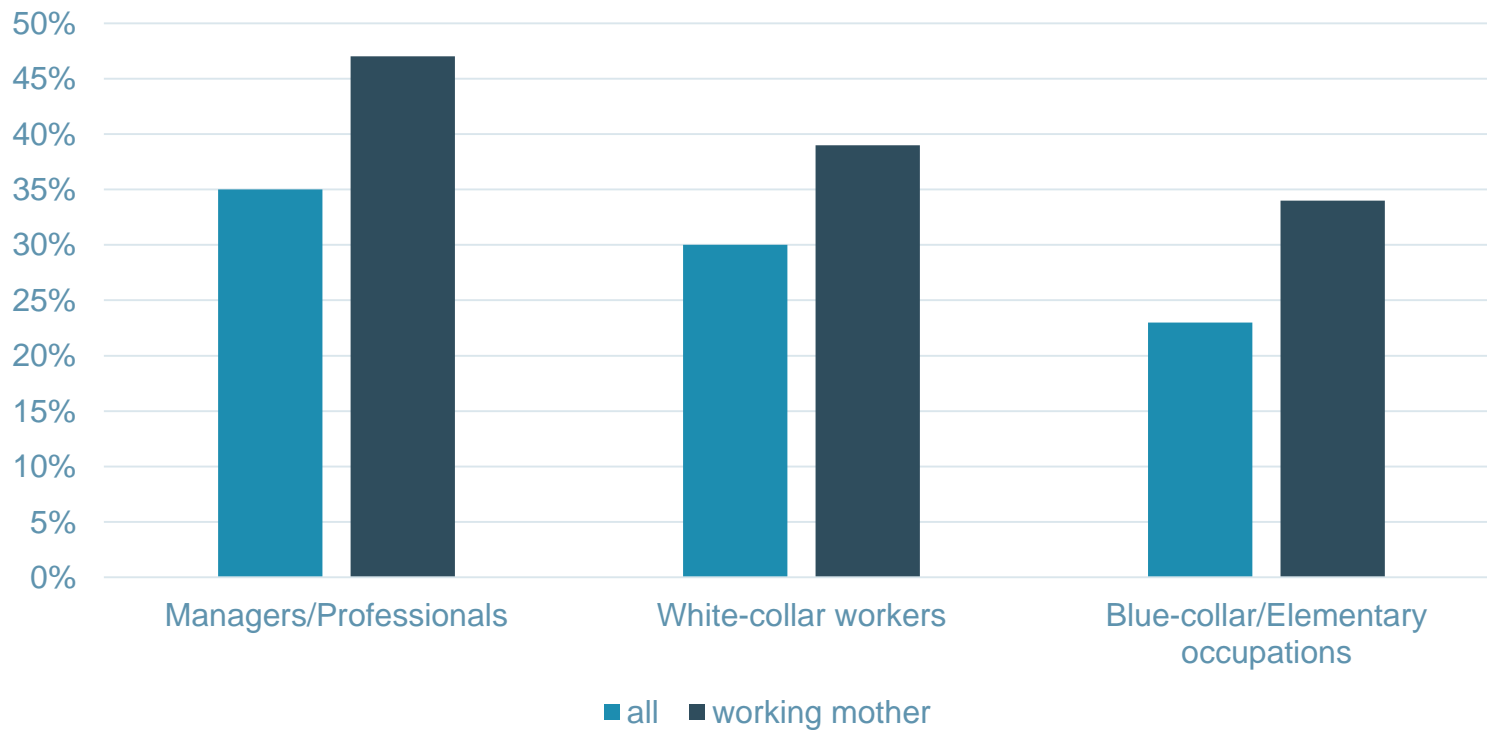
- **Method:** multilevel logistic regression
- Estimation of the probability to have used formal childcare services by means of random intercept models (country = higher level unit)
- Other potential determinants of inequalities in childcare use are taken due account of: highest level of education in the household, age of the youngest child, number of children in the household, migration background, and being a single parent
- At the country level: GDP per capita, female employment rates, and social expenditures

