



An Roinn Gnóthaí Fostaíochta  
agus Coimirce Sóisialaí  
Department of Employment Affairs  
and Social Protection



# Access to Childcare and Home Care Services across Europe

An Analysis of the European Union Statistics on  
Income and Living Conditions (EU-SILC), 2016

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## Abstract

This report uses EU-SILC data for 2016 to examine differences by social risk group and social class in access to care services – specifically, childcare and home care for people with an illness or disability. We focus on 11 countries and four welfare regimes across Europe. We also examine the association between access to these services and both poverty and employment. There are three main findings. First, countries with universal services, or a strong welfare state, provide greater access to care overall, and greater access for vulnerable social risk and social class groups. Countries with means tested services offer lower coverage which results in a greater chance of unmet need for care. Second, certain social-risk groups have a higher chance of experiencing unmet need for childcare and home care. Social class or household composition differences within such groups cannot fully explain their likelihood of reporting unmet need. This suggests that social-risk groups are particularly vulnerable to unmet need. Third, unmet need for childcare and home care is associated with deprivation and, in the case of childcare, non-employment. In this way, unmet need for childcare in particular may act as a barrier to labour market participation. Although our analysis cannot establish a causal link between the two, unmet care need and non-employment are related, and could be a significant force for social exclusion. Policy efforts should limit the experience of unmet care needs.

**Key words:** childcare, home care, social risk group, social class, social exclusion, poverty, SILC.

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## List of Acronyms

<b>AROPE</b>	At Risk Of Poverty or Exclusion
<b>CSO</b>	Central Statistics Office
<b>ESRI</b>	Economic and Social Research Institute
<b>EU</b>	European Union
<b>EU2020</b>	Europe 2020
<b>EU-SILC</b>	European Union Statistics on Income and Living Conditions
<b>NESC</b>	National Economic and Social Council
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>QNHS</b>	Quarterly National Household Survey
<b>SILC</b>	Survey on Income and Living Conditions
<b>VLWI</b>	Very Low Work Intensity

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## **Foreword from the Minister for Social Protection**

Caring for others, either formally or informally, is a vital role in every society, particularly the care provided to our children, older people and people who live with a disability or a long term health problem.

Using data from the EU Survey on Income and Living Conditions, this research paper provides interesting insights into the need, both met and unmet, for formal childcare services and formal homecare services across a number of different EU countries and social welfare regimes. Its findings add to our understanding of the challenges faced by families accessing formal childcare and the possible future requirements for homecare as our population ages.

I would like to thank the research team in the ESRI for their detailed and thoughtful analysis in producing this study: Ivan Privalko, Bertrand Maître, Dorothy Watson and Raffaele Grotti. I also want to acknowledge the contribution of the Social Inclusion Division in the Department which managed the study through to its publication.



## **Teacht ar Sheirbhísí Cúraim Leanaí agus ar Sheirbhísí Cúraim Bhaile ar fud na hEorpa**

### **Réamhrá ón Aire**

Is cion sár-riachtanach feidhme i ngach sochaí a bhíonn sa chúram do dhaoine eile, cibé acu go foirmiúil nó go neamhfhoirmiúil a dhéantar an cúram sin, go háirithe an cúram a chuirtear ar fáil dár leanaí, dár ndaoine scothaosta, agus dár ndaoine a mhaireann faoi mhíchumas nó faoi fhadhb fhadtréimhseach sláinte.

Trí úsáid a bhaint as sonraí ó Shuirbhé an Aontais Eorpaigh (AE) ar Dhálaí Ioncaim agus Maireachtála, cuirtear léargais shuimiúla ar fáil sa pháipéar taighde seo maidir leis an ngá, idir ghá a bhfreastalaítear air agus ghá nach bhfreastalaítear air, le seirbhísí foirmiúla cúraim leanaí agus seirbhísí foirmiúla cúraim bhaile i roinnt áirithe tíortha éagsúla agus i roinnt áirithe córas leasa shóisialaigh san AE. Cuireann fionnachtana an tsuirbhé lenár dtuiscint ar na dúshláin a mbíonn ar theaghlaigh aghaidh a thabhairt orthu agus iad ag iarraidh teacht ar an gcúram foirmiúil leanaí, agus lenár dtuiscint ar na riachtanais is féidir a bheith ann sa todhchaí i dtaca leis an gcúram baile de réir mar a bheidh ár ndaonra ag dul in aois.

Ba mhaith liom mo bhuíochas a ghabháil leis an mbuíon taighde san Institiúid Taighde Eacnamaíochta agus Sóisialta as an mionanailís dhomhain a rinneadh sa staidéar seo: Ivan Privalko, Bertrand Maître, Dorothy Watson agus Raffaele Grotti. Thairis sin, is mian liom aitheantas a thabhairt do chion oibre an Rannáin um Chuimsiú Sóisialta sa Roinn a rinne bainisteoireacht ar an staidéar tríd síos go dtí tráth an fhoilsithe.



### Background

This report uses survey data from the 2016 European Union Statistics on Income and Living Conditions (EU-SILC) to explore use of childcare and home care services by social risk groups and social classes across a selected group of European countries. Specifically, we compare individuals in Ireland to individuals in countries with different systems of social protection and different systems of provision of care services. We focused on a small set of European countries similar to Ireland in terms of economic development but excluding Central and Eastern European countries with different historical welfare tradition. We cluster these systems into welfare regimes (Social Democratic, Corporatists, Liberal and Southern European countries), as proposed by previous authors. We explore the use of care services across countries and across vulnerable groups. We also test the association between unmet need for care services and both poverty and non-employment.

The study focuses mostly on formal childcare and formal home care as defined by Eurostat for the purpose of this survey. Formal childcare is the provision of childcare services at centre-based services (such as nurseries or pre-schools). Home care consists in supporting people to remain in their home rather than being in residential, institution-based care. Home care includes a wide range of supports from health and medical care to domestic tasks (housekeeping, shopping etc.). The provision of childcare and home care can be public or private.

We focus on two sets of social groups. The first is that of social-risk groups; who face barriers to meeting the needs of the household through paid work. These barriers may be related to lifecycle (such as being of retirement age), the interaction between the environment and personal characteristics (illness or disability) or caring responsibilities (particularly lone parenthood, where there is just one adult to provide care and income). In this report we distinguish four social-risk groups:

- Lone parents and their children (unshared caring responsibilities)
- Working-age adults (18 to 65) with a disability and their children (personal disability)

- Other working-age adults (18 to 65) and their children (the reference group, with few barriers)
- Older adults (over 65 – at or nearing retirement age)

The groups above differ in access to the labour market. As a result, they likely differ in their ability to secure resources through paid work. Thus, they warrant special attention.

The second set of social groups is that of social classes. Social classes differ from social risk groups as their respective life chances are linked to their different market power which could lie in the ownership of physical assets (business owners, for example) or having marketable skills (professionals, for example). We distinguish three social classes based on the occupation of the householder (or the most advantageous occupation, in the case of a couple):

- High social class, composed of managerial and professional occupations (manager, doctor, solicitor, teacher, nurse)
- Middle social class, composed of technical, white collar occupations (clerical workers, lab technician) as well as farming and non-farming self-employed
- Lowest social class or those who were never employed, composed of skilled/semi-skilled/un-skilled manual and routine non-manual occupations (shop assistant, taxi driver, carpenter, labourer, cleaner)

There is an association between social class and social risk group. For instance, lone parents are more likely to be in the lowest social class. However, differences in resources between social risk groups *cannot be explained by differences in social class*. In this way, lone parent households who hold the highest social class status will still see a disadvantage relative to other high social class households.

## **Data and methods**

The report analyses survey data from the 2016 round of European Union Statistics on Income and Living Conditions (EU-SILC). The EU-SILC is a European wide survey with national data collected by EU countries and co-ordinated by the European Statistical Office (Eurostat). The EU-SILC is the EU's official data source to provide information about household and individual income and living conditions

as well as European and national key poverty indicators (including at-risk of poverty, and material deprivation).

Each year, in addition to the regular survey there is a special ad-hoc module collecting supplementary information on topics related to poverty and social exclusion. For this report, we use the 2016 ad-hoc module on access to several services; focusing on access to childcare and home care throughout the report.

We focus on a small set of eleven countries, representatives of four welfare regimes, with distinct social protection systems. The four welfare regimes and their respective countries are:

- The Social Democratic regime, characterised by universal redistribution and high level of social protection through generous social welfare benefits (Denmark, Finland, and Sweden).
- The Corporatist regime, characterised by redistribution of social welfare benefits linked to labour force participation (Austria, Belgium, and France).
- The Liberal regime, which emphasises provision of services via the market with limited, targeted support for the most vulnerable (Ireland, UK).
- The Southern European regime, characterised by minimal state welfare provision but strong reliance on family, by default, for the provision of welfare (Italy, Spain, Greece).

### **Access to childcare services**

To explore country differences in childcare need, we focus on individuals in households with children aged 12 and under. Since very few older individuals care for children under 12, we exclude them from this analysis. Based on self-report by the householder, we are able to identify three distinct groups with respect to need for childcare services:

- Persons living in households without the need of formal childcare (usually because they use traditional parental care and say they do not need formal childcare; labelled *no need*).

- Persons living in households using formal childcare with met need of care (*met need*).
- Persons living in households with *unmet need* for formal childcare (either with no formal childcare, or with inadequate formal childcare).

### Type of childcare by welfare regime

Overall, there is wide variation in the forms of childcare used by families across countries and welfare regimes. The number and age of children will also affect the type of childcare used by families. However, two major differences emerge between Social Democratic and Corporatist states on one hand, and Liberal and Southern states on the other. Families in the Social Democratic countries extensively use formal childcare, reaching 67 per cent in Sweden. In Corporatist countries (and Greece), families frequently use formal childcare, but this is supplemented with parental and non-parental family childcare. For example, in Belgium, 49 per cent of families use exclusively parental childcare and 38 per cent use formal childcare.

The use of formal childcare tends to be lowest in the Liberal and Southern regimes. Liberal welfare regimes rely heavily on parental and non-parental family care. In Ireland 61 per cent of families exclusively use parental childcare while 19 per cent use non-parental family care and 17 per cent use formal childcare. In Spain, a representative of the Southern welfare regime, 85 per cent of families exclusively use parental childcare and only 9 per cent use family care and 6 per cent use formal childcare.

### Type of childcare by social risk group and social class

Focusing on access to childcare across social risk groups and social classes, there are also large variations across groups within welfare regimes. In Social Democratic regimes, vulnerable groups such as lone parents and families with a person with a disability are most likely to be using formal childcare; 60 per cent and 72 per cent of these groups (respectively) use formal care in Sweden. In the other welfare regimes, lone parents and families with a person with a disability use much less formal childcare; in Ireland it is 22 per cent and 18 per cent respectively. However, there is less variation across social risk groups in these welfare regimes than there is in the

Social Democratic regime. In short, differences between social risk groups are minor, because access to formal childcare is relatively low overall.

With the exception of the Social Democratic welfare regime, all social risk groups extensively use parental care. Compared to other households with children, lone parents and families of a person with a disability tend to use more parental care.

Looking at the relationship between social classes and formal childcare, the overall trend across welfare regimes is one where the highest social class tends to make greater use of this care. There is less variation between social classes in the Social Democratic regime while we note larger variation in the Liberal regime. In Ireland, for instance, the highest social class is 1.6 times as likely as the lowest social class to use formal child care (23 per cent and 14 per cent, respectively). The ratio is 1.2 times higher in Sweden (71 per cent and 61 per cent, respectively). In relation to parental care, we observe the reverse situation where, across all welfare regimes, low social classes use this form of care more extensively than high social class.

