

A comparative perspective on inequality in early childhood service use: a matter of policies or preferences?

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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...

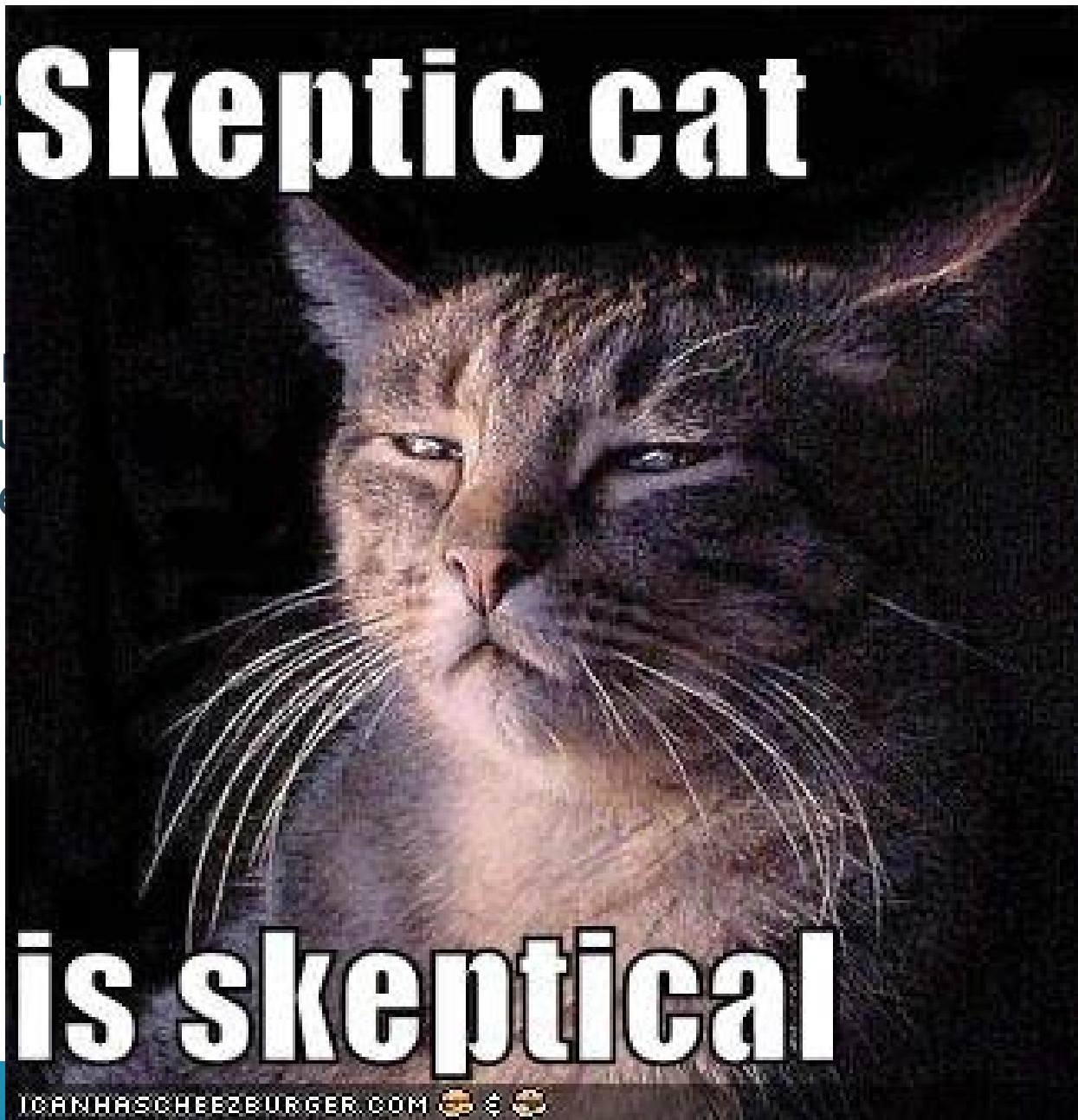
*“brings a wide range of benefits, including **social and economic benefits**; better **child well-being and learning outcomes**; more **equitable outcomes and reduction of poverty**; increased **intergenerational social mobility**; higher **female labour market participation and gender equality**; increased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

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

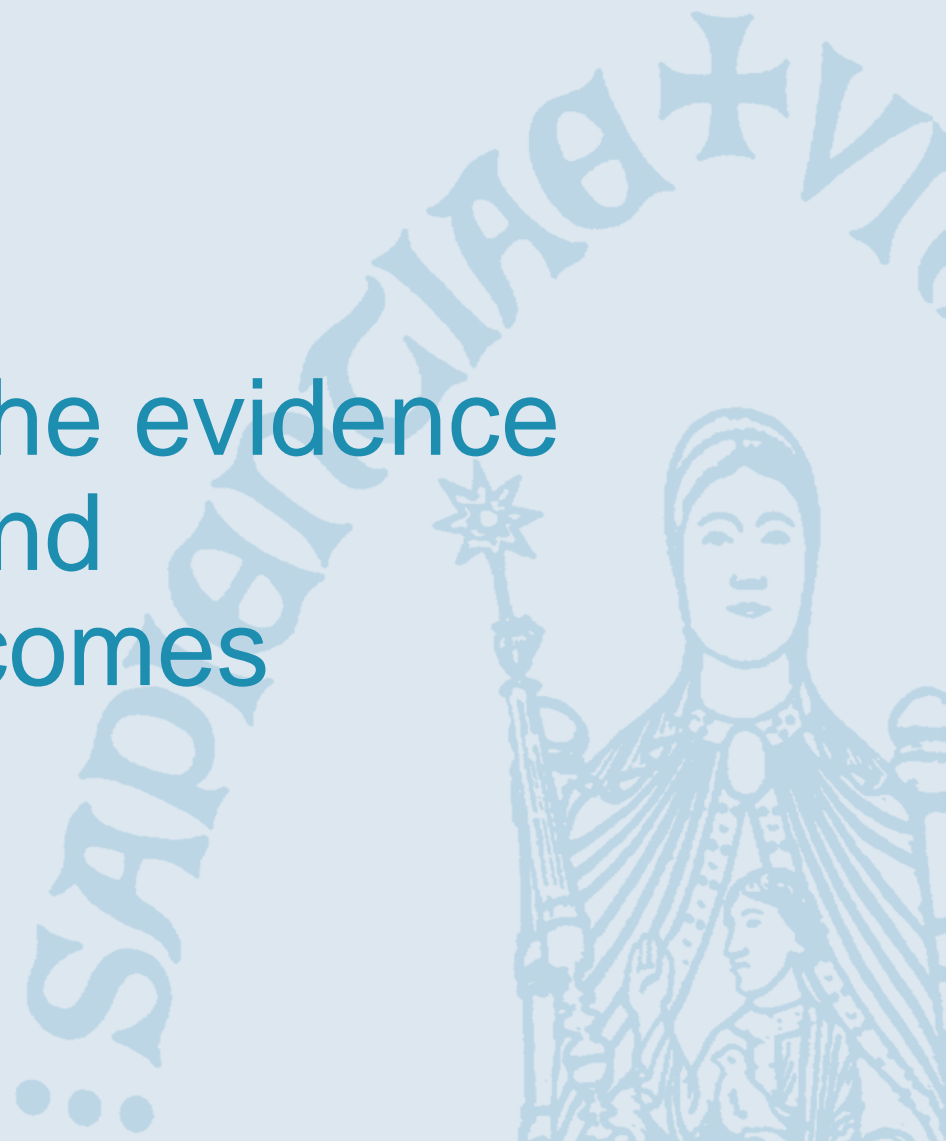
So... **Skeptic cat**

If we get
better quality
childcare

we
nning



A brief review of the evidence on employment and development outcomes



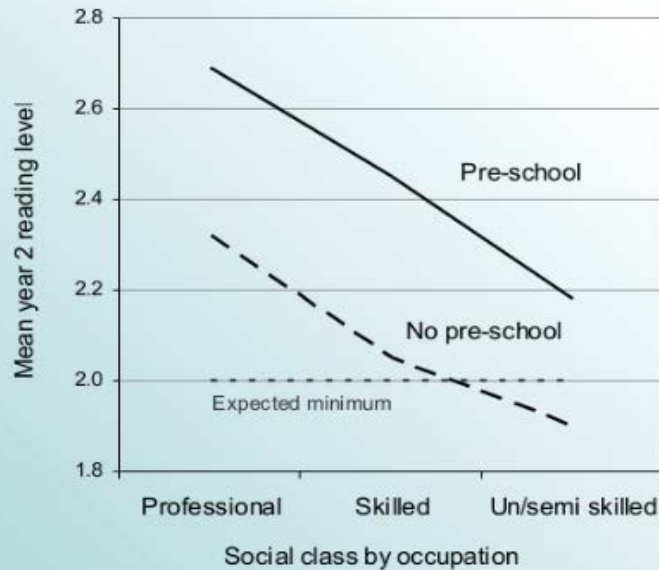
High-quality care is good for children?