# Descriptive results: supply and demand



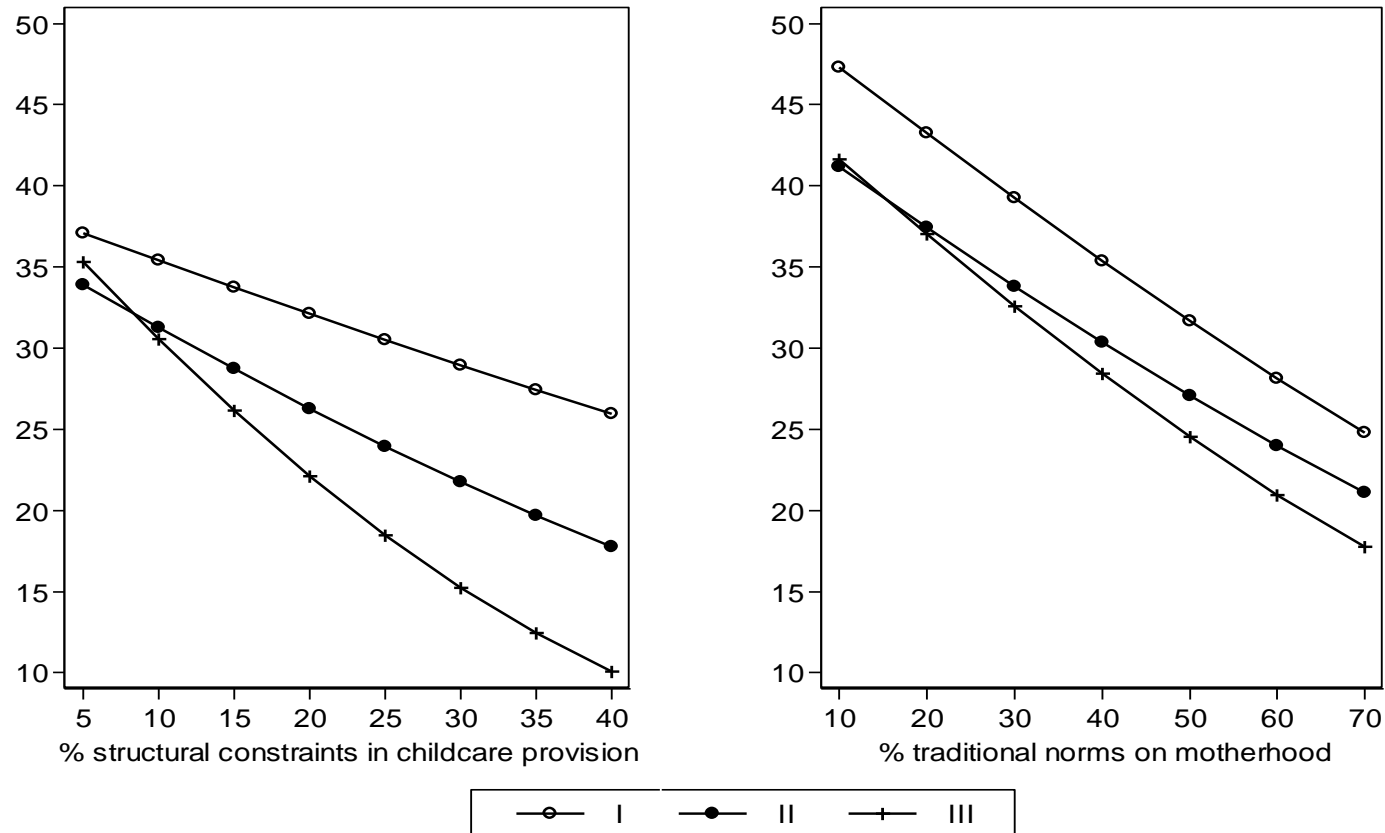
# A social class penalty

- Predicted probabilities by social class and employment



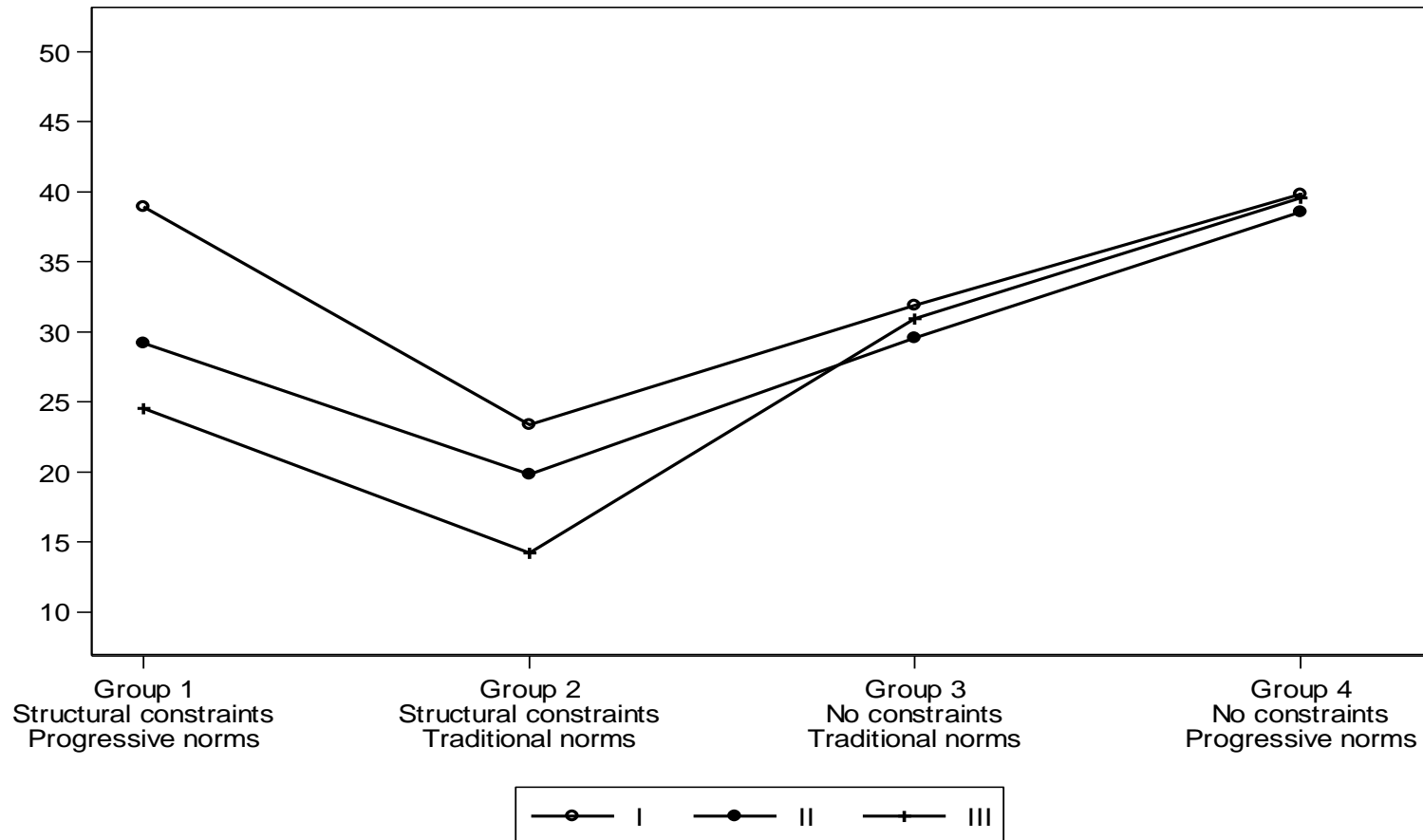


# Supply and demand: multivariate results



- Legend: social class I = Managers/professionals, II = White collar, III = Blue collar/elementary occupations.

# Supply and demand: country groups



- Group 1: Ireland, Spain, Belgium, and United Kingdom; Group 2: Germany, Bulgaria, Latvia, Poland, Greece, Romania, and Austria; Group 3: Lithuania, Cyprus, Estonia, Italy, Portugal, Malta, Luxemburg, and Hungary; Group 4: Denmark, Sweden, Finland, and the Netherlands, Slovenia, Czech Republic, France, and Slovak Republic. Legend: social class I = Managers/professionals, II = White collar, III = Blue collar/elementary occupations.

# Intermediate conclusion

- In countries where the dominant norm is more against maternal employment, childcare service use tends to be lower overall
- Yet, dominant norms do not explain inequality in childcare use
- Structural constraints are a predictor of inequality in childcare use
- If childcare places are rationed and/or expensive, the lowest incomes are disproportionately affected