#### Unmet need for formal childcare

Focusing on formal childcare, we then explore the level of unmet need across social risk and social classes. Overall, there is little unmet childcare need in Social Democratic states, 68 per cent of families in Sweden report having adequate childcare, while only 7 per cent of families report unmet childcare need. In most other welfare regimes unmet need for childcare is more common than met need for childcare. In Ireland, 68 per cent of families report having no need for formal childcare and 16 per cent report both unmet need and met need. Once again, the majority of respondents cite no need for childcare, in that they provide traditional parental care to children.

The use of formal statistical modelling shows that across all welfare regimes and countries, vulnerable social risk groups are more likely to report unmet formal childcare need compared to a reference group of other households with children. Lone parents and families of a person with a disability are, respectively, 1.8 times and 1.6 times more likely to report an unmet need for formal childcare than other households with children. In terms of social class, we find that members of the low

and middle social class groups are, respectively, 1.5 times and 1.3 times more likely to report an unmet need for formal childcare than the high social class group.

With the exception of the Social Democratic welfare regime, in all welfare regimes the main reason reported by families for unmet need was lack of affordability. In countries other than Social Democratic States, the percentage reporting affordability issues ranged from 35 per cent in France to a high of 78 per cent in Ireland. In the Social Democratic regime, families reported mainly other reasons, including the hours offered not being suitable for childcare.

#### Unmet need for childcare and poverty

The literature on poverty often notes a strong association between the experience of poverty or social exclusion and broad access to services. While we can't establish a causal relationship between access to care services and poverty or deprivation, we can establish an association between childcare need and material deprivation using the official EU measure of deprivation. Taking account of the different level of material deprivation across countries, results from a statistical model show that families reporting no need and unmet need for childcare are almost 1.3 times and 2.2 times more likely to experience material deprivation than families where childcare need are met.

#### Unmet need for childcare and mothers' employment

Across societies, traditional forms of parental care rely extensively on mother's provision of childcare, inhibiting their likelihood of labour market participation. We therefore explore the relationship between families' formal childcare need and mothers' employment. Taking account of the country characteristics and the household social risk and social class group membership, we find a significant relationship between childcare need and mother's non employment. Indeed, mothers in families that report having "no need" for formal childcare are 1.3 times more likely to be non-employed compared to families that report having adequate access to childcare. This is because 'no need' is associated with the decision of the parent (or one of the parents, typically the mother) to take on the caring role instead of seeking employment. Mothers in families that report having "unmet need" for formal childcare

are 2.2 times more likely to be non-employed compared to families that report having adequate access to childcare.

### **Access to home care services**

The analysis on use of home care services focuses on a different population than the one on childcare. During the SILC interviews, the householder was asked if someone in the household needed “help due to long-term physical or mental ill-health, infirmity or because of old age” and whether they received professional home care. A series of follow-up questions allowed us to distinguish three groups of persons:

- Individuals living in households with a person needing help but having no need for professional home care (**no need**).
- Individuals living in households with a person needing help with met need of professional home care (**met need**).
- Individuals living in households with a person needing help with unmet need of professional home care (**unmet need**).

### Use of home care by country and welfare regime

Focusing on the households of persons where someone needs help, we observe large variation in the receipt of formal home care across countries and welfare regimes. Ultimately we find that the majority of those needing home care do not receive formal home care.

We find the highest overall level of receipt of formal home care among the Corporatist countries, reaching 40 per cent in France and with a narrow variation between these countries. The level of receipt is then lower among the Social Democratic countries overall, with large variation going from 20 per cent in Sweden to a high of 54 per cent in Denmark. The receipt of formal home care is again lower in the Liberal regime with the highest value in Ireland at 24 per cent. Finally, it is among the Southern European countries that we find the lowest level of receipt reaching a high of only 12 per cent in Italy.

Not surprisingly across all welfare regimes and all the social risk groups, people aged 65 and over are the main users of home care services varying from a high of 80 per cent in Denmark to a low of 12 per cent in Greece. There is very little variation in receipt of home care services between the other social risk groups and between social classes.

#### Unmet need for home care

However there is quite a large variation in the extent of *unmet need* for home care across welfare regimes as well as across social risk and social classes groups.

Unmet need for home care is much lower in the Social Democratic and Corporatist countries as it varies from a low 11 per cent in Sweden to a high of 25 per cent in France. Unmet need is much higher in the Liberal and Southern countries varying from a low of 20 per cent in the UK to a high of 56 per cent in Greece. Results from a statistical model show that taking account of a range of social class and social risk, lone parent households and households with a person with a disability are 2.6 times more likely to have unmet home care need than households with a person aged 65 or over. Household from the low social class are also 1.4 times more likely to have unmet home care need compared to household from the high social class.

#### Unmet need for home care and poverty

Exploring the relationship between unmet need for home care, poverty and social exclusion, we find that households with unmet need for home care are 2.6 times more likely to experience material deprivation than those with met need. This is true even when we take account of the household-specific poverty risk factor of social risk group or social class membership, such as being a lone parent household or a household with a person with a disability. Note that, because of the cross-sectional nature of the data, we cannot infer causation from the association.

#### Unmet need for home care and employment

Finally, we could not find any clear evidence that unmet home care need was significantly associated with a higher likelihood of non-employment. Note that this absence of a significant association may be partly due to the relatively small sample size.



## Policy considerations

The purpose of this report was to compare Ireland and 10 European countries in the use of childcare and home care by households. The countries selected in this analysis are characterised by different forms and levels of social welfare, with differences in the emphasis on cash transfers and provision of services. By comparing access to these care services across countries for specific groups of the population in terms of need and resources, we can draw two general observations without isolating national policy recommendations for each country.

The childcare analysis showed that in Social Democratic states that have a strong emphasis on universal benefits, leading to a universal provision of services; families use formal childcare extensively. Formal childcare is less often used in Corporatist countries than in Social Democratic states, informal care is more common in these former states. Liberal countries use formal care less often still, and such care is least common in Southern countries where parental and family care are more typical.

Across all welfare regimes, the most vulnerable families such as lone parents, working age adults with a disability and those from a low social class are more likely to experience unmet childcare need compared to better-off families.

In the Social Democratic countries, the cost of childcare is rarely cited as a barrier to access while affordability is a barrier in all other welfare regimes, particularly in the Liberal countries such as Ireland. From a social inclusion perspective, families with unmet need for formal childcare are more likely to experience material deprivation. This highlights that social policies supporting access to formal childcare as well as mother's labour market participation, particularly among the most vulnerable, are key components of broader policies to tackle poverty and social exclusion.

In terms of formal home care, we note different prevalence levels across welfare regimes and groups of the population in their use of and access to home care. Corporatist countries have the largest use of formal home care while it is lowest in the Southern countries. Across all welfare regimes, older people are the social risk group most likely to use formal home care services, while it is lower among working age adults with a disability.

The highest reported levels of *met need* for home care are found in Corporatist and Social Democratic countries while the lowest levels of *met need* is found in Liberal and Southern countries. Across all welfare regimes, lone parents, working age households with a person with disability and other working age households are much more likely to report *unmet need* for home care than older adults.

Indeed, across all welfare regimes home care services are mostly targeted to support the older population as they represent a large group of the population with a high potential demand for such services. Based on the demographic forecast for most of the European countries, the social policy challenge will be to respond to the increasing share and care need of the older population, as well as increasing the level of support for the other vulnerable groups which are already experiencing lower level of supports.

However, the reasons for unmet need vary across welfare regimes. In the Southern regime and the Corporatist countries it is due to the cost of home care, while in the Liberal and Social Democratic regimes, it is due to other reasons including the lack of availability of services.

We find that unmet home care need was strongly associated with the experience of poverty as measured with material deprivation, even when controlling for people's social risk and social class membership. Comprehensive social inclusion policies to tackle poverty and social exclusion should include also policies supporting access to home care need for the most vulnerable households. However, we did not find any clear evidence that there was an association between unmet home care need and full-time care responsibilities and reduced labour market participation for carers; this would require further investigation as it may be linked to a reduction in hours worked rather than to non-employment.

The analysis of childcare and home care services across a few European countries representative of different welfare regimes highlighted the importance of the provision of affordable and adequate services, particularly for vulnerable groups. In complementarity with income support, the provision of such services constitutes an important component of broader social policies to support employment and tackle poverty and social exclusion.



# Chapter 1

## Introduction



## Chapter 1: Introduction

This study compares access to childcare and to home care services for people with infirmities or disabilities across 11 countries and 4 welfare states, paying particular attention to differences between social classes and social-risk groups. Country differences in access to services stem from larger differences in welfare provision and social rights, which lead to unique features in childcare and home care provision.<sup>1</sup>

Debates about country differences in providing care are timely for two reasons. First, Europe's ageing population is likely to require a greater provision of both formal and informal home care (Plantenga and Remery 2015). Second, women, who have been the main providers of home care and childcare are increasingly participating in the labour market. This has made an important contribution to economic growth, but has reduced their time available for the informal provision of care (McGarrigle et al 2013). Countries now need to explore alternatives to ensure adequate provision of home care and childcare services, if they are to meet demand. Eurofound (2013) estimate that 3.3 million Europeans have had to give up full time work because they lack care facilities for dependants. If the dependency ratio continues to rise, the responsibility of care will reduce the availability of working-age adults for employment, unless formal care services expand.

In the remainder of this chapter, we review the literature on welfare state differences in the provision of childcare and home care, describe the data used and our hypotheses and outline the content of the remaining chapters.

### 1.1 Goal of report

Our goal is to extend previous work on Irish access to childcare and home care to examine whether patterns of access are shaped by country and welfare regime (Grotti et al 2019).

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<sup>1</sup> We use the term home care to refer to home care for people with a disability or infirmity, to distinguish it from childcare.

We take advantage of a recent module in the European Union Statistics on Income and Living Conditions (EU-SILC) to focus on both sets of outcomes across four welfare states; Liberal (Ireland and the UK), Social Democratic (Sweden, Finland, and Denmark), Corporatist (Austria, Belgium and France) and Southern (Italy, Greece, and Spain).

Care is provided through three main channels; households (informally), public services (formally), and the market (formally) (Hanly and Sheerin 2017, Saraceno and Keck 2011; Plantenga and Remery 2015). Countries differ in the blend of services they use to provide care (Esping-Andersen 2002; Esping-Andersen and Myles 2009; Saraceno and Keck 2011; Plantenga and Remery 2015). Further, state commitments to services and income transfers affect the amount of care that households must provide in order to meet the need of adults and children (Hoyer and Reich 2016; Russell 2018). These differences lead to unique gaps in care which we explore throughout the report.

We also consider two important sources of group differences: those between social classes and those between social risk groups. In brief, social classes are groups that differ in life chances because of differences in market power (such as ownership of capital or skills) (Goldthorpe and Jackson 2007; Weber, 2018; Friedman et al 2015). Social risk groups, on the other hand, are groups that differ in their life chances because of restrictions on their access to the market – for instance, due to caring responsibilities or to personal disability (Watson et al., 2016).

## **1.2 Social Protection and Social Services**

Broadly speaking, welfare states vary in four ways when organising care and services. As we will see, these differences often reinforce one another, leading to distinct characteristics in care provision. First, we note the difference between states that offer direct service provision and states that offer income transfers (Esping-Andersen 2002; Plantenga and Remery 2015). State service provision of care is done by waged workers, usually in a formal setting, home-help is also available. Examples of these are public sector crèches, and formal centre-based services for adults. Here, children and adults in need of care receive it from the state. In contrast, income transfers are care allowances, or tax deductions. Here, children and adults in

need of care receive it either from the private market, or informally from their close network (family, extended family, or friends).