- 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

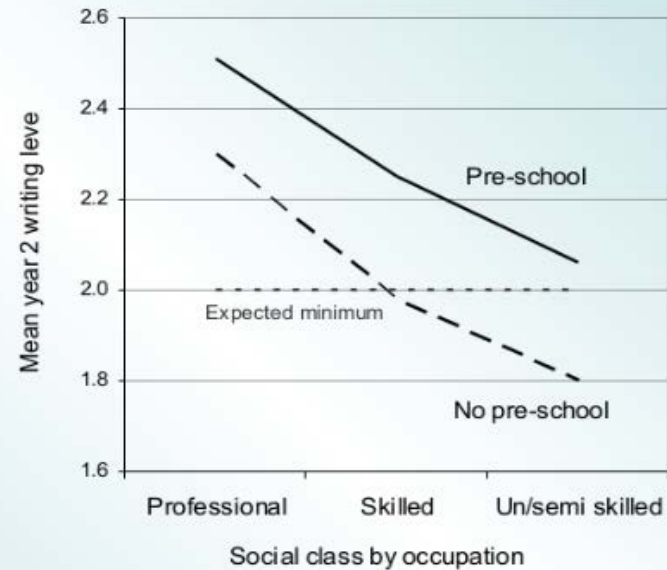
Yet...it doesn't necessarily close the gap

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:
- **Norway** (Havnes & Mogstad 2011):
 - Expansionary reforms in 1975 with huge increase in the number of available places
 - No impact on maternal employment rates
 - Newly created places crowded out informal care
 - Working (high skilled) mothers benefited most

Childcare leads to higher (maternal) employment rates?

- **Canada** (Baker et al. 2008):
 - 1997 Québec childcare reforms
 - Limited employment effect
 - Newly created places crowded out informal care
- **Spain** (Nollenberger et al. 2011)
 - Expansion in the early 90s
 - Significant and substantial employment effects
 - Heterogeneous effects: only lasting effects for medium skilled mothers
- **Netherlands** (Bettendorf et al. 2015)
 - 2005 Childcare act: switch from public to private-based system
 - Substantial budgetary cost, more places and (on average) cheaper fees
 - Limited impact on maternal employment

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

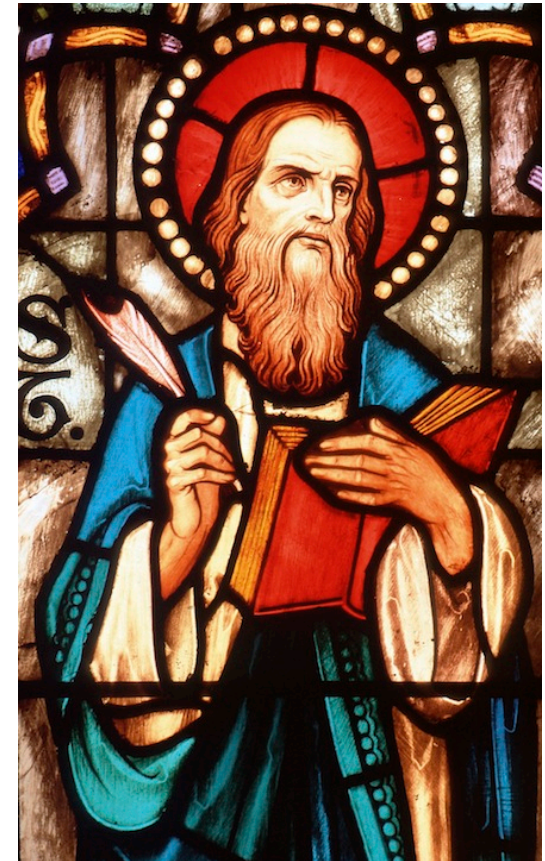


A simple argument

- 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, Deleeck)
- Unintended consequence of deliberate policy action
- → Initial advantage is often a matter of luck, such as the lottery of birth
- Inequality in childcare participation by social background will serve to reinforce existing inequality in the early life
- Importance of a macro-perspective

The Matthew effect in childcare

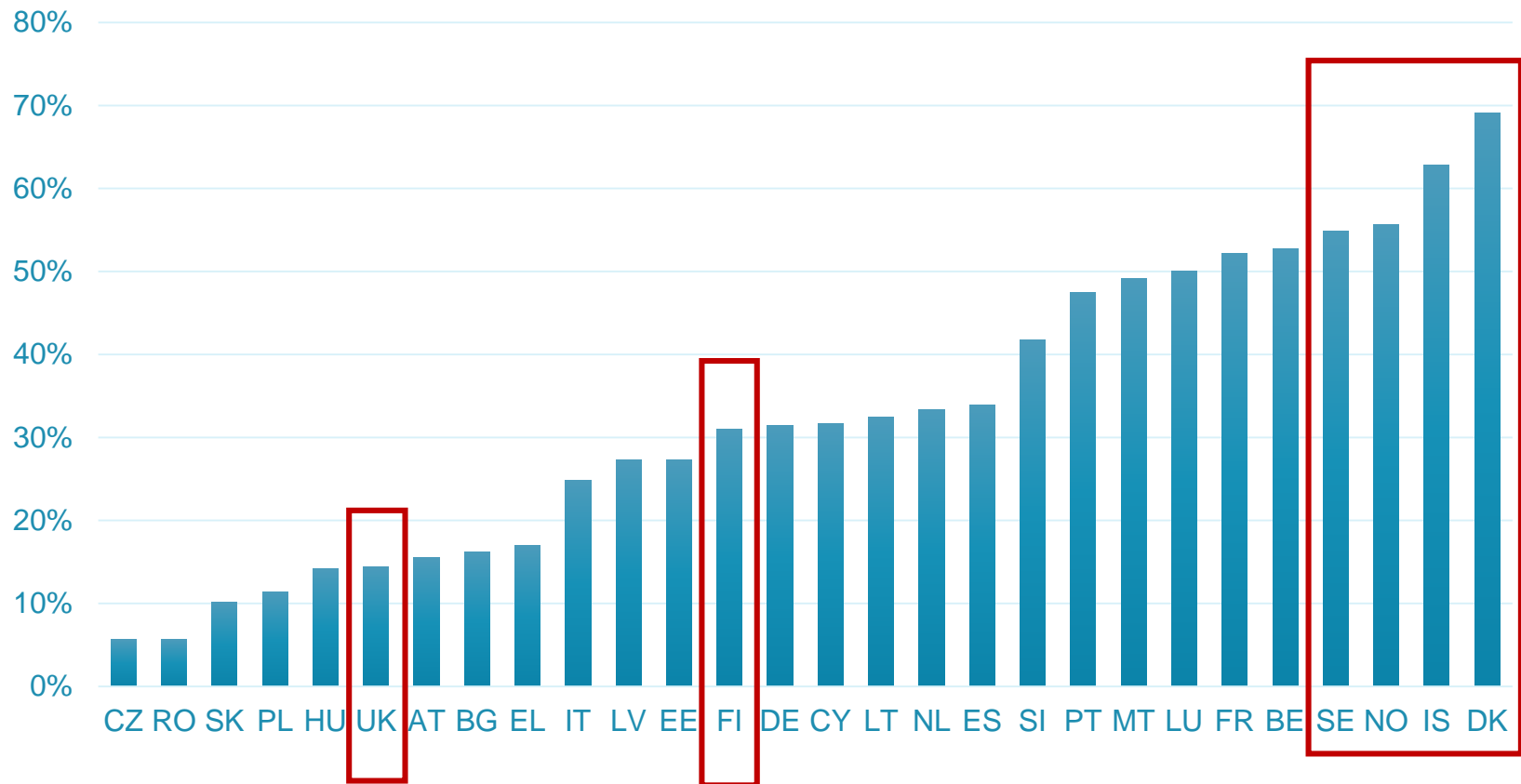


The Matthew effect in childcare

- 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)