# A double disadvantage for immigrants?

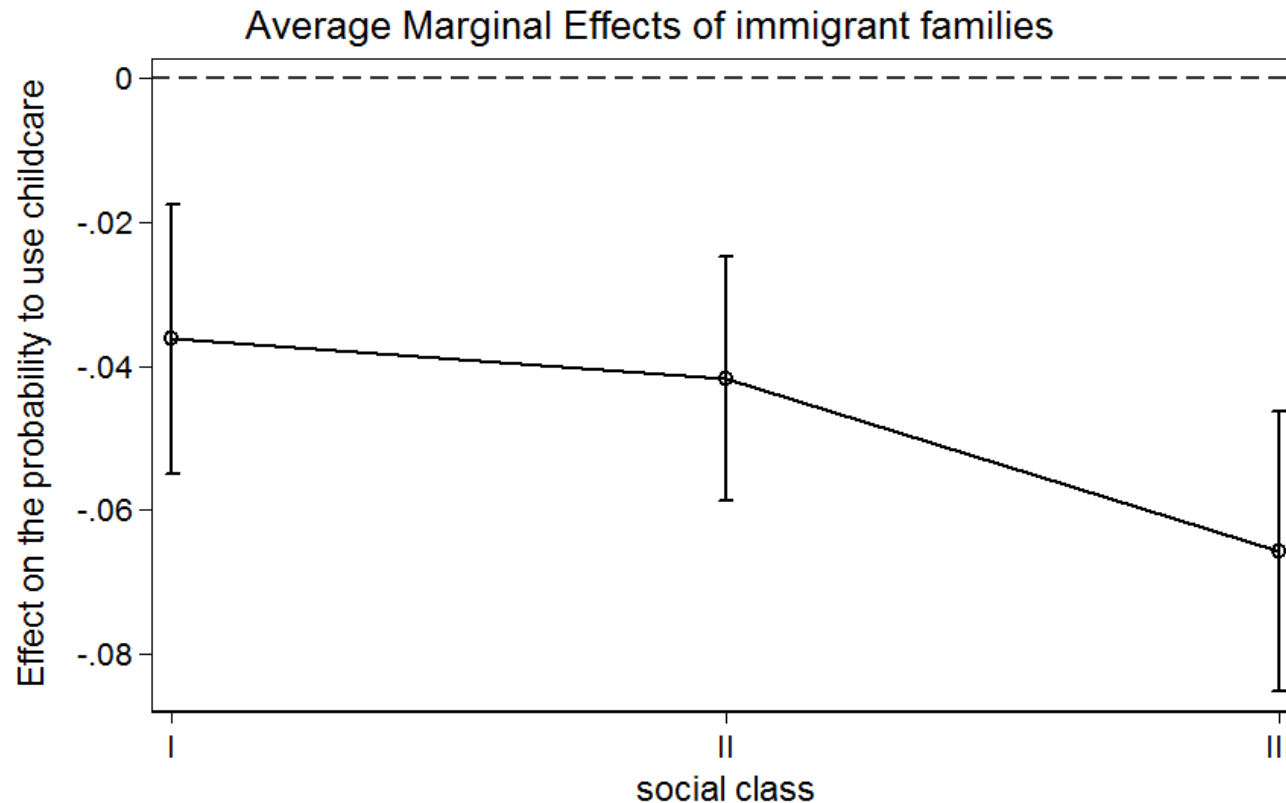
On-going research



# A double disadvantage?

- Immigrants (not born in the country of residence) are usually overrepresented amongst lower social class positions
- ... and have higher unemployment rates in the majority of European countries
- Often assumed they have more traditional values

# Immigrants are more disadvantaged than natives

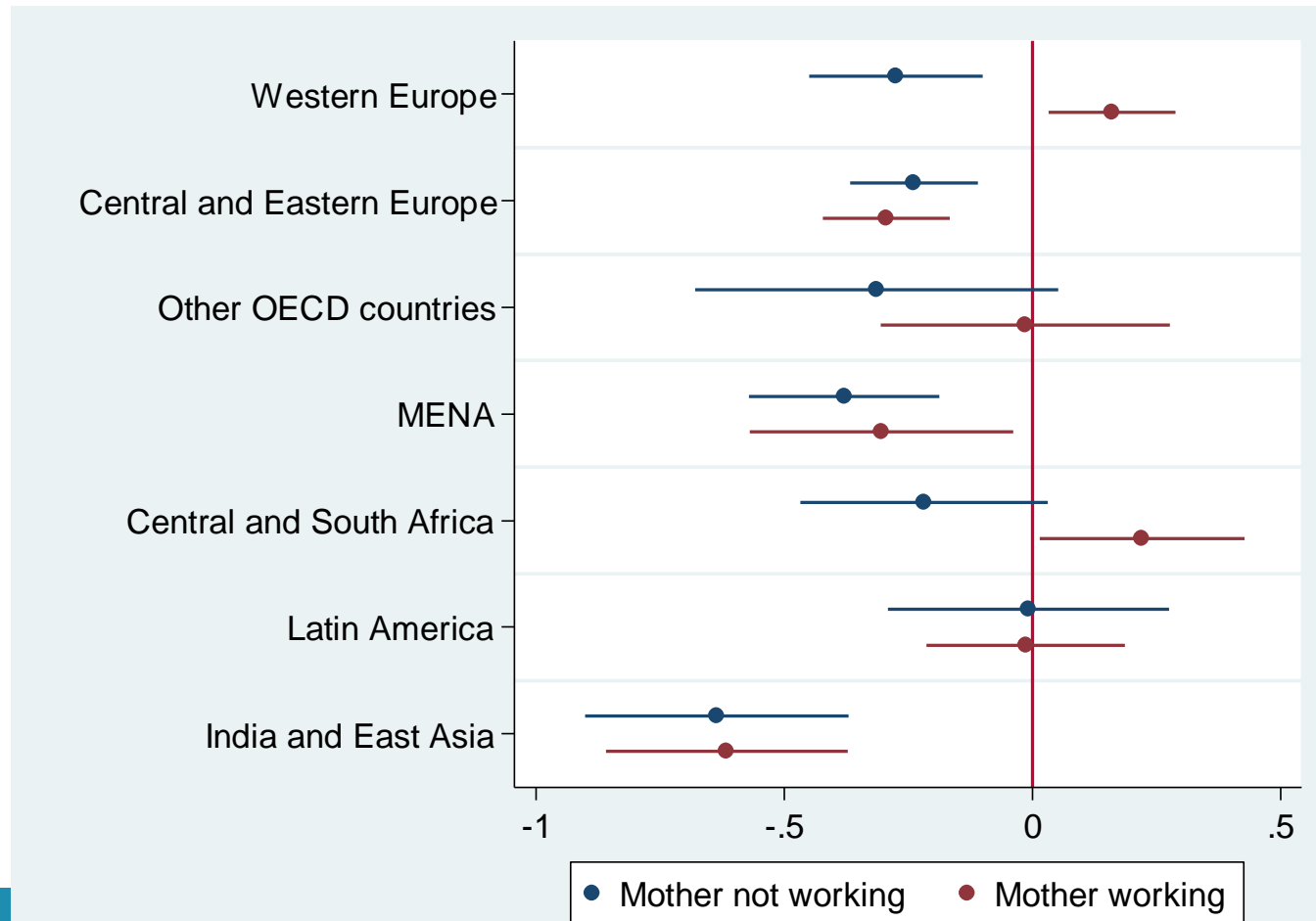


# Supply or demand?

- Immigrants are (more strongly) affected by structural constraints in the supply
- ...and not by dominant norms on motherhood in the country of residence
- ...but there is an effect of dominant norms on motherhood in the region of origin