Second, welfare states vary in the degree of defamilisation in the provision of care (Ciccia and Sainsbury 2018, Saraceno and Keck 2011). The concept of defamilisation is the degree to which responsibility for care is moved from individual families (more specifically women) to the market and/or the state. States that emphasise defamilisation consider care and family dependency on par with other entitlements. Countries where defamilisation is not a priority, see the family as the main providers of care, and make resources available to families on a means-tested basis. Already, it is clear that welfare states that rely on income transfers and tax deductions also support familial forms of care (Saraceno and Keck 2011). It is possible that certain respondents will use income supports to secure care from the market, but this likely excludes social risk groups and social classes with few resources. This is especially true for single mothers who must act as both breadwinner and carer (Saraceno and Keck 2011).

Third, and linked to the previous point, welfare states vary in the degree to which rights to care are considered universal, or specific to a means-tested group (Esping-Andersen and Myles 2009; Plantenga and Remery 2015). Means tested approaches target specific groups, typically the most vulnerable or needing of care. Regimes with means-tested assistance direct resources to the specific group deemed *in need of* assistance. Universal programmes direct attention to all citizens with universal entitlements. Here too it is easy to see that countries with direct service provision also lead to universal coverage of that service. While countries with income transfers and tax deductions typically apply to specific and targeted groups.

Lastly, countries differ in their emphasis on commodification (Saraceno and Keck 2011, Esping-Andersen 2002), which refers to a person's reliance on the market for material need (housing and food, for example). Decommodification is the relative freedom from this reliance. Countries with a strong emphasis on commodification will offer minor support for those in need of childcare and households in need of home care, while countries with an emphasis on decommodification for such carers will provide more general support. Thinking of welfare states and care specifically, Saraceno and Kent (2011) show that the dimensions above lead to specific clusters

in care provision (childcare and care of dependents). Countries that are defamiliarised are more likely to be “commodified”, reliant on work and the market. Such countries will often consider ways to alleviate care obligations to those who need it (adults with dependent children or elderly relatives) in order to allow carers to spend more time in the market. Countries that are highly familialistic, will emphasise decommodification for carers, and supports for a specific group who need support. However, countries without such supports also exist, which leads to contradictions; countries that are strongly familialised sometimes have strong commodification policies, which leads to class differences in terms of access to non-family care. The next section considers welfare state differences, and patterns of care.

### 1.3 Welfare states

With the above dimensions in mind, we can distinguish four welfare state regimes; Liberal, Corporatist, Southern and Social Democratic (Esping-Andersen 2013; Ebbinghaus 2012).<sup>2</sup> Liberal welfare states are characterised by minimal public intervention and encourage citizens to seek solutions in the market. Private welfare is subsidised through tax deductions and means-tested income supports for those in need (or their families). This support is then used to secure care through the market or the family. Public, universal, services are limited, and public resources for care are means-tested. The Paradox of redistribution suggests that at-risk groups and the lowest social class are vulnerable to unmet need, despite transfers specifically designed to help this group. In short, *“narrowly targeted policies are typically ungenerous and potentially stigmatizing due to lack of broad electoral support. In contrast, universal benefits marshal broad citizen support and will hence, offer more generous benefits that additionally will reach all the needy with greater certainty.”* (Esping Andersen and Myles 2009, p.3). Saraceno and Keck (2011), see these states as internally divergent, citing Ireland and the UK as two specific cases. These countries simultaneously encourage a dual-carer model, and a male breadwinner, female carer model. Mothers are encouraged to return to work quickly. However, financial support for mothers is low, as are social service supports. While minor supports exist for elderly care, levels of support overall are minimal. Aisenbrey et al (2009) suggest that maternity leave in such states (using the US as an example) is

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<sup>2</sup> Authors sometimes cite an additional, eastern European, regime, and a separate cluster of “non-conformist” countries, but these are not relevant to the group of countries studied in this report.

minimal and extended leave penalises women's upward career mobility. A similar suggestion is made by Unicef research (Czhen et al 2019). Taken together, these dimensions suggest social risk groups are vulnerable to unmet care for both childcare and home care, and that care obligations act as an obstacle to labour market participation.

Social Democratic states make commitments to universal inclusion and entitlement. For this reason, the market's role in providing services is reduced by the state (Plantenga and Remery 2015). The Paradox of Redistribution predicts that vulnerable groups in these states are more likely to get high quality assistance than the same groups in Liberal states, where assistance to obtain such services is targeted towards vulnerable groups. This system is especially focused on defamilialising care responsibility of children and other dependents, away from the family and towards a universal public sector. Thinking of childcare and care for the elderly specifically, Saraceno and Keck (2011) report that Social Democratic countries have strong decommodification and weak familialism when it comes to care obligations. Universal services are the main providers of care for both childcare and care of dependents. We hypothesise that family obligations for care of the elderly will be limited, since obligations lie mostly with the state, although supplementary care may be provided by children, spouses and other family members. Importantly, regarding childcare, Aisenberry et al (2009) find that parental leave has a negative effect on women's career mobility in Social Democratic states (the authors use Sweden as a case study), which could act as a deterrent to returning mothers.

Corporatist states focus on male breadwinner models and services that uphold the traditional family (Esping-Andersen 2002). Although childcare options exist, structural tax disincentives discourage women from participating in the labour market after childbirth, and so income transfers are preferred by families. Saraceno and Keck (2011) describe these welfare states as supporting familialism, or individual reliance on the family, with minor levels of decommodification; hence the preference for financial benefits which allow families to provide traditional forms of childcare and home care. Single parent households will likely have greater instances of unmet need as will households that are unemployed or of the lowest social class. Here too, Aisenbrey et al (2009) report that mothers who take parental leave report lower



chances of upward career mobility. In short, the benefits provided for care may be insufficient for single parents, or other households which cannot engage with the labour market in any capacity. Further, care obligation, especially childcare may act as a barrier to labour market participation.

Southern states are the most familialistic, focusing on provision of welfare through the family. Means-tested transfers are often based on family size and status (Leon 2005). In this way, Southern states are similar to Corporatist ones in that care is means-tested and tied to family or marital status. Unmet needs are highly probable, especially among lone parents, those without family support, and those inactive in the labour market. Saraceno and Keck (2011) suggest these states are familial by default, in that public services for childcare are scarce and income support for traditional childcare (and home care) is also scarce. As a result, the family must invest significantly in care to fill the gaps left by the state. Women have no support for financial autonomy, which leads to distinct gender divisions in terms of obligations of care. Traditional forms of care are particularly pronounced in such states. Further these traditional forms of care should still see large unmet need since there is a lack of financial support.

#### **1.4 European Policy Goals for Childcare and Home care**

The European Commission's Recommendation (2013a) on child equality stresses early intervention to avoid social exclusion. It argues childcare services should be as diverse as possible, covering both formal provision and income transfers. They should also cover as many families as needed and should cater to a range of working patterns, allowing parents to focus on work commitments while affording children the care they need.

The recommendation does not specify whether the provider should be public or private, only stipulating the importance of such care. The Barcelona Summit subsequently outlined a set of EU targets for the provision of formal childcare (Mills et al 2014; Plantenga and Remery 2015). Member states were encouraged to secure childcare services (through private or public means) for 90 per cent of children between 3 years old and the mandatory school age and, 33 per cent of children under 3 years of age. These goals appeared again in the European Council's employment guidelines (2008-2010). In short, the provision of childcare and the

elimination of unmet childcare need is of high priority, at least at the wider EU policy level, if not to individual EU member states.

On the topic of home care, or long-term care, the European Commission Ageing Report (2018) predicts that the dependency ratio will increase (from 27 per cent to 50 per cent) between 2013 and 2060 in the EU as a whole. As a result, the commission urges governments to create sustainable and cost-efficient care for older dependants. This commitment would increase public expenditure, which has risen steadily in Europe since 2003. The report encourages the proliferation of both formal, state-based services and the use of assistance care services. The authors encourage the use of income transfers and home support, as well as more residential or institutional forms of care. However, the report shows that institutional or formal care for the elderly is not equally distributed across countries, and that income transfers and home care support coverage are the most common form of support for the elderly (European Commission 2018, p134). Across all welfare states, the majority of countries vary in their reliance on home-care services or income transfers. Home care services are particularly prevalent in the Corporatist and Social Democratic states suggesting home care in these countries may be less reliant on friends and family members. We explore this pattern in Chapter 3.

### **1.5 Childcare across welfare states**

Formal childcare provision, either market-based or state provided, has implications for children's development and wellbeing (Mills et al 2013). It also affects labour market participation rates, the commonality of part time work, and household deprivation (Bettio and Plantenga 2004; McLean et al 2017; Lewis and Giullari 2005; Flynn 2017; Plantenga and Remery 2015).

European countries differ in their provision and duration of (formal) early childhood care. Many countries fit into welfare state typologies mentioned above, but there is also significant variation in childcare services across Europe (Mills et al 2014, OECD Family Database 2018). In general childcare services are considered for two main groups, children aged 0-2, and children aged 3-5. Enrolment rates for children aged 0-2 range between 60 per cent (Denmark, Belgium, and France) and 10 per cent (Greece, Ireland, and Poland) (OECD Family Database 2018). Focusing on the top and bottom countries suggests a divide between the Corporatist and Social

Democratic States on one hand, and Liberal and Southern states on the other. However, the OECD's data also contains cases with median rates of enrolment. The UK for example (30 per cent) contains rates of enrolment comparable to the EU average (33 per cent) despite fitting into the same typology as Ireland. Spain (35 per cent) also has average rates of enrolment, despite fitting into a Southern welfare state typology.

Using older EU-SILC data Mills et al (2014) find similar patterns for children under 3. In their analysis, Social Democratic welfare states also have higher coverage of childcare, where Denmark (80 per cent), Sweden (50 per cent+), and Norway (50 per cent+) provide wide coverage of full-time care (over 30 hours). Liberal welfare states, like Ireland (30 per cent) and the UK (35 per cent) provide less coverage, the majority of which is part-time (under 30 hours per week). Corporatist countries (Germany, France, Luxembourg) also provide little childcare, but most of this care is full-time. Among these countries, Germany provides just 20 per cent coverage, which is mostly full-time and France provides 40 per cent coverage, but the majority of care is part-time. Southern welfare states are the least consistent, with wide differences between countries; Italy provides just 20 per cent of children with care, although it is mostly full-time. Spain provides 40 per cent of children with care, and roughly half of this group receive full-time care. Despite heterogeneity within welfare states, it is clear that countries differ in how much formal care is provided to children under three. These differences likely impact households in terms of unmet care, and impact mothers in terms of employment opportunities. Already it is likely that unmet childcare need will be least prominent in Social Democratic and Corporatist states, and prevalent in Southern states, and Liberal states, including Ireland.

Despite differences between countries, we are particularly interested in how childcare coverage for young children (aged under 2 or under 3) varies within countries. These differences offer clues as to who is most vulnerable to unmet childcare need. Mills et al (2013) find that households in the upper income quintiles have the highest access to childcare, except in Sweden, Denmark, Slovenia and Germany. Here, access to childcare is equally distributed along the income distribution. Several Corporatist welfare states have stratified access to childcare, with France displaying the widest differences between income groups. The UK and Ireland, both Liberal welfare states, also have wide differences between income

groups regarding their access to care. More recent data also suggests that differences within countries persist (OECD Family Database 2018). Social Democratic states have little variation between income groups in terms of childcare coverage, while Liberal and Southern states have more pronounced differences between higher and lower paid households. These differences are particularly pronounced in Ireland where the lowest paid households have childcare coverage of roughly 20 per cent, while the highest paid households report coverage of up to 60 per cent.