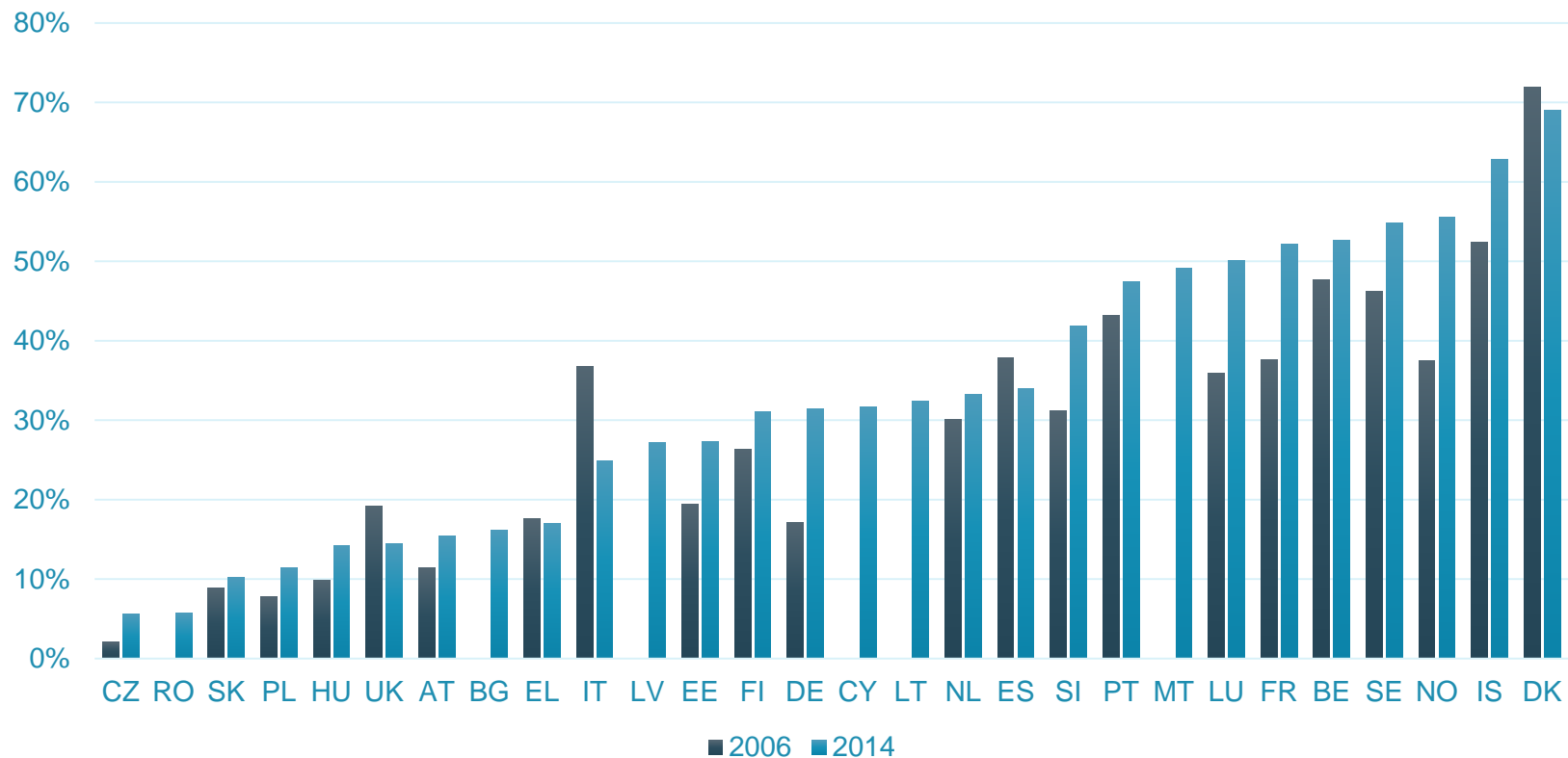
Childcare use across Europe

- FTE childcare service use amongst children < 3, EU, 2014, EU-SILC



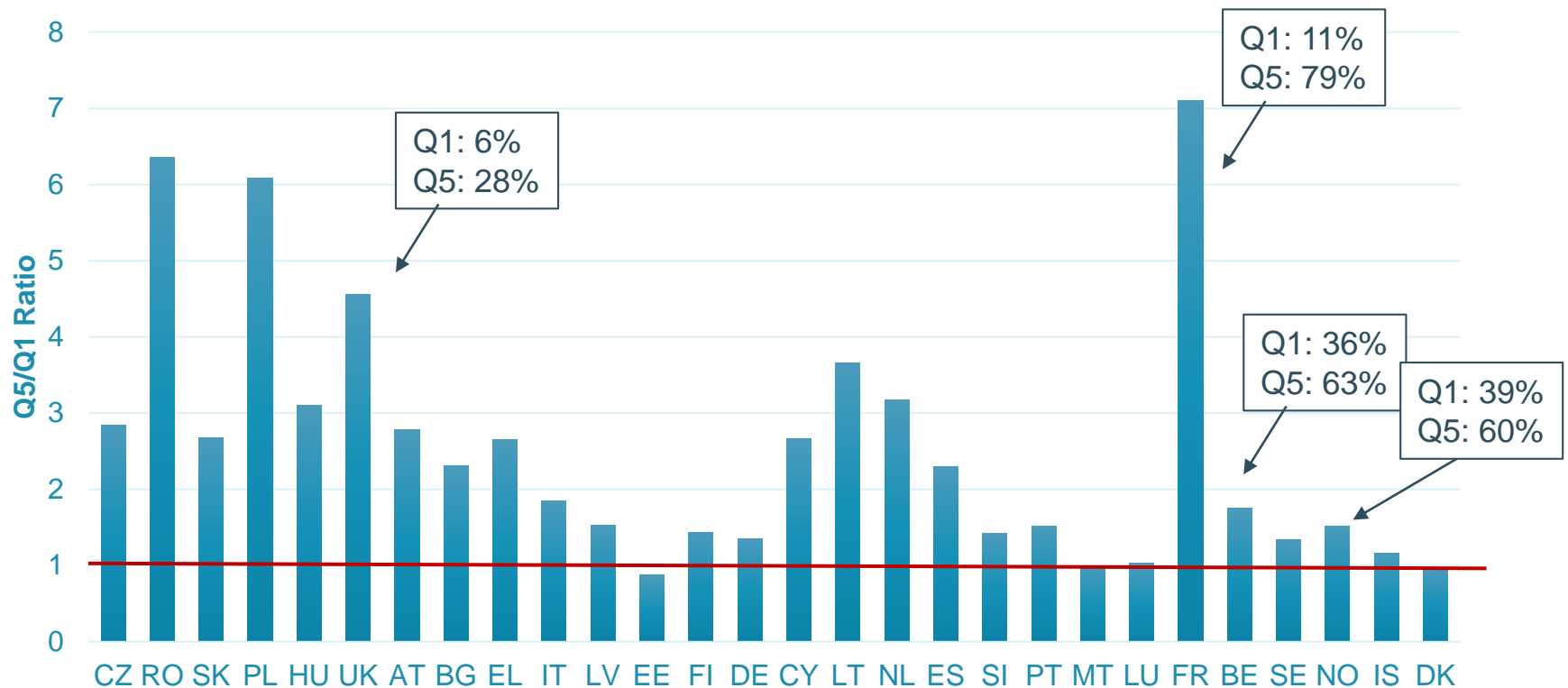
Childcare use across Europe

- 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*)?
- It is almost invariably neglected in the literature that families have to choose for using childcare
- 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?

Pavolini, E. & Van Lancker, W. (Forthcoming). The Matthew effect in childcare use: a matter of policies or preferences? *Journal of European Public Policy*

Data, methods and variables

- **Dataset:** EU Labour Force Survey 2010 ad hoc module ‘reconciliation of work and family life’, complemented by EVS data
- 27 European countries
- Households with a youngest child < 3 years old
- N = 32.643 households

- **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:** simplified classification based on 1-digit ISCO codes: 1 “managers and professionals”, 2 “white collar workers”; 3 “blue collar workers/elementary occupation”

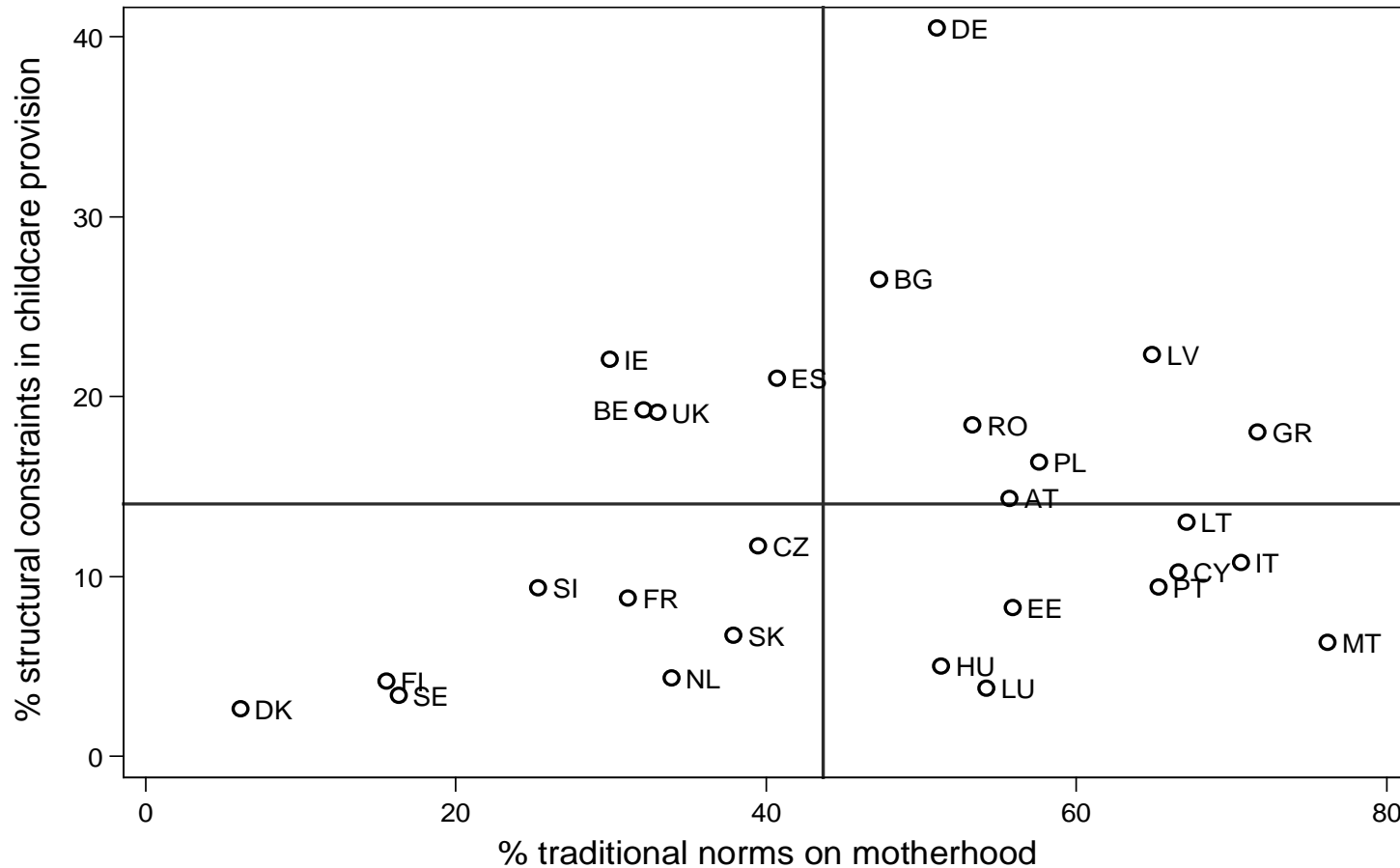
Data, methods and variables

- **Labour market participation:** dummy measuring whether the *mother* works (ILO definition)
- (sensitivity: work intensity of the household)
- **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)
- Robustness checks with country-level controls for GDP per capita, female employment rates, and social expenditures.
- All models are controlled for highest level of education in the household (in three categories, following the ISCED classification), age of the youngest child, number of children in the household, migration background (dummy coded: 0 = native, 1 = born in another country), and being a single parent (dummy coded: 0 = partner, 1 = single parent).