# The 'immigration penalty'

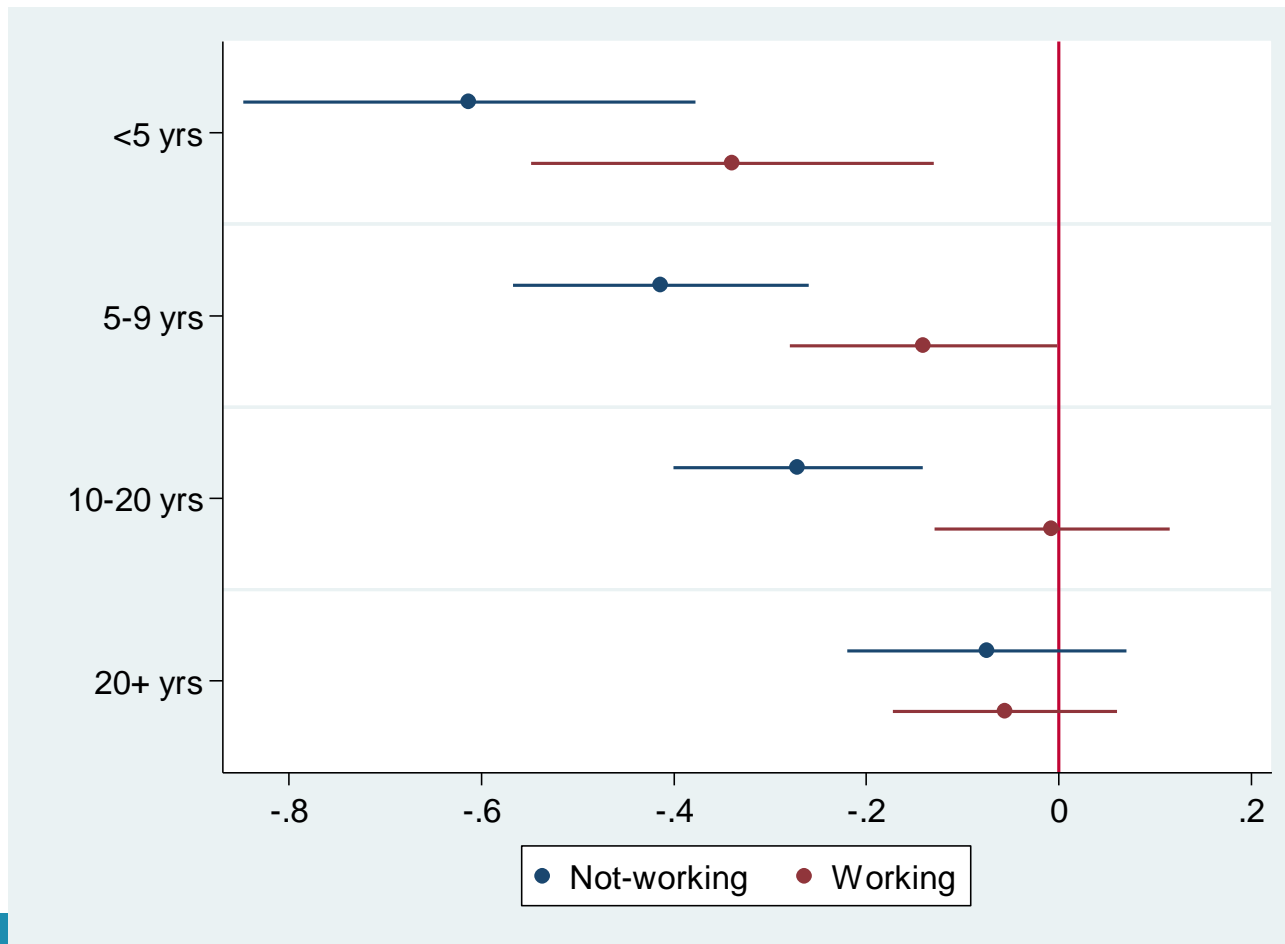
- Region of birth matters





# The 'immigration penalty'

- Length of stay matters



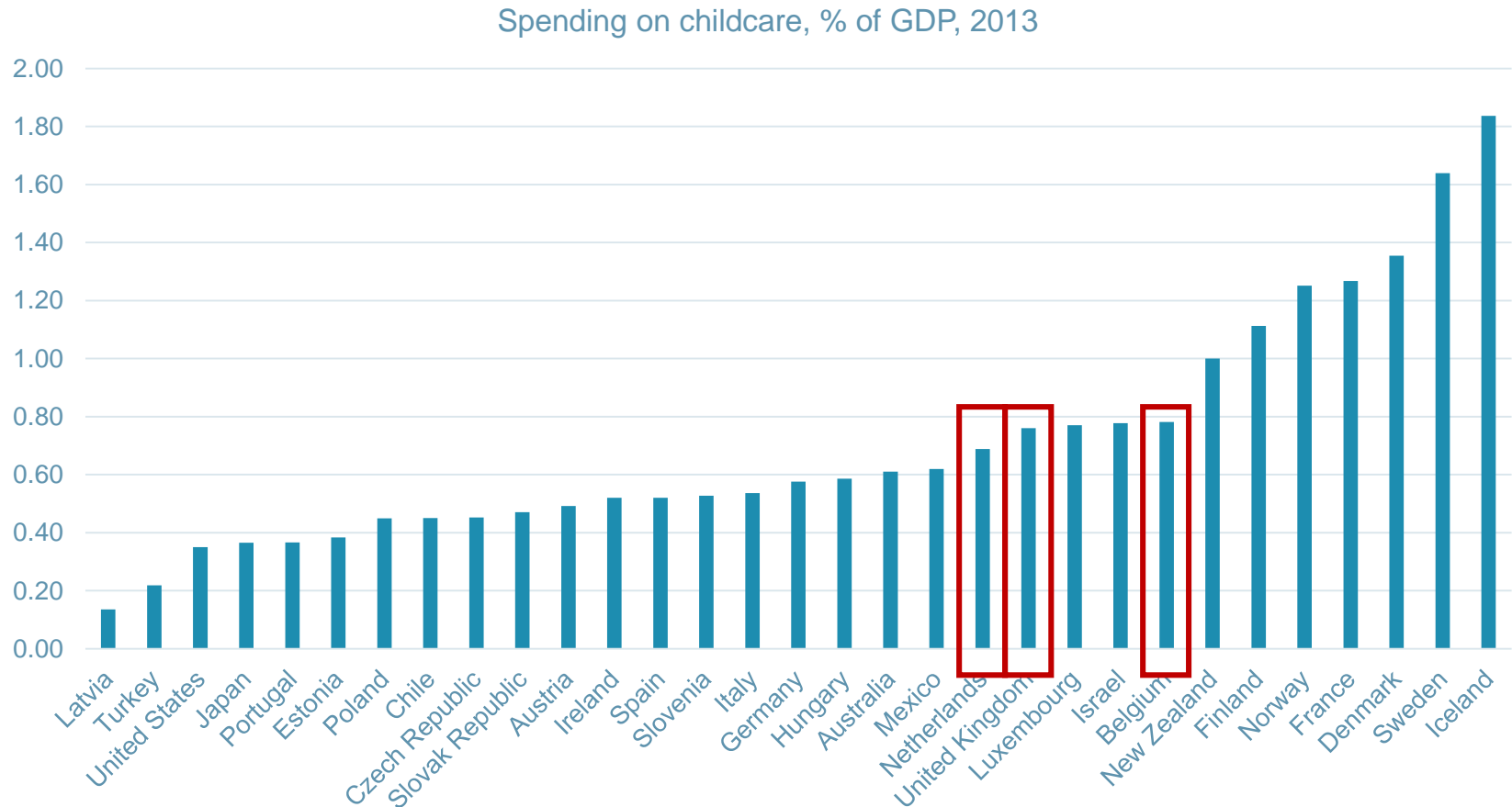
# How to move forward?