Many of the issues above emerge in micro-level studies of parents' experiences with childcare services. McLean et al (2017) conduct qualitative interviews with parents from several EU countries. They show how parental complaints about the complexity of childcare systems and geographical access to childcare services emerged among German, Slovenian (both Corporatist) and Swedish (Social Democratic) parents. In these countries families travel long distances to reach childcare facilities, which may not be in their town or district. Parents in the UK (Liberal), Italy (Southern), and Hungary (Post-Socialist) less often raise the issue of care-location. These states rely more on informal support from family and friends (care that is especially prevalent in Southern states), or local market solutions which do not compete with the state. However, these parents were more likely to raise issues with time, arguing that care facilities often did not align with work commitments, an issue that was less common in countries with formal universal care.

Countries also differed in terms of complexity of childcare. Parents in Sweden and the UK reported issues with complexity when arranging childcare. In other words, care was not simple and required input from parents, grandparents, childminders or other carers or a mix of all three. Parents would often drop children off at childcare centres and then coordinate pick-up with other formal minders or grandparents so that childcare could continue without interrupting work. This complexity likely stems from longer working hours in Sweden and a lack of flexibility in working hours in the UK. Ultimately, there is mismatch between the provision of care and the working hours expected from employees.

This distinction between formal and informal childcare emerges again in Leon's (2005) comparison of Spain and the UK. Through qualitative interviews the paper

argues that parents in both countries struggle to provide childcare for children under three, but face unique obstacles in respective countries. In Spain the family provides the bulk of care informally. The growing emphasis on women's participation in the labour market has not resulted in state support for childcare. Further, the market has been slow to provide childcare alternatives and solutions. The lack of state and market formal care options have pushed working women to rely on family networks or "grey economy" child minding by migrants. This finding is similar to the suggestion by Saraceno and Keck (2011), who describe the familial nature of Southern welfare states as familial "by default".

In contrast, when Leon (2005) looks at the UK, she finds that a significant portion of childcare is provided privately through formal institutions or "semi-formally" through community based projects. As a result, the challenges in the UK are more closely related to cost than availability or suitability. Most private forms of childcare are provided by day nurseries. Although the UK places heavy emphasis on women as caregivers, the fact that women's labour market participation grew earlier than Spain's, means British mothers have a wider range of formal childcare options in the private market (such as after-school clubs and crèche facilities) which are still being formalised in the Spanish private market. In other words, accredited and reliable market based solutions are more common in the UK, than in Spain, and so Spain's system of care tends to be more informal. This finding is also similar to Saraceno and Keck's (2011) suggestion, although the topic of inequality among lone parents or other social disadvantaged groups is not considered. Although the UK's childcare setting is more formal, it is still primarily market based, and therefore likely to be expensive.

Russell et al (2018) explore formal childcare costs' impact on mother's employment in Ireland using longitudinal data (Growing Up in Ireland). They find that costs vary by region, and type of care used, noting *"...controlling for other factors, centre-based care cost 16 per cent more per hour than relative care, and a childminder outside the home cost 17 per cent more per hour. A childminder in the child's home cost 33 per cent more than relative care per hour"*. Further, controlling for differences in parents' likelihood of using childcare (endogeneity), a 1 per cent increase in the cost of childcare was associated with a 0.05 reduction in mothers' hours of paid work. Thus

we expect that unmet childcare need will be associated with reduced employment in other European countries, as well as Ireland.

### **1.6 Home care across welfare states**

Home care services for older people or those with a disability, also differ by welfare state (European Commission 2018; NESF 2012). These differences have implications for labour market participation, part-time work, and work life balance (Sarasa 2007; King and Pickard 2013).

Using data from the Survey of Health Ageing and Retirement in Europe (SHARE), Gannon and Davin (2010) compare Ireland's provision of informal home care to France's. They find that twenty-two per cent of individuals over 65 were in receipt of informal care in Ireland but just 9 per cent received formal care. In France, the opposite was true; 17 per cent of French respondents over 65 received informal care, while 23 per cent received formal care arrangements. The findings suggest that Irish adults are more reliant on informal provisions of care, while French respondents over 65 receive mostly formal forms of help. The findings reflect those of the European Commission's (2018) report on ageing, discussed earlier. Although Ireland and France have similar coverage for those requiring care, France invests more in residential care and home care services, while Ireland invests more in cash transfers to informal carers like family members.

Srakar et al (2015) also using SHARE data, estimate the likelihood of having unmet need for long-term care across welfare states among respondents over 65. They do not consider Liberal regimes, but focus on Corporatist, Social Democratic, Southern and Eastern European states. In short, two groups emerge from the analysis. Corporatist and Social Democratic states have low instances of unmet need for care. Here, the majority of individuals report adequate home care services. The second groups is made up of Southern and Eastern European countries, where the majority has unmet home care need.

Further, Srakar et al (2015) find that households experiencing severe material deprivation, depression, and functional limitations have the greatest likelihood of reporting unmet home care need. This disadvantage is present in each country but is particularly pronounced in Eastern European states. The finding is counter intuitive

and goes against the mentioned “paradox of redistribution”, where vulnerable groups are the most likely to receive inadequate care in countries with means-tested services. Although the researchers cannot establish the sequence in their causality, they are still able to comment on the association between unmet care and deprivation.

Laferrere and Bosch (2015) compare Liberal, Southern, Social Democratic, and Corporatist states. Their work estimates the *need* for long-term care. As with other papers, countries can be split into two separate groups. The first group contains Southern and Eastern European states, which report the highest need for long-term care. The second contains Liberal, Social Democratic and Corporatist states, which have lower long-term home care need. This finding suggests that the previous link between country and unmet need could be associated with the higher demands for care services in Eastern European and Southern states.

Laferrere and Bosch (2015) also find that unmet need for care is most prominent in Eastern and Southern states, where informal care is common. Crucially, Corporatist states where family and the state share care, had intermediate levels of unmet need, and Social Democratic states, those with strong social care coverage and services, show few instances of unmet need. Again, this effect could stem from the relatively lower demands for long-term care.

The negative impact of care obligations on a family’s likelihood of engaging with the labour market are well established. Sarasa (2008) finds that female carers in the UK are limited in their capacity to engage with the labour market. As an intervention, cash transfers do not increase engagement in the labour market, but increased social services which provide care services, have a positive impact. King and Pickard (2012) find that care responsibilities push female caregivers in the UK to care full time, and that the threshold for this effect can be as low as ten hours a week, where previous authors estimated this threshold to be 20 hours (Carmichael et al 2010). This effect is particularly important in the UK where institutional forms of care are uncommon or expensive, and home-help is limited leaving the bulk of care to individuals (European Commission’s Aging Report 2015).

## 1.7 Data and Measurement

This analysis draws on the 2016 wave of the European Union Statistics on Income and Living Conditions (EU-SILC) from a special ad-hoc module measuring access to services. The purpose of EU-SILC is to provide individual and household level statistics on income, living standards, poverty, and inequality (CSO, 2017, p.87). The study is overseen by Eurostat, and covers all European countries. Besides key measures of income and inequality, every year the study contains separate ad-hoc modules. These modules are related to topics of social exclusion and deprivation. The module for 2016 focused on access to social services. The module explored a range of measures in terms of access to childcare, home care, training, education, and healthcare. We focus specifically on childcare, which relates to households with children under 12, and home care, which relates to households where a member needs help because of long term physical or mental ill health, infirmity or old age.

### 1.7.1 Access to Services

EU-SILC's 2016 module on access to services has three strengths. First, it allows researchers to identify whether a household needs childcare or home care services. In the case of childcare, it is possible to identify households with children under 12 – those that are likely to have a need for childcare services whether parental, formal or informal. In the case of home care, it is also possible to identify households where an individual has a need for help because of an infirmity or disability.

Second, the ad-hoc module captures use of formal (provided by the market or the state), and informal (provided by family members, relatives or friends) care services.

This distinction is a key feature of welfare state differences, discussed above.

Additional questions allow us to isolate three key groups:

- People not in need of formal childcare and home care services; labelled those with *no need* (often because the care is provided informally, by a family member)
- People in need of care services, who use formal care services (childcare or home care) and have their need being met; labelled those with *met need*.



- People in need of care services, who do or do not use formal care services and have their need being unmet; labelled those with *unmet need*

Third, and linked to the previous point, those reporting an unmet need answer follow-up questions focused on the reason for unmet need. We are then able to distinguish whether affordability, access, or suitability of service is the main reason why households have unmet need for care services. Although we discuss these reasons briefly, they are not the main aim of the report. We do however acknowledge the importance of such measures in future research.

It is worth emphasising that households that have ‘no need’ for care are those with no need for “formal provision” of care, usually because someone in the household provides traditional care informally. Since we are interested in group-difference regarding access to care, the next section outlines our main groups of interest; social classes, and social-risk groups.

Household interviews were carried out face-to-face for every adult (aged 16 and over) and contained detailed information on household composition and social situation of the household.<sup>3</sup> Our analysis uses the weights provided on the EU-SILC data to ensure that the sample is representative of the wider population in the countries covered. The SILC sample is calibrated using benchmarks based on age, sex, region and household composition.

### 1.7.2 Countries and welfare states

Throughout the report we focus on the European countries most similar to Ireland in terms of level of economic development.<sup>4</sup> As a result, we do not focus on Eastern European states relative to Ireland. Previous reports have used similar country groupings and justifications (Maitre et al., 2018). We distinguish the following regimes throughout;

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<sup>3</sup> Differences exist in the collection of data and interview processes between “survey” countries and “register” countries. See Lohmann (2011) for further details.

<sup>4</sup> The funders are the Department of Employment Affairs and Social Protection in Ireland. We do not include the Central and Eastern European countries because they are quite different from Ireland in terms of level of development and the nature of care arrangements.

The Social-Democratic regime is characterised by its emphasis on universalism and redistribution, in the form of generous social welfare and unemployment benefits. In this report, we include Sweden, Finland and the Netherlands in this regime.

The Corporatist regime places less emphasis on redistribution and entitlements are linked to lifelong employment. There is a greater emphasis on income protection and transfers and less emphasis on the provision of services. We include Austria, Belgium and France in this regime type. Although other countries from the EU-SILC may be included, we limit our choice to three for ease of comparison with other regimes. Germany is omitted due to missing values for measures of occupations, and ultimately missing values for measures of social class.

The Liberal regime emphasises provision through the market with the state acting only in order to support the market. Social benefits are typically targeted, using means tests, though there has been a recent shift towards negative income tax policies in the UK. While targeting could have a redistributive impact, the low levels of service provision, together with the 'paradox of redistribution' (Esping-Andersen and Myles, 2009) combine to create a relatively low degree of redistribution. We include Ireland and the UK as representatives of this regime; these states are the only Liberal countries in Europe, according to the literature.

The Southern regime is characterised by an emphasis on family as the provider of welfare with labour market policies relatively undeveloped and selective. The benefit system tends to be uneven and minimalist with no guaranteed minimum income. In this regime, we include Italy, Spain and Greece. Other Southern states, like Portugal, are omitted for reasons of manageability.

### 1.7.3 Identifying vulnerable groups - Social class

Social classes are groups which share a common set of resources, and a common level of access to life chances (Goldthorpe and Jackson 2007; Weber, 2018; Friedman et al 2015). Class differences include social capital, skill, and organisation-specific knowledge. Class differences in life chances include employment, promotion, and other economic opportunities. Class categories capture not only a person's current situation but also their ability to maintain their status despite shocks like illness, job loss, or early retirement (Friedman et al 2015).