Descriptive results: supply and demand



Multivariate results

	1a		1b		2	
	coeff.	(se)	coeff.	(se)	coeff.	(se)
Social class (ref. = I)						
II	-0.325 ***	(.034)	-0.088	(.060)	-.166	(.095)
III	-0.758 ***	(.048)	-0.167 *	(.065)	.263 *	(.119)
Maternal employment (ref. = no)			1.512 ***	(.054)	1.272 ***	(.033)
Maternal employment * Social class						
II			-0.307 ***	(.069)		
III			-0.513 ***	(.090)		
Structural constraints					-.019	(.018)
* Social class						
II					-.012 **	(.004)
III					-.037 ***	(.006)
Traditional norms					-.022 *	(.009)
* Social class						
II					-.001	(.002)
III					-.004	(.002)
Variance component						
Country	0.876***	(0.242)	0.919 ***	(0.254)	.623 ***	(.174)
Model fit						
Deviance	32631.041		30986.19		30951.56	
N(households)	32643		32643		32643	
N(countries)	27		27		27	

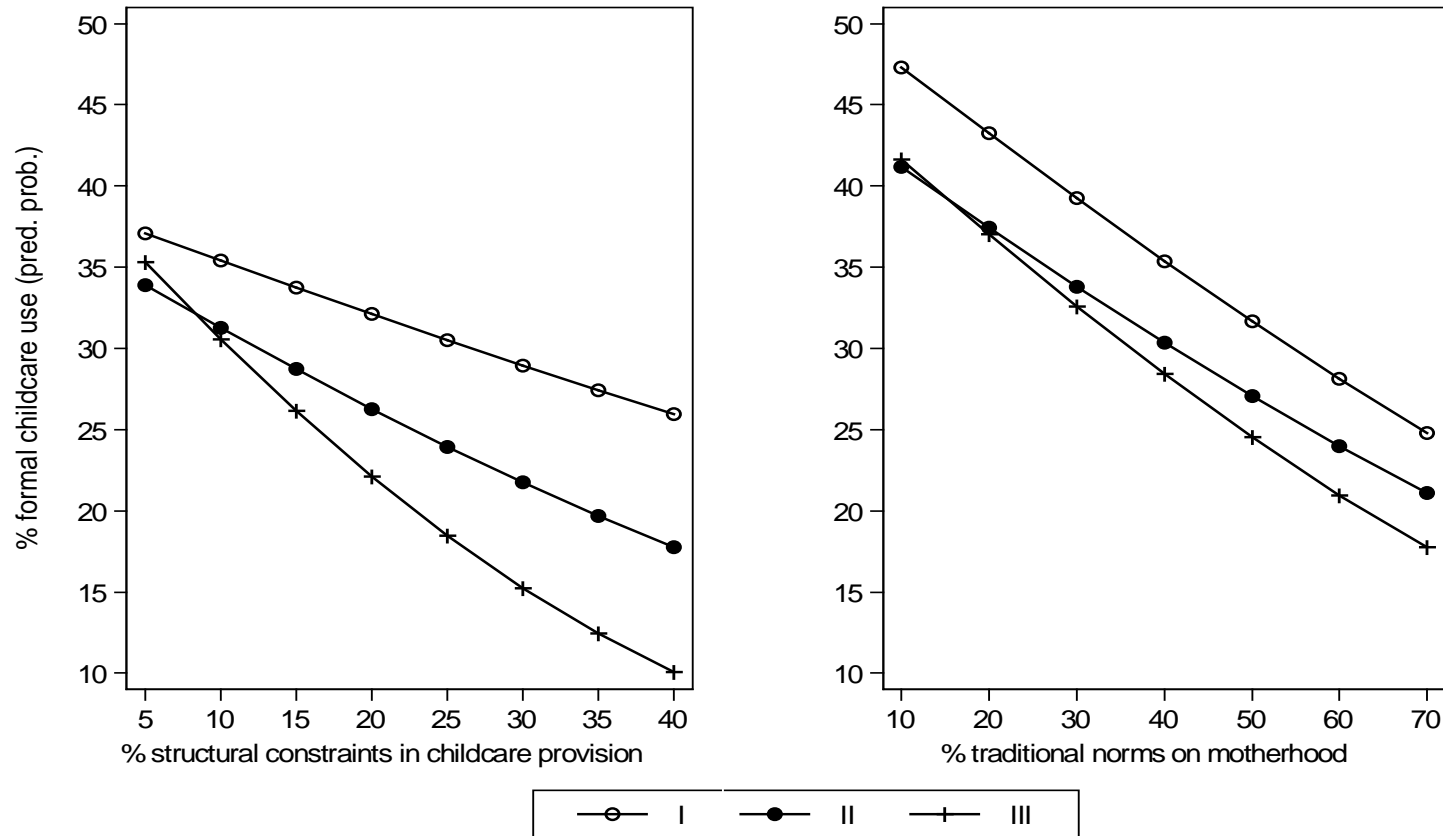
- All results controlled for education, household composition, age & number of children, migration background
- Model 1a: 35% of families in highest class, 30% of families in second class, and 23% in lowest class (pred. prob.)
- Model 1b: in HHs where mother does not work, social class differences almost disappear
- Families with working mother: 47% in highest class, 39% in second class, and 34% in lowest class (pred. prob.)

Multivariate results

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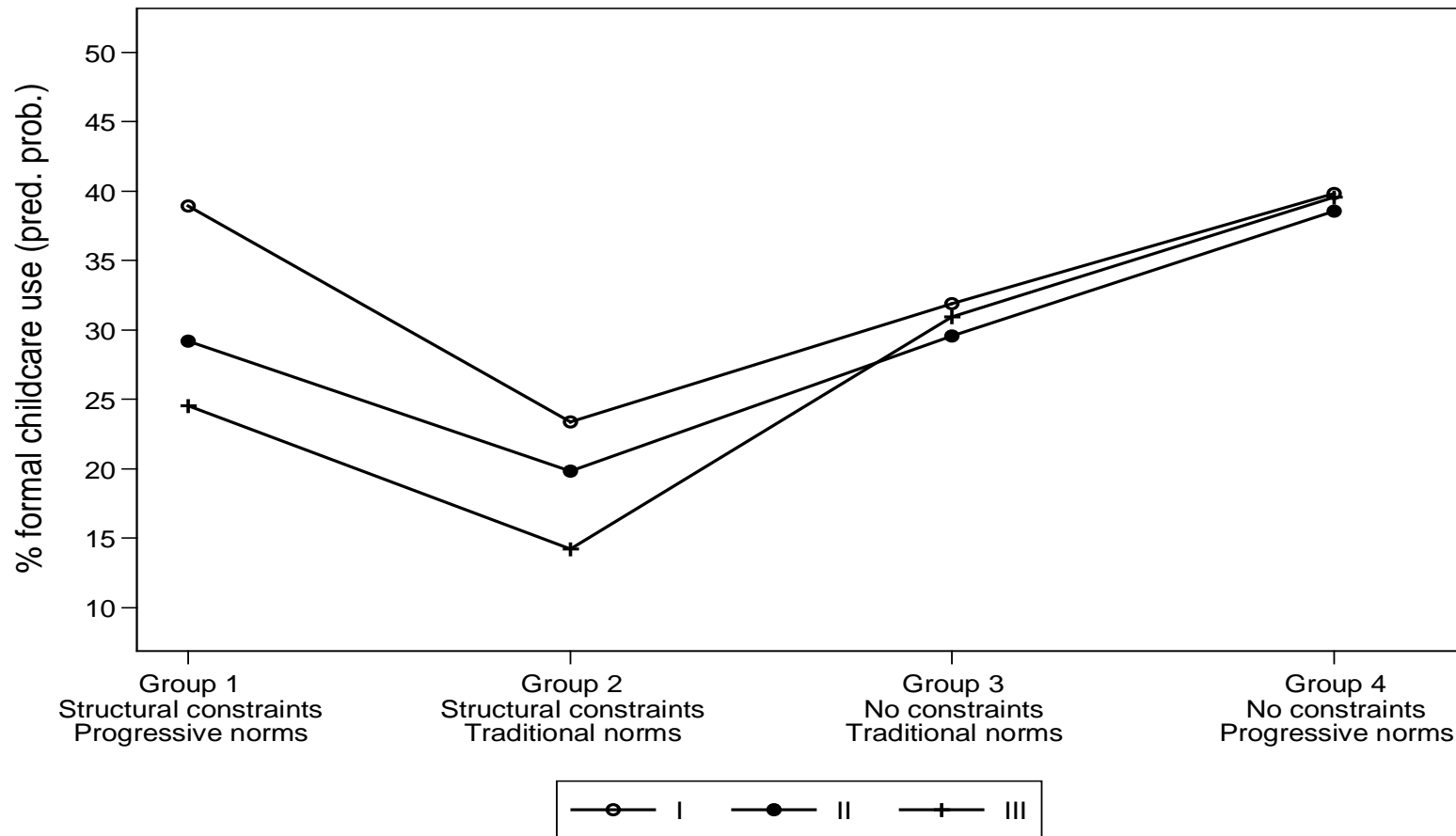
- All results controlled for education, household composition, age & number of children, migration background
- Model 2: Main effect of structural constraints is not significant, but its interaction term is
- Main effect of traditional norms is significant, but its interaction term is not

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.