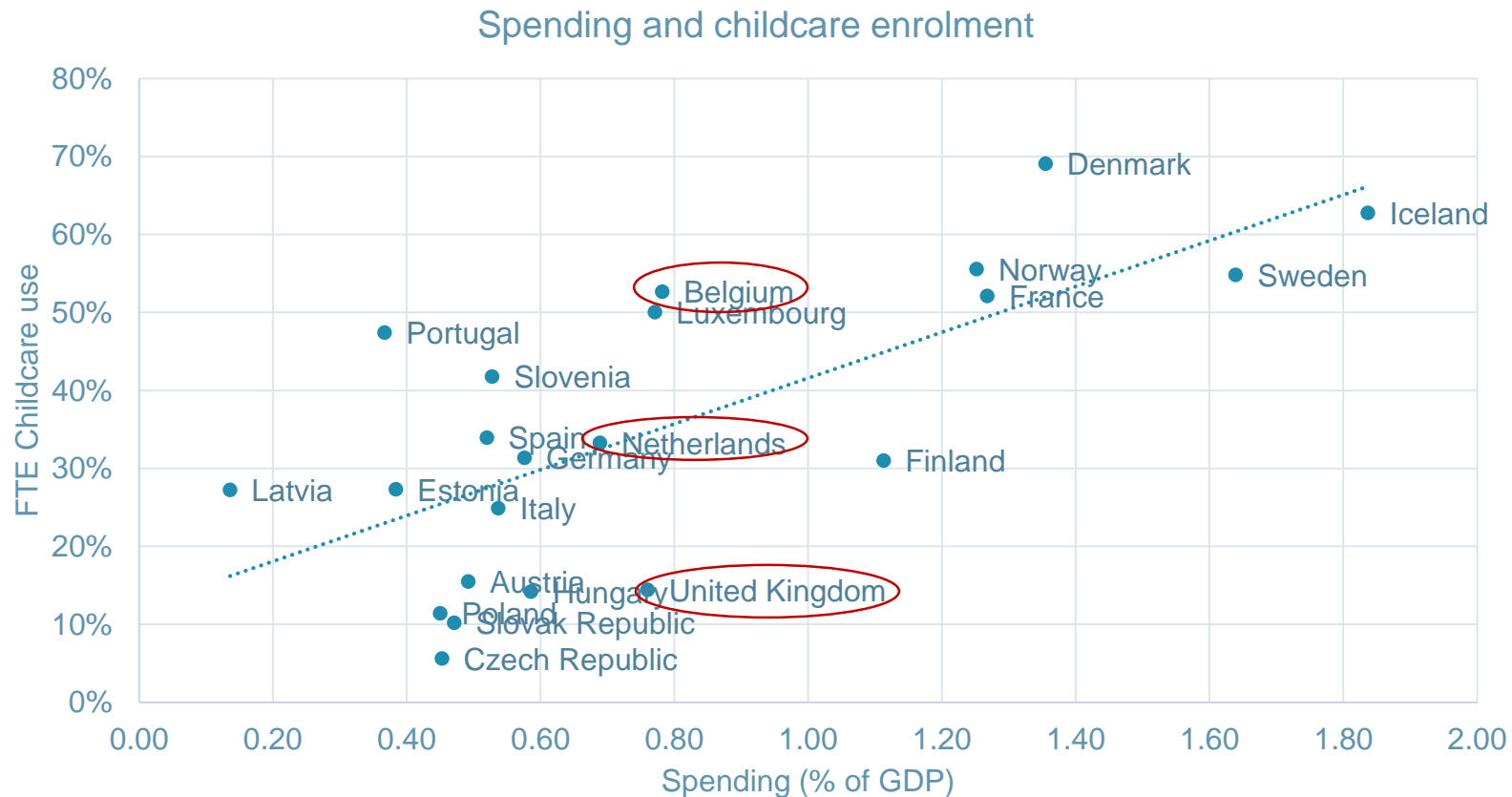
# Addressing structural constraints

- Increase the number of available places
- Those places need to be affordable
- Those places need to be available for low income families
- Those places need to be of high quality