We define social class groups using the occupation-based European Socio-economic Classification (ESeC), which draws on the work of John Goldthorpe and Robert Erikson (1992). Our main focus is the social class position of the person responding to the household questionnaire (identified as the person responsible for the household). Their social class determination is used to characterise the social class position of the household. Because of the small sizes of some social class groups and to comply with the statistical requirements from Eurostat for the purpose of publication, we aggregate and simplify these into just three groups:

- High social class – defined as managerial and professional occupational positions (ESeC classes 1 and 2).
- Middle social class, including other technical and white-collar occupations, the self-employed and farmers (ESeC classes 3, 4 and 5).
- Lowest social class or those never employed – including skilled and semi-skilled manual and routine non-manual occupations as well as those where the householder never worked (ESeC classes 6 to 9 and 10).

#### 1.7.4 Identifying vulnerable groups - Social risk groups

Previous research has shown that certain groups in the population are unique in their risk of poverty and social exclusion (Watson et al., 2016). These groups include lone parents, older adults, children, the unemployed, and people with a disability. Social risk groups are different to social class groups, in that differences in the social classes, mentioned above, cannot fully explain the risk of poverty or exclusion found among social-risk groups like lone parents (Watson et al., 2016). Drawing on earlier work which examined the evolution of income poverty and deprivation over the life cycle (Russell, Maître and Nolan, 2010), Watson et al. (2016) frame social-risk groups as those who differ in their risk of poverty due to non-class, personal, or family factors that restrict their capacity to meet their need through the market. This report focuses on three drivers of social risk;

- Life course stage: Children and people older than working age are vulnerable to social exclusion and deprivation.

- Personal resources: Illness or disability potentially limits a person's work capacity. Further, illness and recovery involves additional costs in treatment, medication, and aids (Cullinan, Gannon and Lyons 2013). Disability may also be penalised in the labour market through discrimination or unaccommodating facilities.
- Non-work caring responsibilities: responsibility for childcare or others who have an illness or infirmity limits a person's work capacity.

Access to childcare and home care services is particularly important for households at risk of poverty. Since this access differs by welfare state, the relationship between social risk groups and welfare states warrant special attention in terms of unmet need for care. Social risk groups which are particularly prone to poverty, despite class position are: children, older adults and people with a disability (NESC 2005). Recent studies also include lone parents (Watson et al., 2016). The remaining group, working-age adults who are neither lone parents nor have a disability, as well as their children, have a lower risk of poverty and social exclusion and are regarded as the reference group. Thus our at risk groups are;

- Lone parents
- Individuals in households where at least one working-age member has a disability (which may be the respondent)
- Individuals aged over 65.
- Working age adults who are not lone parents, and who do not have a disability, and their children (the reference category).

We consider social class and social risk groups as both important in determining deprivation and unmet need. These two concepts, although aimed at capturing the socioeconomic resources that individuals and households are able to mobilize, only partially overlap. In fact, while social class captures differences in market power, social risk captures barriers to accessing the market in the first place. Both are important predictors of differences in life chances.

## 1.8 Formal hypotheses

Drawing on the literature review, we propose four sets of hypotheses for the provision of both childcare and home care. Throughout this section we refer to both as “care”.

First, we expect that countries with universal coverage (Social Democratic states) will have less unmet need for care, even when controlling for social risk and social class. *Hypothesis 1a: Social Democratic states will have less unmet need for care than the other regimes.* We also propose that countries with means-tested systems of care will have more unmet need for care than the other regimes. *Hypothesis 1b: Southern and Liberal states will have more unmet need for care than the other regimes.*

Second, regarding differences within countries, we hypothesise that vulnerable social risk and social class groups will have more unmet need for care, compared to their reference categories. *Hypothesis 2a: Vulnerable social risk groups will have more unmet need for care services, overall.* *Hypothesis 2b: Lowest and Middle social class groups will have more unmet need for care services, overall.* Further, regarding differences between social risk and social class groups in unmet care within countries; we expect such differences to be smaller in Social Democratic states, when compared to other regimes. *Hypothesis 2c: Differences between social risk and social class groups in unmet need for care will be smaller in Social Democratic states.*

Third, our review suggests that unmet need for care has a negative impact on all household members. Although we are not able to untangle the direction of the relationship between deprivation and unmet need, we still explore the association between these measures, and whether they can be explained by country, household composition, or other characteristics (like social risk and social class). Specifically, we hypothesise that unmet need is associated with deprivation, beyond levels of deprivation associated with social risk and social class differences. *Hypothesis 3: Unmet need for care are associated with deprivation among those with childcare need.*

Lastly, we expect a negative association between unmet need and employment. Once again, we cannot fully untangle whether unmet need leads to non-employment

or if non-employment increases the chance of unmet need. This association should exist beyond that which can be explained by social class and social risk. *Hypothesis 4: Unmet need for care is negatively associated with employment.*



# Chapter 2

## Childcare



## Chapter 2: Childcare

This Chapter has three aims, all of which focus on childcare. First, we explore the use of childcare services by country and welfare state. Second, we describe social class and social risk differences in childcare use across countries and welfare states, paying particular attention to the type of childcare used and whether a household has unmet need for childcare. Third, we consider the association between met and unmet childcare need, and material deprivation and mother's employment, (generally the carer); again, paying special attention to cross-country differences.

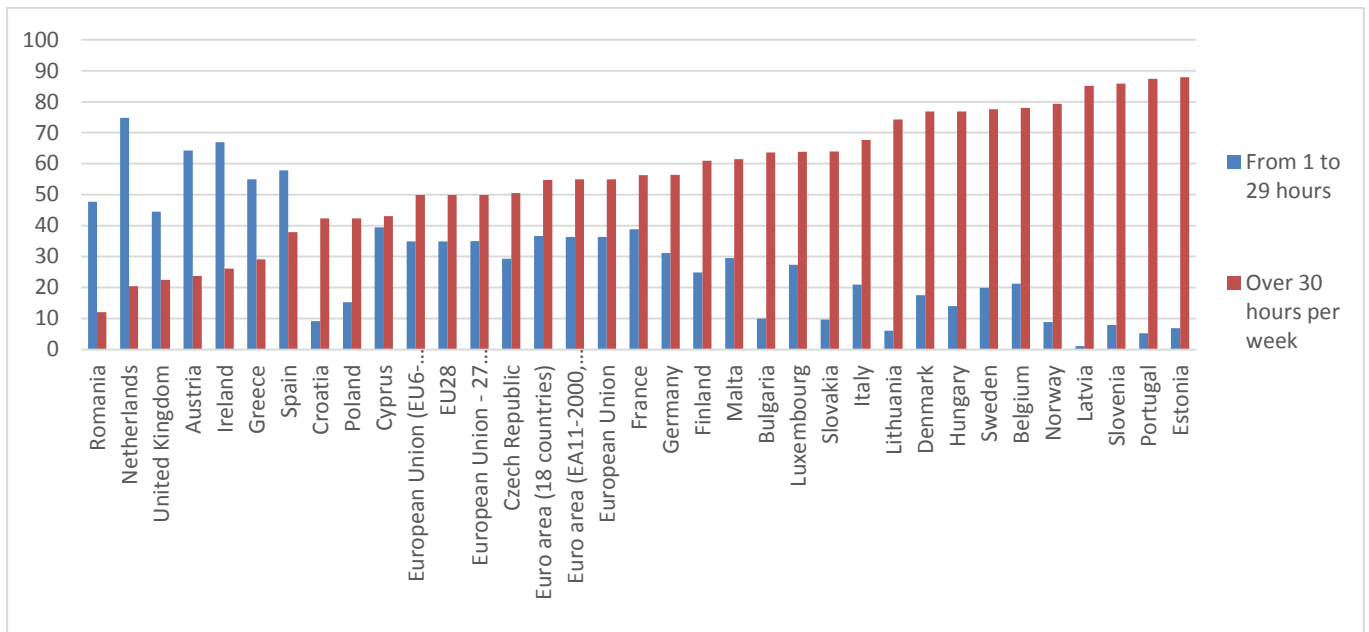
Childcare responsibilities can be a significant barrier to labour market participation, especially for women and lone parents (Eurofound 2013). Since a lack of access to childcare can lead to poverty and social exclusion, it warrants attention from researchers (Flynn 2017). Childcare services can be secured through the state (in formal state-supported childcare services), the market (among private, formal, childcare providers, or informal paid providers like childminders, and au pairs), or the family (through informal (unpaid) support from grandparents or other family members, or friends). However, welfare states differ in the provision of these, leading to unique patterns of care for children; we focus on these differences throughout the chapter.

### 2.1 Baseline differences in Europe.

The figure below shows country differences in childcare coverage for children under 3 and children over three but below the minimal schooling age. Although the data does not consider children receiving informal childcare (from parents, grandparents, professional childminders, or other home-based carers), it is a useful indicator of country differences.



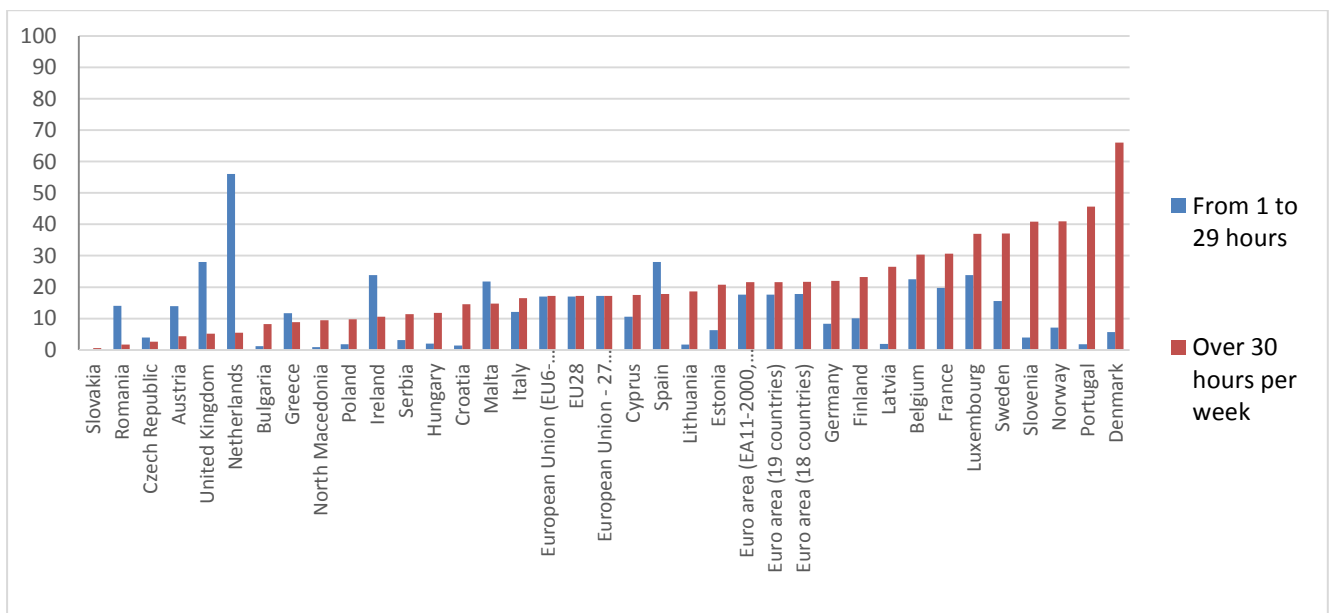
**Figure 2.0A: Children aged between three and minimum schooling age in formal childcare or education by duration (per cent over the population of age group)**



Source: Eurostat 2017, series ilc\_caindformal. Extracted January 2019

Note: Percentage calculated over portion of children in age group. Formal childcare considers public and private providers.