Conclusion

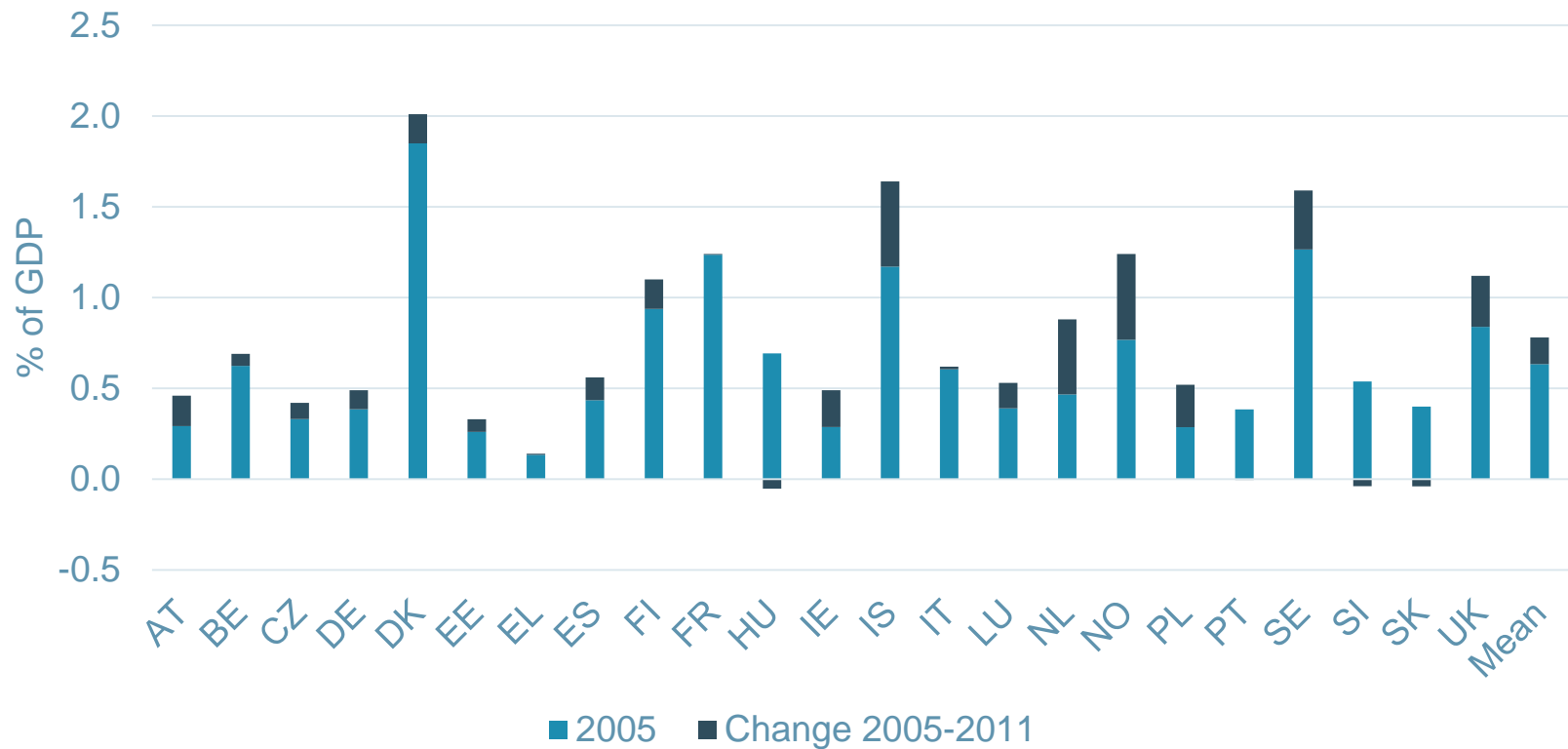
- In countries where the dominant norm is more against maternal employment, childcare service use tends to be lower overall
- Yet, dominant norms do not explain inequality in childcare use
- Structural constraints are a predictor of inequality in childcare use

- If childcare places are rationed and/or expensive, the lowest incomes are disproportionately affected

How to move forward?



Addressing structural constraints: spending more?

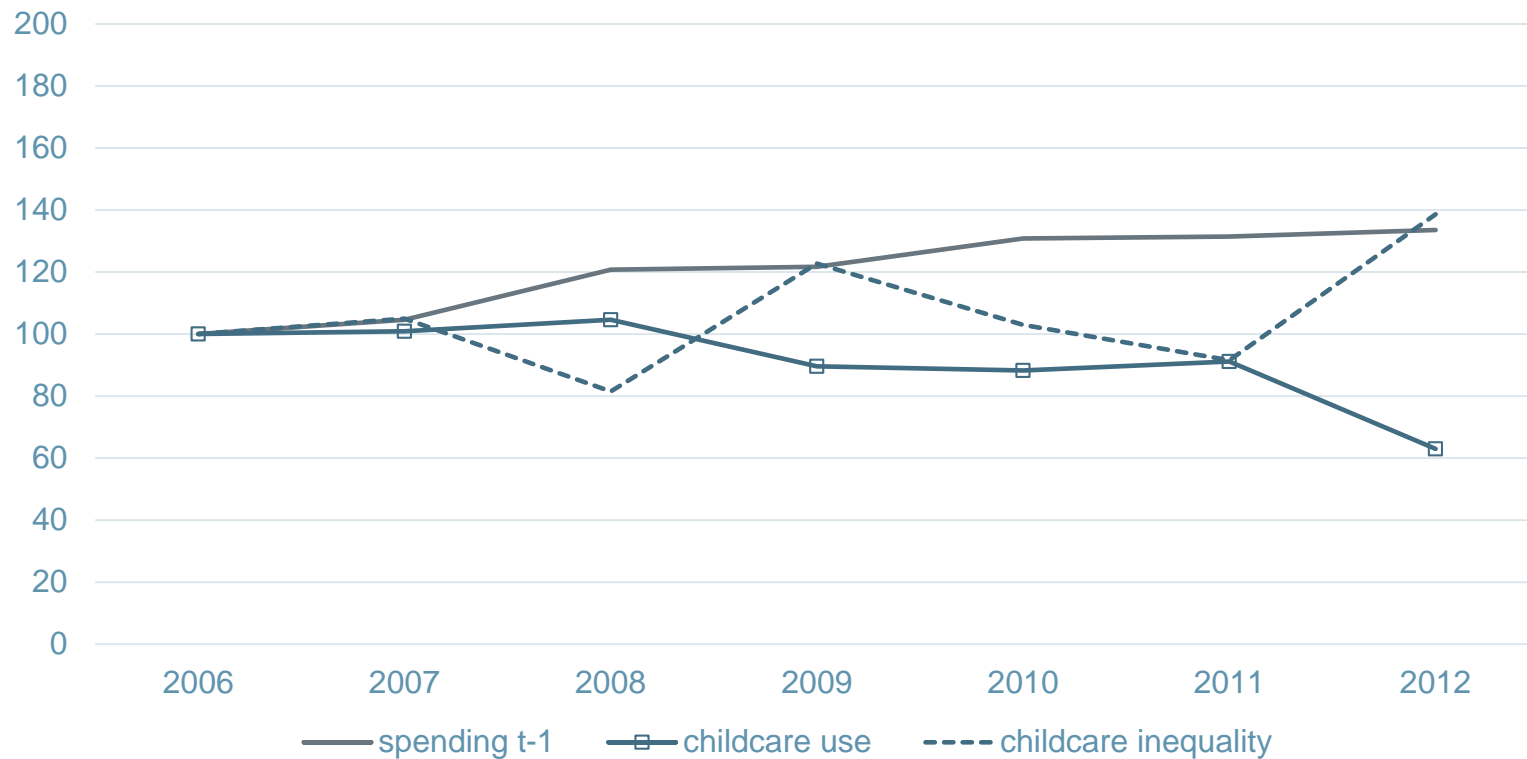


Addressing structural constraints: spending more?