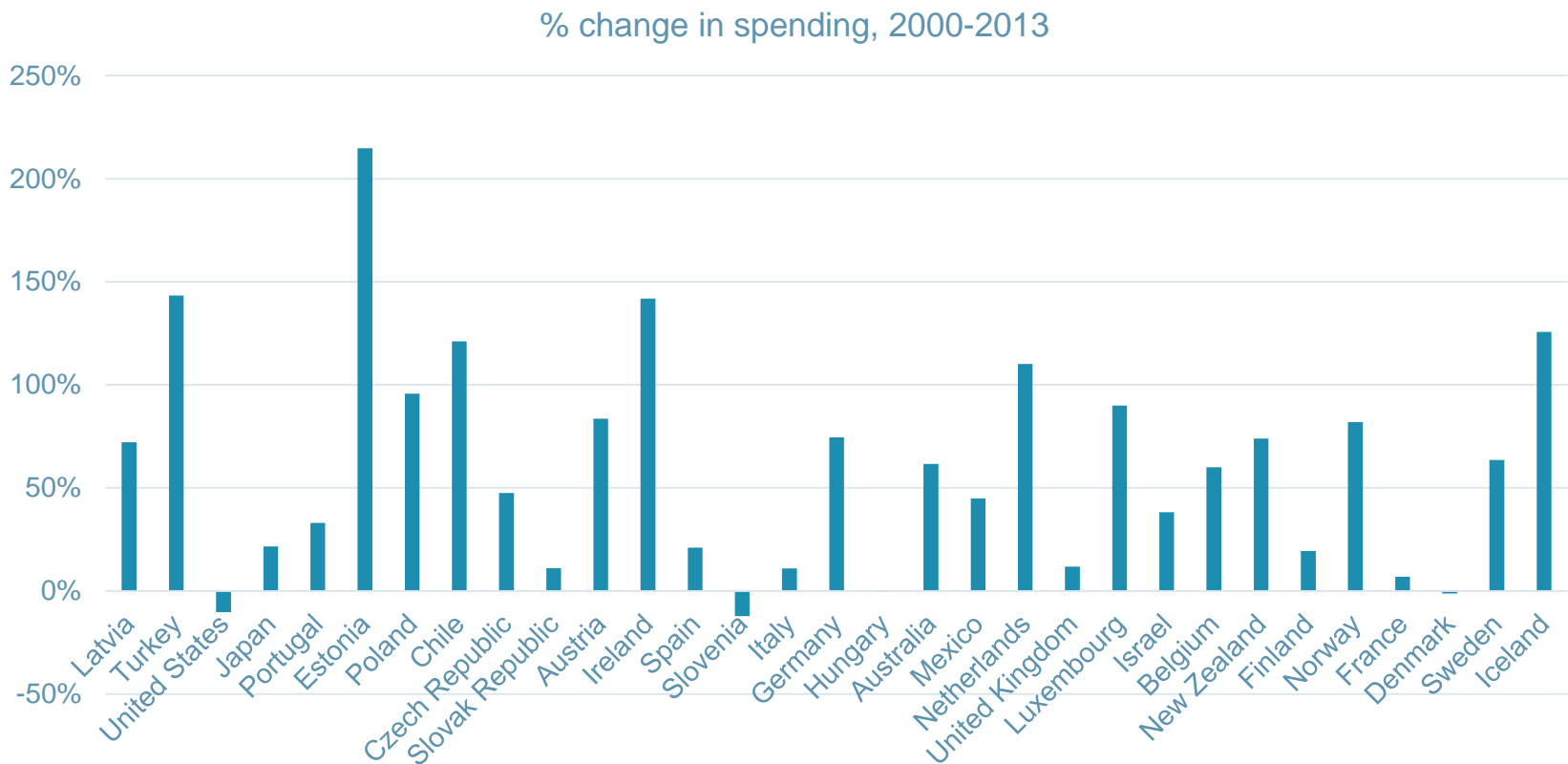
# Addressing structural constraints



# Addressing structural constraints



# Spending more...?



# Spending more...?

- More spending is related to higher levels of enrolment across countries, but *not* directly to lower levels of inequality
- If spending leads to an expansion of childcare places across the income distribution, than that is related to lower inequality
- Childcare is expensive...
  - 1% of GDP increase in spending is across Europe related to 12 ppt increase in FTE childcare use
  - For the UK: more than double what it is spending today

# The role of the market

- It matters *how* money is spent
- Market strategy: UK and the Netherlands (also: Luxembourg, Australia, US)
  - Funding parents rather than services
  - Vouchers, tax rebates, etc
- The childcare market is a difficult market
  - Increasing productivity is hard
  - Being profitable is hard
  - Quality services are expensive

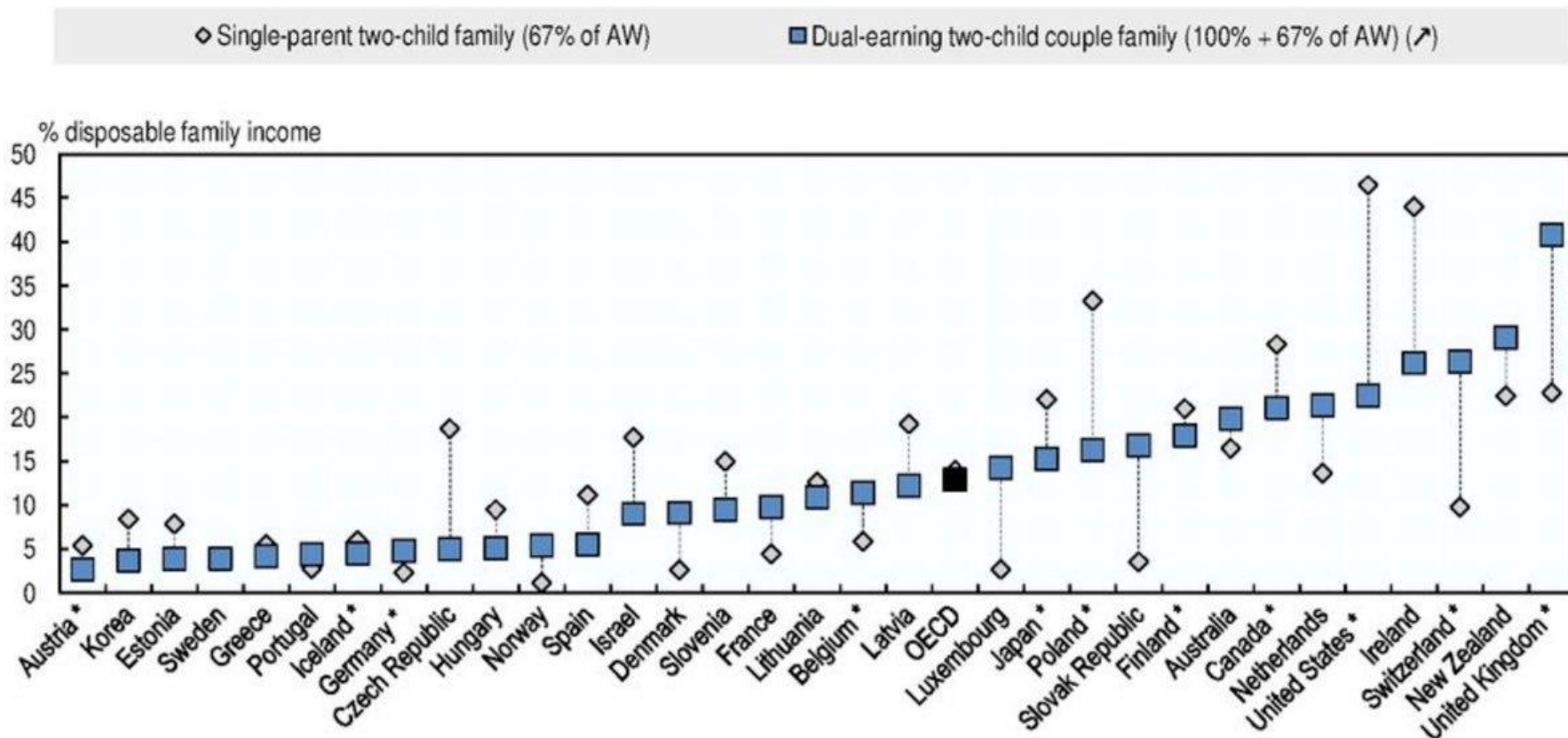


# The role of the government

- A public (Nordics) or mixed strategy (Belgium)
  - Income-related fees without having to resort (too much) to tax rebates
  - Influence the spatial availability
  - Additional subsidies to reserve places in childcare for disadvantaged children
- Yet, nature of jobs and job hours in the low income segment is challenging for childcare services
- Tension between quality, profitability and flexibility