**Figure 2.0B: Children aged under three in formal childcare or education by duration (per cent over the population of age group)**



Source: Eurostat 2017, series ilc\_caindformal. Extracted January 2019

Note: Percentage calculated over portion of children in age group. Formal childcare considers public and private providers

The charts above do not consider informal childcare provided by parents, family members, and ad-hoc minders who must fill the gap between children's needs, and the formal provision of care provided by the state or the private market. However, four specific differences emerge in the figures. First, differences between countries are minor among children aged between three and the minimum schooling age (Figure 2.0A). Here, Social Democratic and Corporatist states provide the greatest coverage, although Portugal is an exception and differences between countries are subtle. As noted in the review, Southern states provide little coverage but a higher rate of part-time care. Eastern European states provide above average coverage, most of which is full time, and Liberal regimes (the UK and Ireland) provide below average coverage, taking the EU28 as a reference. Here too, most of the coverage is part-time.

Second, countries differ strongly when observing coverage for children under three (Figure 2.0B). In this form of care, it is mostly Corporatist and Social Democratic states that provide coverage; Denmark, Norway, and Portugal have the highest coverage. Southern states are not uniform, and differ in coverage; Portugal provides wide, full-time coverage, but Greece provides part-time coverage. Once again Liberal states (Ireland and the UK) provide below average coverage, most of which is part-time. Eastern European states provide above average coverage, which is mostly full-time.

Third, most countries provide full-time care for over thirty hours. However, a core group of part-time providers exists. This group contains a mix of Corporatist, Liberal, and Southern countries, but does not contain Social Democratic states who provide largely full-time care for children. This is expected given these countries' universal approach to childcare services, mentioned above. Further countries that provide part-time care for young children, are also likely to provide part-time care for older children, suggesting that transitions to full-time care are rare.

Although they are not covered in our later analysis, Eastern European countries appear to offer minimal coverage for children under three, but relatively comparable coverage for children over three. As with the other typologies, there is wide variation between Eastern European countries, from Romania which has the lowest level of

coverage, to Latvia with high absolute rates of coverage for children over three, and high relative rates for children under three.

The countries above differ in many ways. Most relevant to childcare are differences in the amount of parental leave available to new parents. Van Belle (2016) calculates that the highest levels of parental leave available, when considering all entitlements, are in Poland (just under 200 weeks total). Subsequently the level of formal childcare in Poland is comparably low (Figures 2.0, above). Similar rates of leave are available in the Czech Republic, Estonia, France, Germany, Hungary, Lithuania, Slovakia, and Spain (just under 160 weeks total). However, these countries contain a mix of countries with high (France) and low (Slovakia) childcare coverage. The lowest performers according to van Belle (2016) were Cyprus, Croatia, Malta, and Portugal (less than 40 weeks total). These countries have median levels of coverage in Figures 2.0, suggesting they are particularly vulnerable to unmet childcare need. Focusing exclusively on paid maternity leave, a slightly different pattern emerges. Unicef (Chzen et al. 2019) find that Social Democratic states (Sweden, and Norway) hold the top position, with a mix of Corporatist states (France, Germany, Luxembourg) and Portugal in the top ten positions. The middle ten countries contain mostly Corporatist and Southern states (Austria, Belgium, and Spain), while the bottom ten contain a mix of Southern, Eastern European, and Liberal states (Ireland and the UK).

## **2.2 EU-SILC sample**

We turn to a special module in the 2016 European Union Statistics on Income and Living Conditions (EU-SILC) to explore country differences in childcare provision. Although macro-indicators are often cited in the literature, there are few sources of country-comparable micro-level data on childcare. This recent module offers such data, allowing us to measure coverage between and within countries.

The questionnaire on access to childcare is restricted to households with children under 12. The unit of analysis is individuals living in households with children under 12. In total, we analyse data on 89,296 individuals from 11 countries, grouped into four welfare regimes. These regimes are Liberal (UK, Ireland), Social Democratic (Denmark, Finland, Sweden), Corporatist (Belgium, France, Austria), and Southern (Italy, Spain). Although the survey collects data on German respondents, they do not

answer questions on occupations, which affect our measures of social class. We omit these respondents from our analyses.

Throughout the chapter we focus on formal childcare services. The EU-SILC defines these services as follows “Formal childcare refers to childcare at centre-based services and childcare at day-care centre. Centre-based services outside (pre-) school hours: only the hours of care before and after school should be reported. The services may be on the school premises or elsewhere. Cultural and sporting activities outside school (here after school hours) such as a club, music lessons . . . shall not be included as far as they are not used as a childcare service but rather for the child’s leisure. Childcare at a day-care centre includes all kind of care organized/controlled by a structure (public, private). This means that the parents and the carer are not the only persons involved in the care, that there are no direct arrangements between the carer and the parents in the sense that there is an organized structure between them (which is often the carer’s employers).”

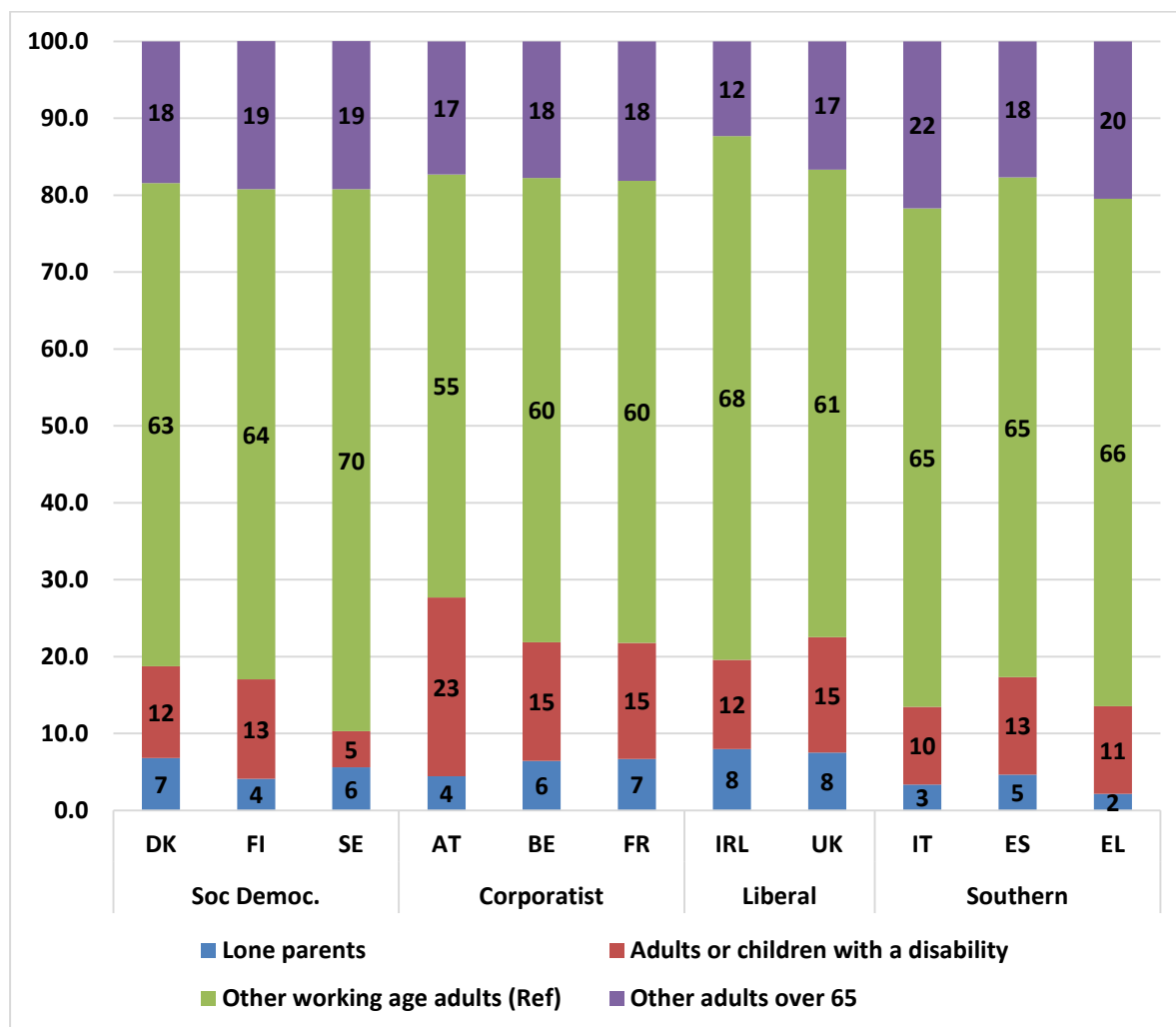
### **2.3 Size of Groups**

Below, we present the sizes of social risk groups across countries and the size of social class groups across countries. We consider these overall, and among individuals with children under 12.

#### **2.3.1 Social risk groups**

Social risk groups are lone parent respondents, respondents with a disability (or respondents who live with someone with a disability), and adults aged over 65. In order to compare these groups to a meaningful reference, we include working age adults none of whom are lone parents nor have a disability. The distribution of the groups is listed across countries in Figure 2.1.

**Figure 2.1: Share of population in social risk groups, across countries and welfare states (per cent) EU-SILC 2016**



Source: EU-SILC 2016. Authors' Calculations.  
 Note – whole sample, individual level data.

In every country, working age adults and their children (the reference group) are the largest group. A steady share of individuals in each country are older (over 65). Country differences emerge in the share of lone parents and individuals with a disability.

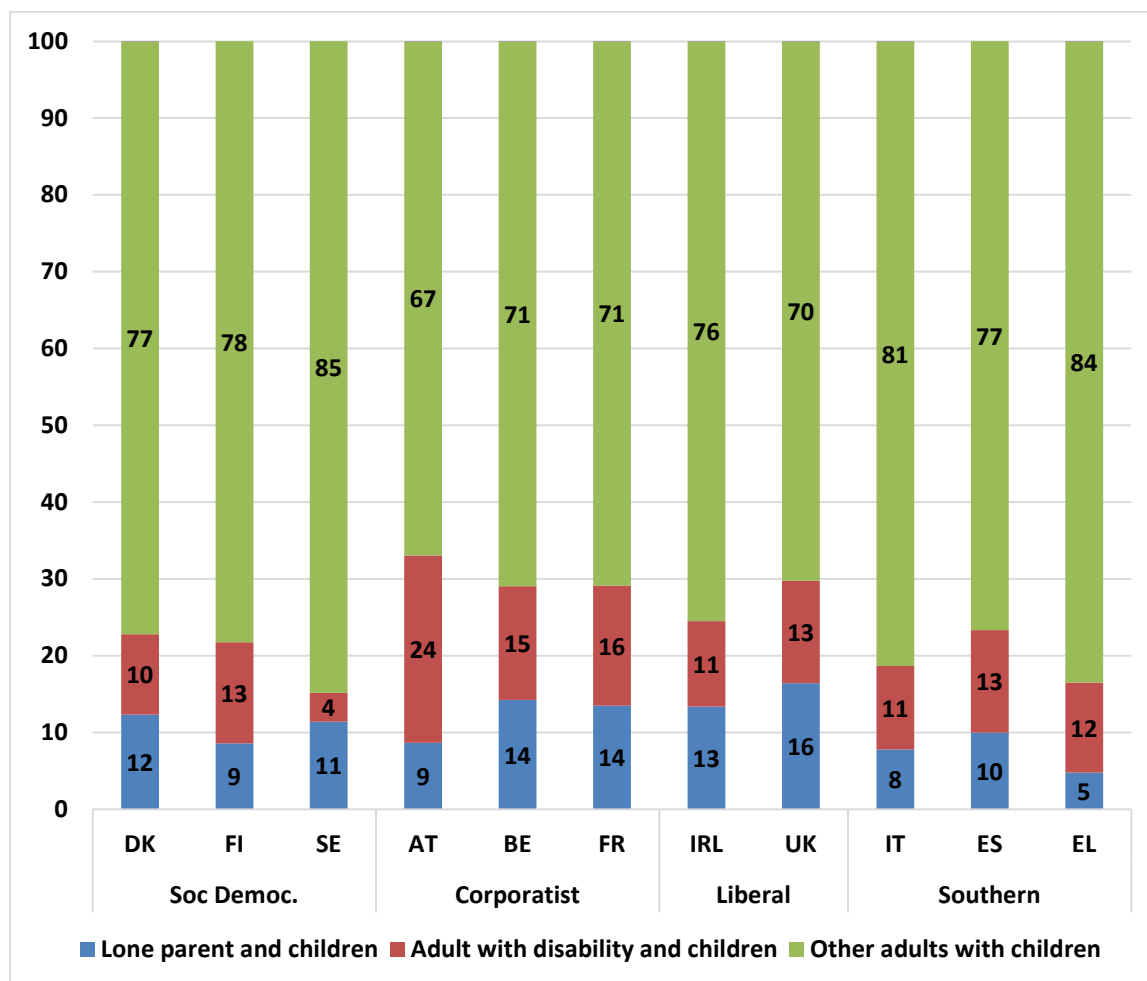
Social Democratic states appear to have fewer respondents living with someone with a disability (Sweden 5 per cent, Denmark 12 per cent) and few lone parents (Finland 4 per cent, Sweden 6 per cent). Corporatist states have a similar portion of lone parents (Austria 4 per cent, Belgium 6 per cent) but a higher portion of respondents with disabilities, relative to Social Democratic states (Austria 23 per cent, Belgium, 15 per cent). Liberal states have the highest share of lone parents and their children