- No convergence in spending
- Fixed effects models: more spending is related to higher levels of coverage across countries, but *not* directly to lower levels of inequality
- Mediating effect of coverage: if spending leads to an expansion of childcare places across the income distribution, than that is related to lower inequality
- 1ppt of GDP increase in spending is related to 12ppt increase in FTE childcare use. This in turn is related to a SD reduction in inequality.
- Van Lancker, W. (Forthcoming). Reducing Inequality in Childcare Service Use across European Countries: What (if any) Is the Role of Social Spending. *Social Policy & Administration*.

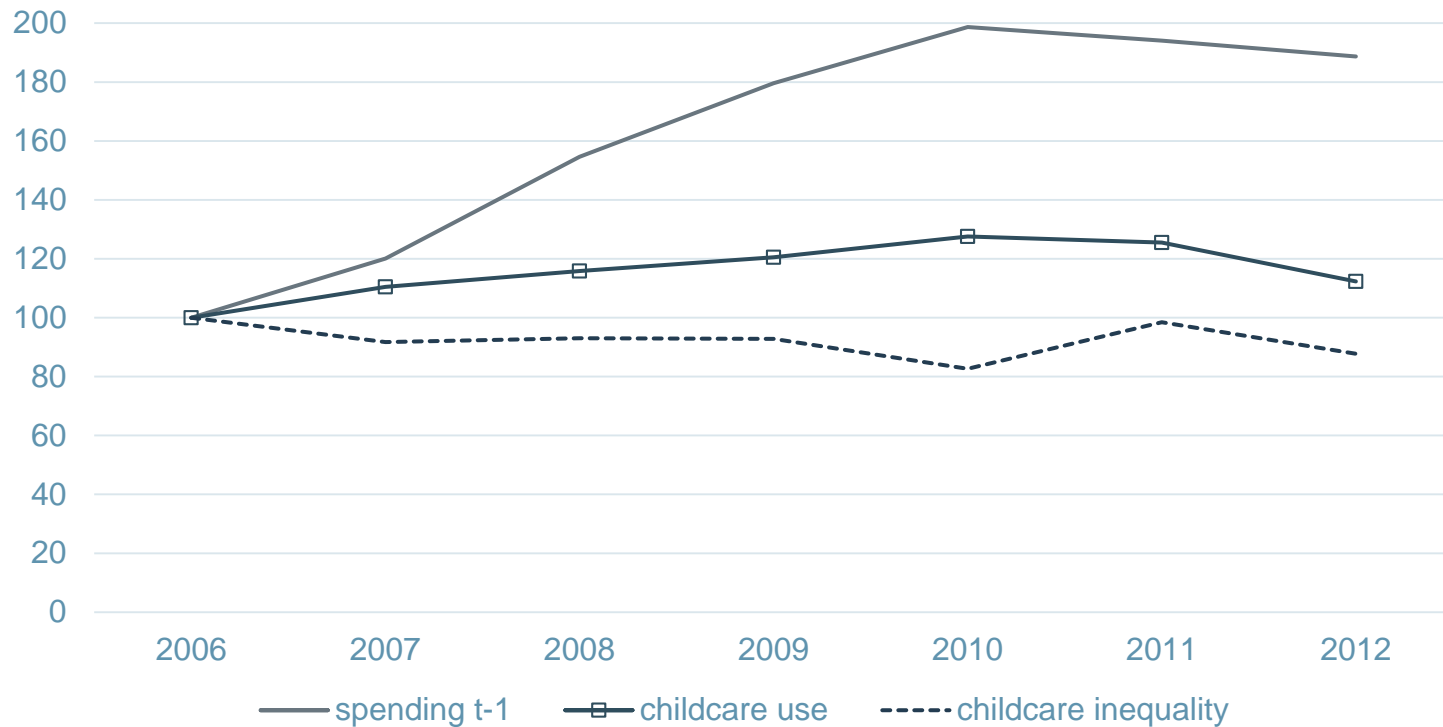
The role of the market

- Market strategy: UK



The role of the market

- Market strategy: Netherlands



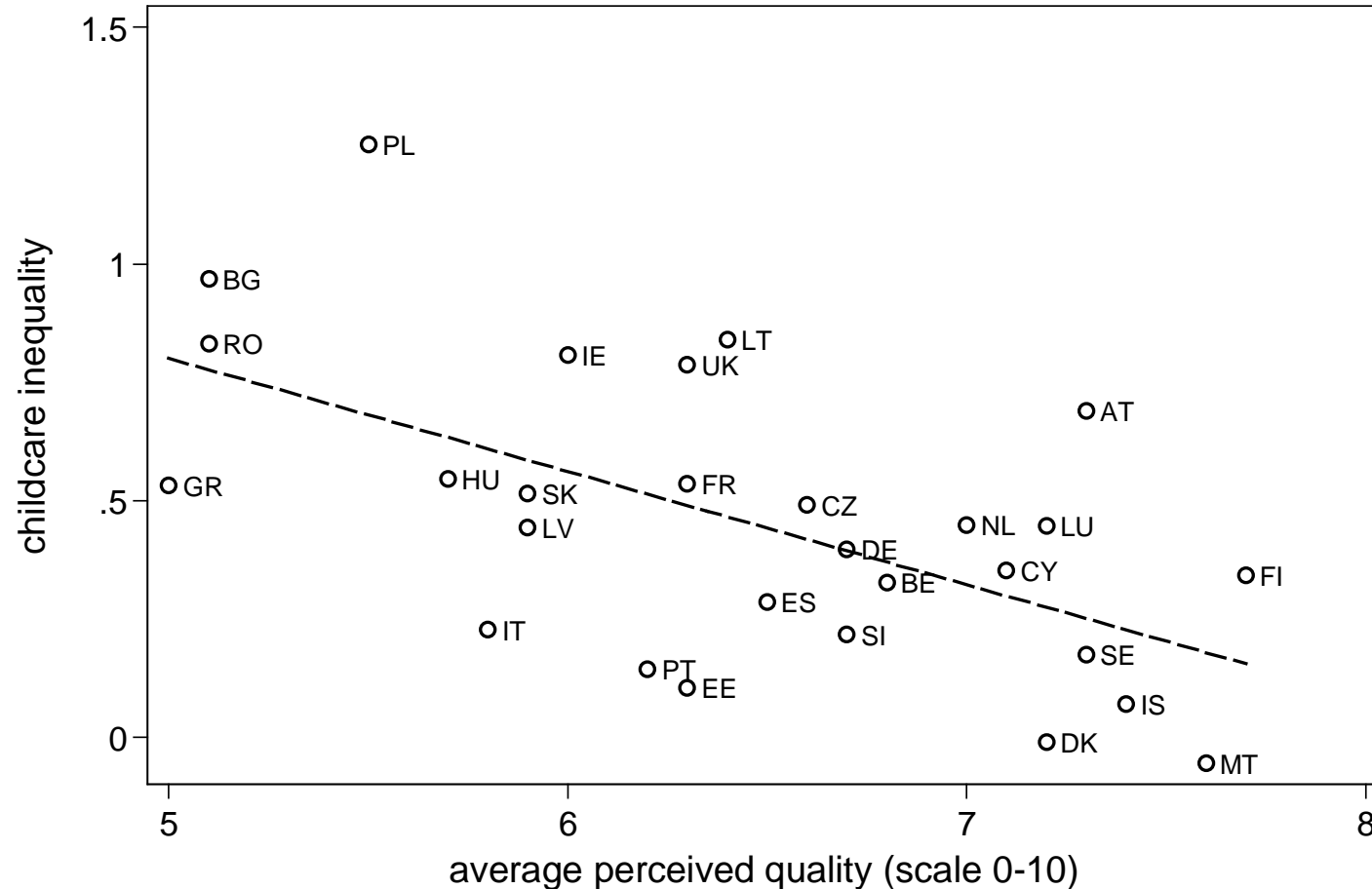
Conclusion

- 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?

General conclusion

- Inequality 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
- 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
- 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