**Figure 17.4. Childcare costs remain very high in some OECD countries**

Out-of-pocket childcare costs for a two-child family as a proportion (%) of disposable family income, by family type, 2015



## Not using childcare because it is too expensive (% of families with child < 12)

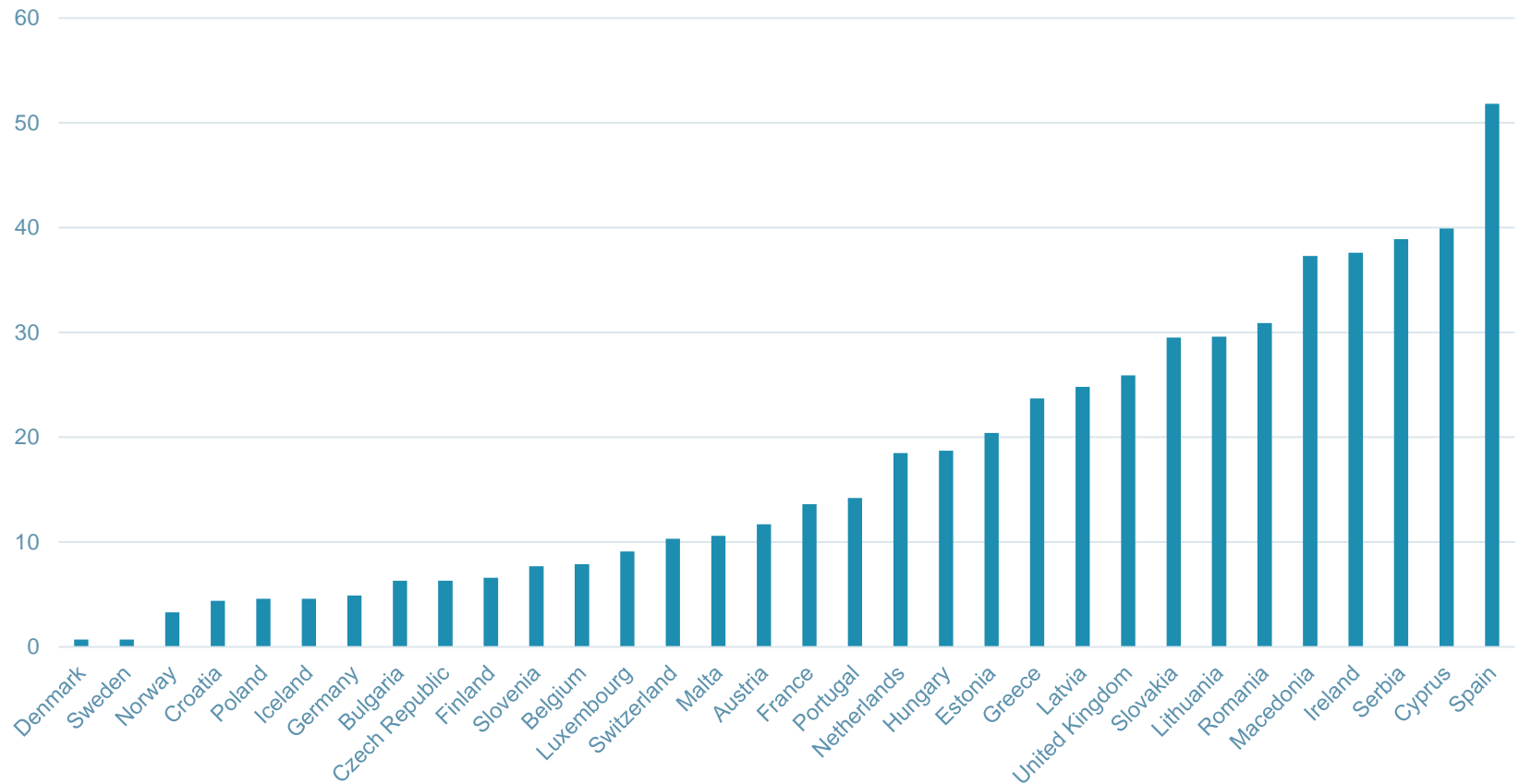
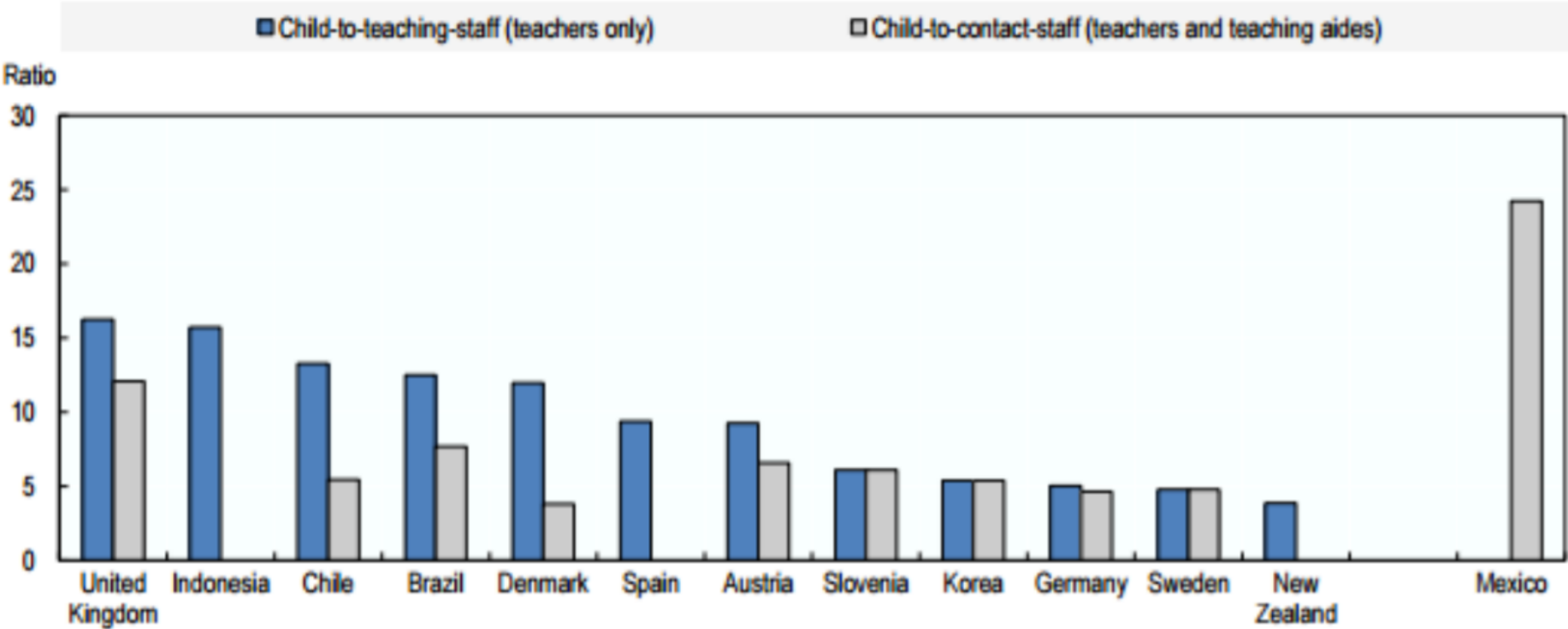
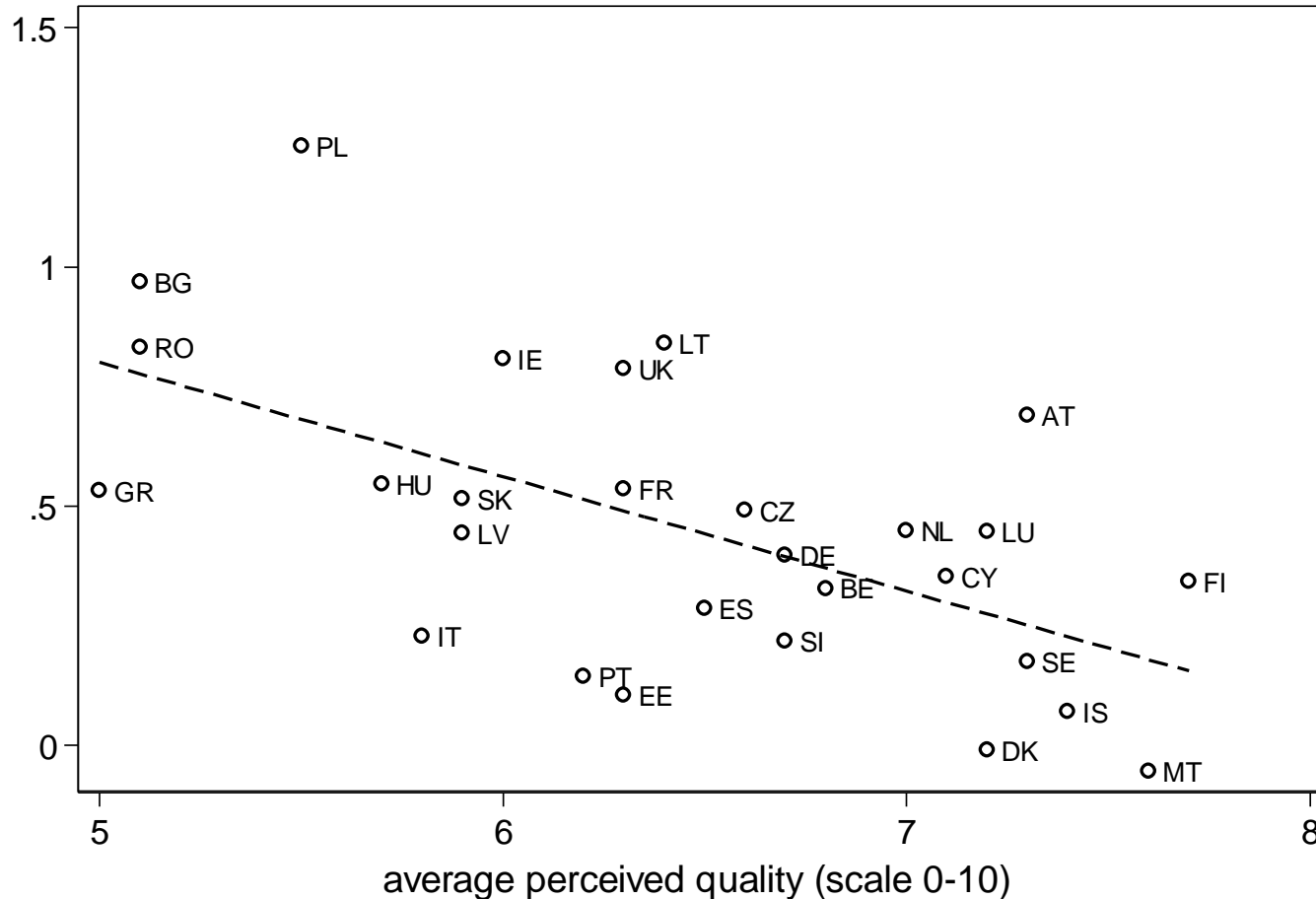