(8 per cent), although these individuals are a small group in the sample. A significant share of respondents in Liberal states report a disability, but a relatively smaller number of them are over 65. Overall, this suggests that Liberal states (especially Ireland) tend to have younger populations, when compared to other welfare regimes.

Ireland (8 per cent) has a similar rate of lone parents than the UK, and a slightly lower rate of respondents in households with a disability (12 per cent) than the UK (15 per cent). Southern states have few lone parents, and few individuals living in households with a disability. However, Southern states have the largest share of older adults, suggesting an ageing population in these countries.

Households with children follow a different distribution to the one discussed above. We turn our attention to these respondents. For clarity, we drop respondents aged over 65, since very few of these respondents have children under 12. Figure 2.2 describes the resulting distribution.

**Figure 2.2: Distribution of population with children under twelve by social risk, across countries and welfare states (per cent) EU-SILC 2016**



Source: EU-SILC 2016. Authors' Calculations

Note: Only includes households with children, individual level data.

The overall distribution is largely unchanged. Across regimes, the majority of those in households with children under 12 live with working age adults (other than lone parents or those with a disability). The percentage in lone-parent households is roughly similar to the previous distribution, standing at about 10 per cent in each country, although differences exist between countries. The percentage of individuals living in households with a disability varies widely across countries, with Sweden (3 per cent) having a low proportion and Austria (24 per cent) having a high proportion. In Ireland 11 per cent of individuals in households with a child under 12 also live with someone who has a disability (or they themselves have a disability).

Regarding lone parents, Liberal states have high instances of lone parents, where Ireland stands at 13 per cent and the UK at 16 per cent. Lone parents are least

common in Southern states, particularly in Greece (5 per cent). Social Democratic and Corporatist states sit between these two clusters, although Denmark (12 per cent) France (13 per cent) and Belgium (14 per cent) have comparable shares of lone parent households to the Liberal states.

Regarding individuals with a disability (or those living with someone who has a disability), Corporatist states have the highest share of such persons. Social Democratic states have few of these respondents, with Sweden reporting just 3 per cent of people in households with children listing a disability (or living with someone who has a disability). Liberal states report a lower rate of households with a disability as well having at least one child under the age of 12. Ireland (11 per cent) and the UK (13 per cent) have comparable rates to Social Democratic Denmark (10 per cent) and Finland (13 per cent).

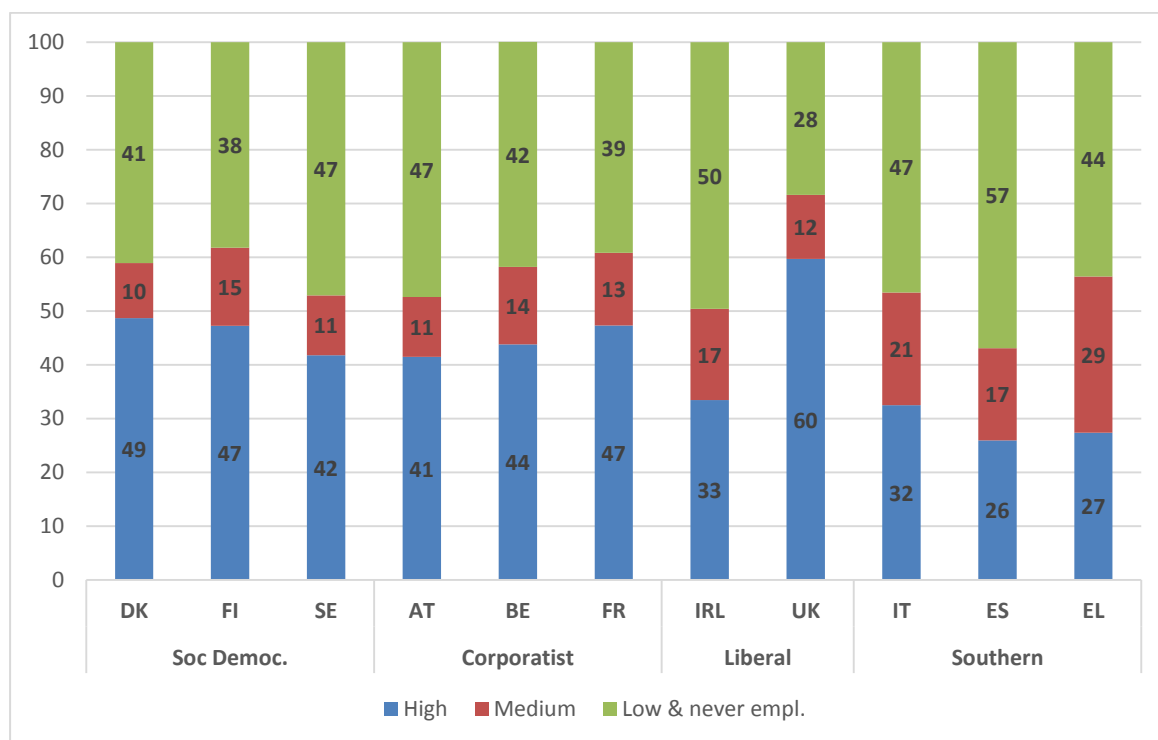
We note two important features of Figure 2.2. First, there are wide differences between welfare states in the distribution of the population who are at increased risk of poverty and social exclusion, in the sense of living in a lone-parent household or one where an adult has a disability. Social Democratic and Southern states have the lowest percentage of these groups while it is higher among the Liberal and Corporatist states. In this way, the prevalence of risk differs across countries. Second, linked to the first point, the nature of “risk” differs across countries and welfare states. In Liberal states, the majority of individuals who are in these two vulnerable groups are lone parent households. In Corporatist and Southern states, they tend to be in households where a working-age adult has a disability. Considering both points, limiting the risk of social exclusion requires different policy approaches across countries and welfare states.

### 2.3.2 Social classes

We define social classes using the occupation-based European Socio-Economic Classification (Rose and Harrison, 2007), which draws on the work of Goldthorpe and Erikson (2007). These categories capture group differences in long-run access to resources like wealth and status. We simplify the ESeC into three categories, Upper, Middle, and Lowest social class or those who have never worked. Again, we first focus on the prevalence of these classes in the overall sample, regardless of childcare need, before refocusing on households with children under the age of 12.



**Figure 2.3: Distribution of social class groups across countries (per cent), EU-SILC 2016**



Source: EU-SILC 2016. Authors' Calculations

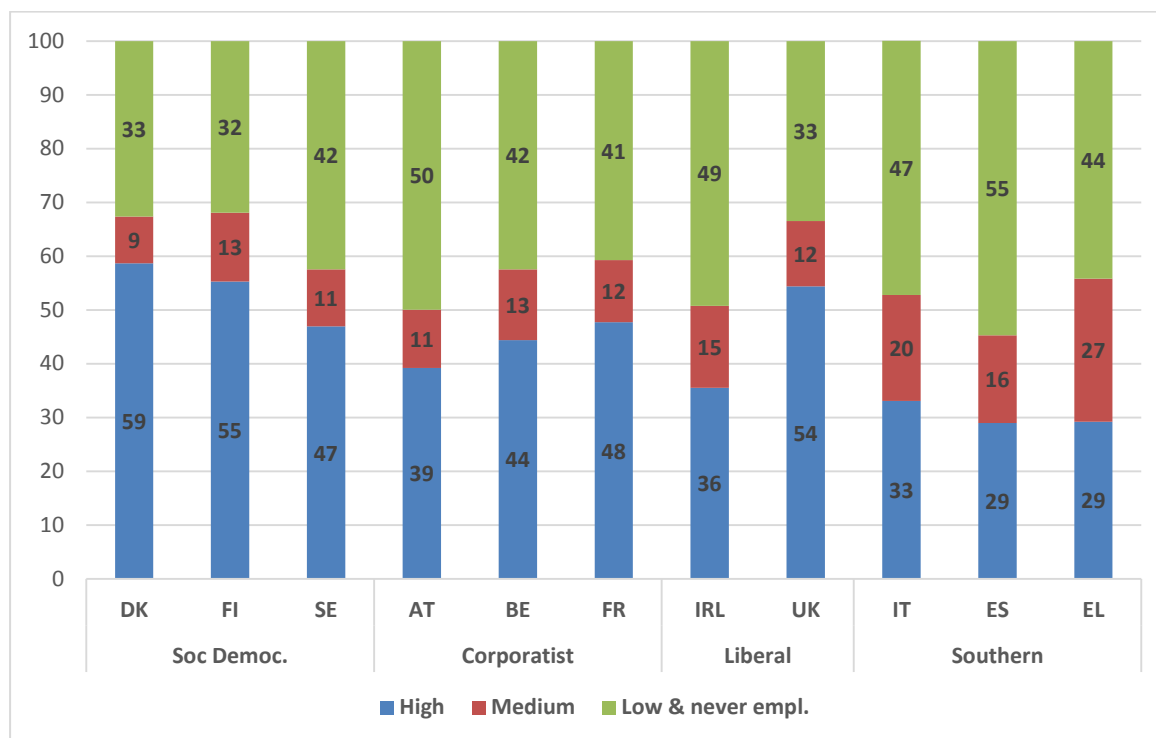
In each country, individuals most likely belong to either the highest or lowest of our three social class categories. Individuals in the middle social class are the least common in each country. Social Democratic and Corporatist states resemble each other closely. In Social Democratic states, the majority of individuals are in the upper or lower classes; Denmark (49 per cent) and Finland (47 per cent) contain mostly individuals in the high social class group. Corporatist states, like France (47 per cent) and Belgium (44 per cent), also contain individuals who are most often in the highest social class.

A similar result emerges for the UK (59 per cent) but not for Ireland (33 per cent) which has a majority in the lowest social class (50 per cent). This distribution stems from a number of high frequencies in the lowest social class group. Ireland has a high proportion of people living with householders who have “Never been employed” (7%). This rate is similar to the Greek rate (9%). Ireland also has a relatively high portion of respondents working in routine occupations (15%), but this rate is also on par with countries like Spain (20%). Lastly, Ireland has the highest share of

respondents working in lower technical positions (14%) which are traditionally working class.