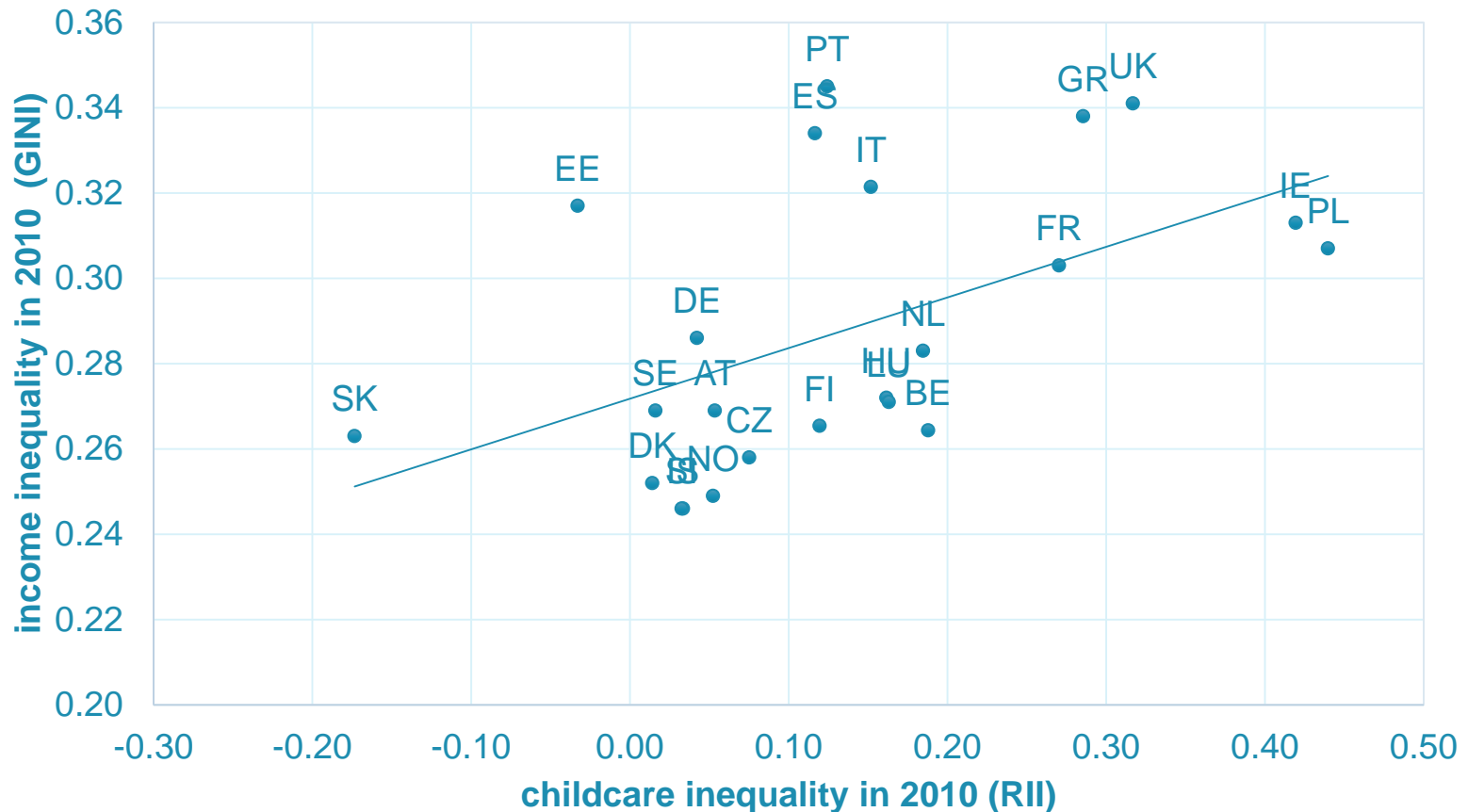
Quality matters



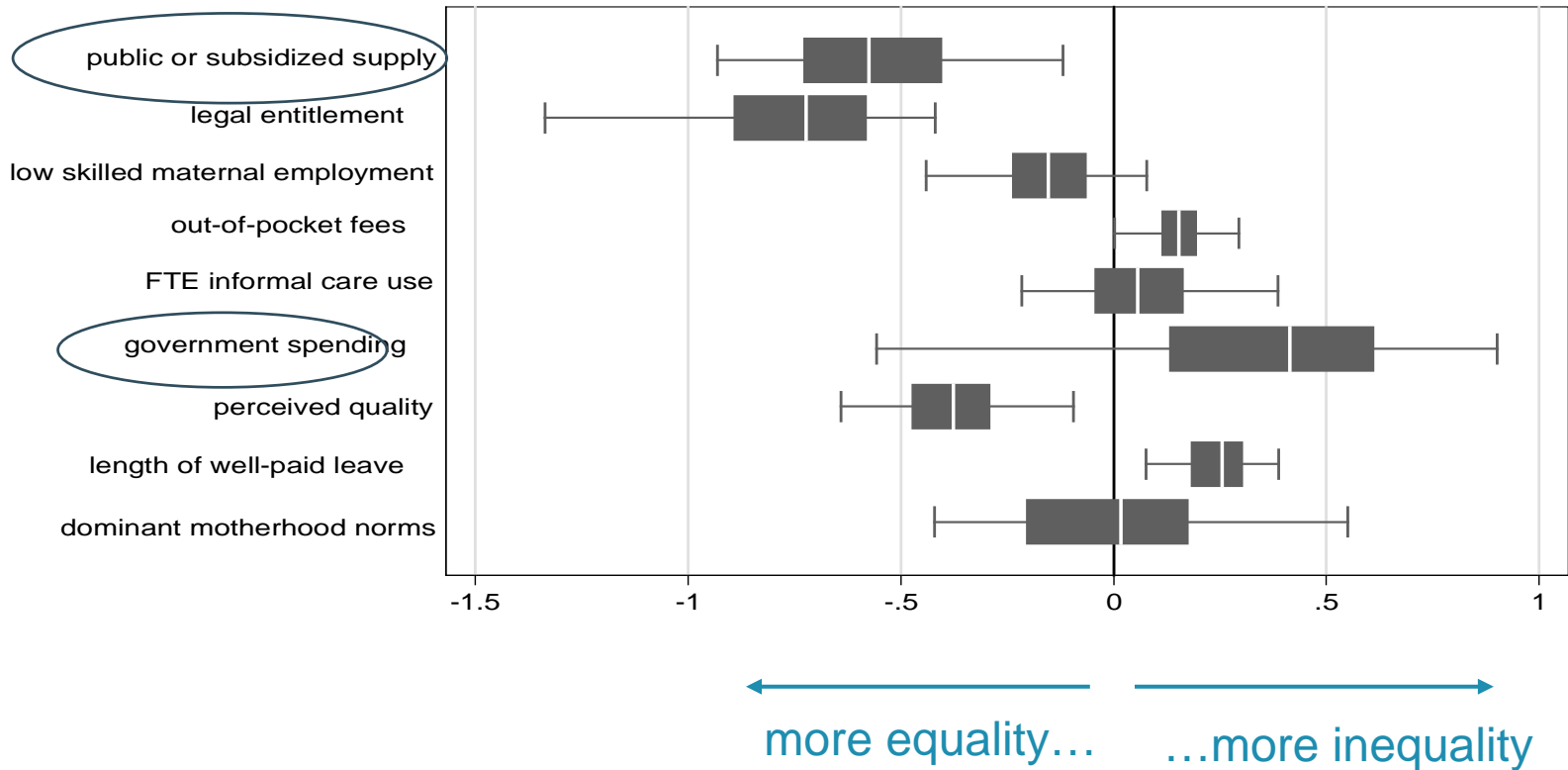
Perceived quality based on the question: In general, how would you rate the quality of each of the following public services in your country? Please tell me on a scale of 1 to 10, where 1 means very poor quality and 10 means very high quality: childcare services.

Institutional configuration matters

- Inequality in childcare use is higher in more unequal countries ($r = 0.52$)



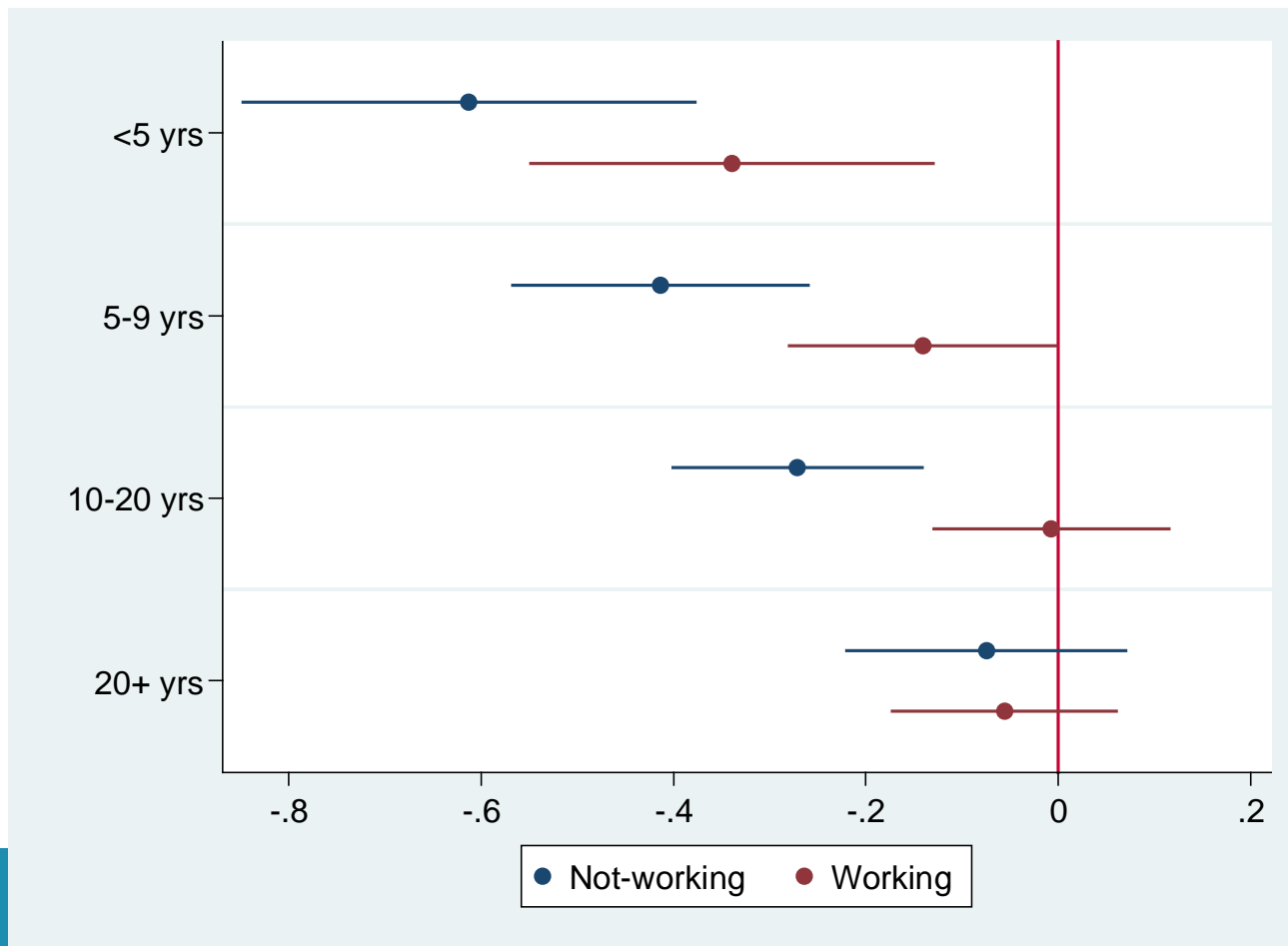
Institutions matter...