Figure 15. Average child-to-teaching-staff and child-to-contact-staff in early childhood development services, 2014 (public and private ISCED 01(0) services, based on full-time equivalents)



# Quality matters for inequality



Perceived quality based on the question: In general, how would you rate the quality of each of the following public services in your country? Please tell me on a scale of 1 to 10, where 1 means very poor quality and 10 means very high quality: childcare services.

# Addressing structural constraints

- If there is a shortage in availability of childcare places, additionally created places will, first and foremost, benefit higher income families (reinforcing the ME)
- Reducing inequality by spending more: it's all about *how* money is spent
  - Public strategy such as in the Nordics...
  - Or market strategy but then it is important to keep prices at bay, and to make sure that services are available where they are most needed
  - ...but what about quality?
  - Even in market systems, governments need to intervene actively

# General conclusion



# General conclusion

- The Matthew Effect in childcare use is the norm in Europe
- This should give pause to the proponents of 'social investment'
- If childcare places are rationed and/or expensive, the lowest incomes are disproportionately affected
- Immigrants are disproportionately affected as well, although preferences may play a more important role for newly arrived immigrants



# General conclusion

- To mitigate childcare inequality, government should remedy structural constraints in the supply of childcare
- This will require much more government spending to the benefit of the lowest income groups
- ...irrespective whether a market or public strategy is pursued
- There is a long way ahead of us before investment in childcare services will be the 'greatest of equalizers'
- ...and even then: underlying inequalities still matter

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- Van Lancker W. (2013). Putting the child-centred investment strategy to the test: Evidence for EU27. *European Journal of Social Security*, 15 (1), 4-27.
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- Van Lancker W. (2018). Reducing Inequality in Childcare Service Use across European Countries: What (if any) Is the Role of Social Spending. *Social Policy & Administration*, 52 (1), 271-292.