Note: Regression results based on EU-SILC 2009 data. Figure shows the effect on childcare inequality of a standard deviation change in a covariate. See Van Lancker, W. & Ghyssels, J. (2016). Explaining patterns of inequality in childcare service use across 31 developed economies: a welfare state perspective. *International Journal of Comparative Sociology*, 57, 5: 310-337.

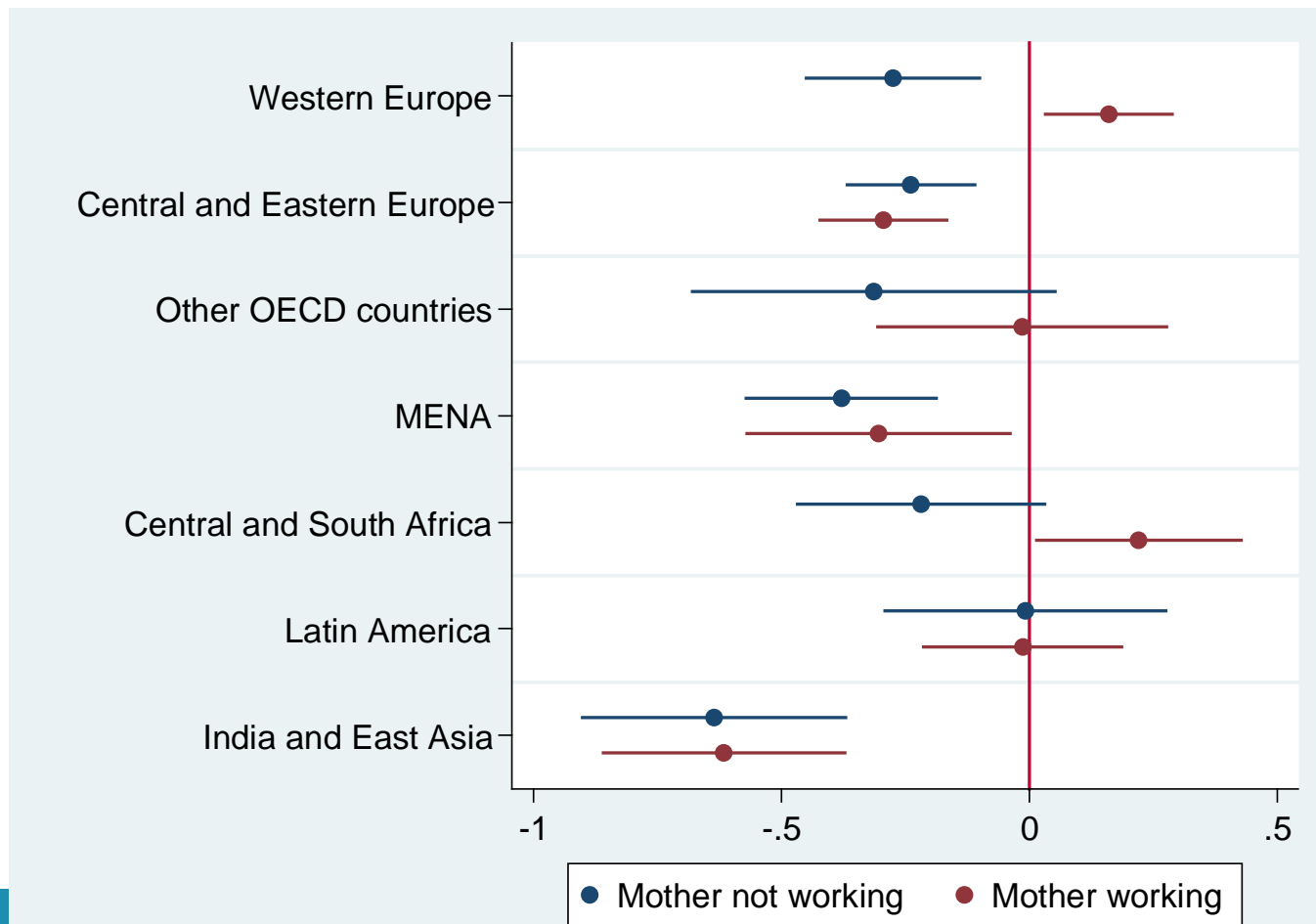
The 'immigration penalty'

- Persistent gap on top of social class by immigration status
- Length of stay matters

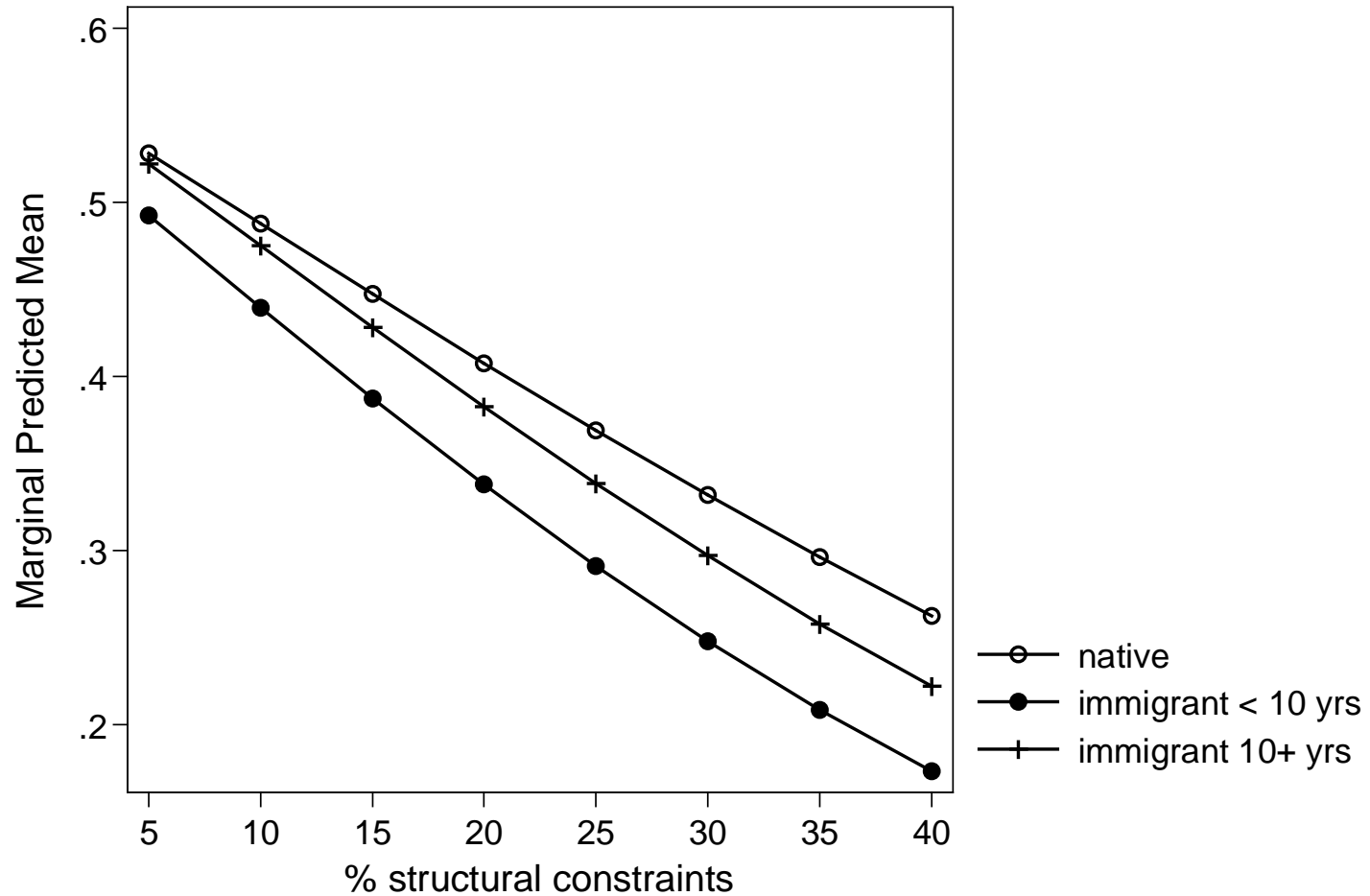


The 'immigration penalty'

- Region of birth matters



Supply



Demand