Ireland's portion of lowest of our three social class categories is the second highest of all countries sampled after Spain (56 per cent). Southern states and Ireland are unique out of all the countries sampled; the majority of respondents are in households with the lowest social class. As before, the figure above focuses on the entire sample of the total population, we now refocus on households with children under 12 only.

**Figure 2.4: Distribution of social class groups with children under twelve across countries (per cent), EU-SILC 2016**



Source: EU-SILC 2016. Authors' Calculations

Again, the overall distribution in Figure 2.4 appears largely unchanged. Social Democratic states most often contain individuals in high social class categories, while Southern states are more likely to have a larger share of individuals in the lowest social class category. The pattern is more mixed in Liberal and Corporatist countries. Beyond differences in universal provisions of care, these differences in class could explain a significant portion in the country differences of childcare types, with fewer formal childcare solutions in Southern states and more formal solutions in Social Democratic states. Once again, Ireland has a predominantly lower social class population (49 per cent) among those living with children under 12. We now turn to the types of childcare used by respondents.

## 2.4 Types of childcare

This section presents the main patterns of childcare use between countries, and between social risk and social class groups within countries. We focus only on households with children under 12 and distinguish between three types of care; formal childcare provided by a centre-based service, ad-hoc childminder services

provided in the home or at the minder's home, and family care which is provided by family other than the parents.

Formal childcare refers to childcare provision outside of school hours. The EU-SILC refers to this care as that which "includes all kind of care organised/controlled by a structure (public, private). This means that the parents and the carer are not the only persons involved in the care, that there are no direct arrangements between the carer and the parents in the sense that there is an organised structure between them (which is often the carer's employers)." Importantly, this distinction includes both public and private provisions of such care. Further, the care can be full-time or part-time "even for [a] few hours".

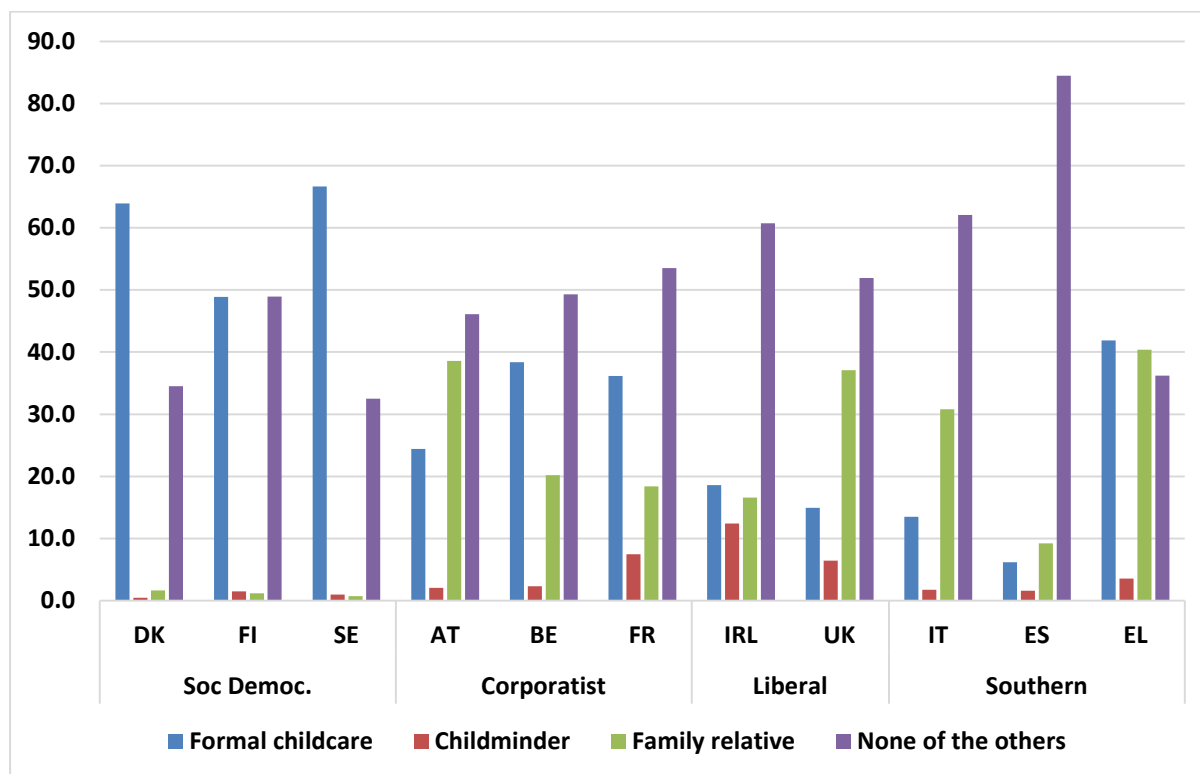
The category marked "no childcare services used" is a placeholder. This group contains a mix of households, including those who rely exclusively on parental care, which are likely the largest group. Importantly, although child-minders are paid for their service, these workers are not typical waged workers, and fulfil the service in their own home or the home of those receiving childcare. As a result, in the EU-SILC classification, these are not considered as formal providers, although they form a portion of a county's childcare solutions.

Chapter 1 notes that households often rely on more than one type of care. This is especially true in welfare states with few formal care options. For this reason, the sum of percentages in the figures below are often higher than 100 per cent. Although we cannot establish the household's main preference for childcare solutions, we assume that the majority of households use traditional care as the primary source of childcare, supplementing this with other (formal or informal) solutions. We focus first on country differences in childcare, before considering differences between groups across countries.

#### 2.4.1 Childcare differences between countries and welfare states

Before considering social class and social risk differences in childcare, we first present childcare differences by country and welfare state. Here, we consider all households with children under 12; distinguishing their use of childcare by welfare state.

**Figure 2.5: Types of childcare used by households with children under twelve across countries (per cent), EU-SILC (2016)**



Source: EU-SILC 2016. Authors' Calculations.

Note - multiple answer allowed so percentages sum to more than 100 per cent.

A difference emerges between three welfare regimes. Social Democratic states rely predominantly on formal childcare, while Corporatist states rely on a mix of formal childcare and parental care (corresponding to no childcare services used) in roughly equal measure. Southern and Liberal states are mostly reliant on exclusively parental care without including additional forms of care, although Greece is an exception. In Ireland just 18 per cent of households use formal childcare services, one of the lowest rates in the sample.

Childcare provided by family other than the parent is uncommon. This form of care emerges in Austria (38 per cent), the UK (37 per cent), Italy (30 per cent), and Greece (40 per cent). In Ireland 16 per cent of respondents make use of family care (other than the parents), the rate is on par with France (18 per cent) and Belgium (20 per cent). Use of child minding services is also uncommon. It is most prominent in Ireland (12 per cent), but is still the least common form of childcare recorded.

Three important differences are worth noting. First, Social Democratic states are unique, in that in two of them (Sweden and Denmark), their most common form of

care is formal childcare services. Here, the majority of households use formal services. Parental care is in second place (or on a par with formal childcare in Finland). In the other regimes, the default form of childcare is exclusively parental care, that is, not using formal care, relative care or childminders at all. Second, non-parental family care is a somewhat prominent form of childcare in Liberal states, but especially in the UK (37 per cent). Households could be supplementing parental childcare with family care as suggested by Leon (2005) and McLean et al (2017). However, this form of care is quite uncommon in Social Democratic states, suggesting parents are able to rely mostly on a single form of care, instead of combining and mixing care types. Finally, there is a significant reliance on exclusively parental care in two of the Southern states (Spain and Italy), with little use of other childcare options.<sup>5</sup>

Our findings generally reflect the literature summarised above (OECD Family Database 2018; Leon 2005; Mills et al 2012). There are wide country differences in the provision and use of childcare but clusters of services can be isolated by welfare state. Formal services are more common in Social Democratic states, a mix of informal and formal childcare is evident in Corporatist and Liberal states, and traditional forms of care (exclusively parental) are common in Southern states. Although the typology is not perfect, countries generally conform to a type of childcare provision. We now describe the social risk group differences in two forms of care; formal childcare and exclusively parental care across countries and welfare states.

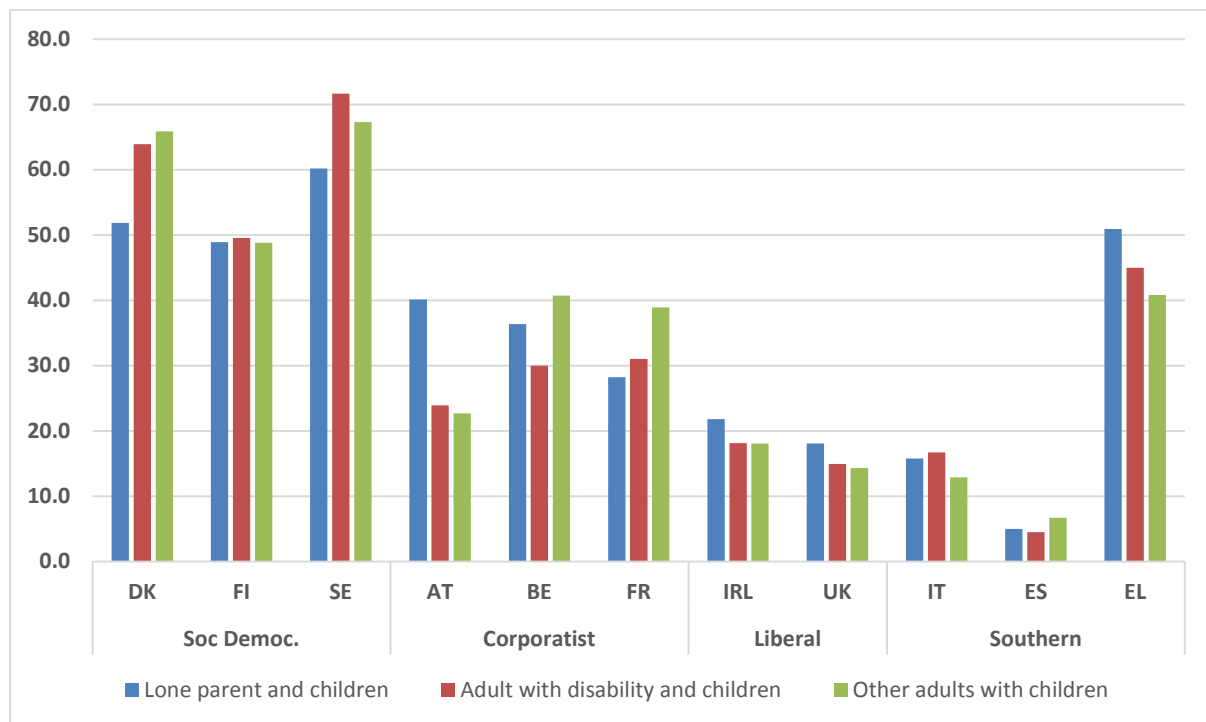
#### 2.4.2 Childcare use differences across social-risk groups.

This section explores whether social risk groups differ in their use of formal childcare. Due to limitations of space we focus only on this form of care, ignoring exclusively parental care, child minding services and family care. We consider group differences in formal childcare provision as shown in Figure 2.6.

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<sup>5</sup> Crucially Greece is an exception in the regime.

**Figure 2.6: Formal childcare use across social risk groups and countries (per cent), EU-SILC 2016**



Source: EU-SILC 2016. Authors' Calculations

The figures suggest country level differences in the use of formal childcare cannot be explained by differences in social risk groups within countries. Even when risk groups are considered, differences in use of childcare largely depend on the respondent's country. For example, lone parents in Social Democratic states have significantly greater access to childcare services when we compare them to lone parents in Southern states, like Spain.

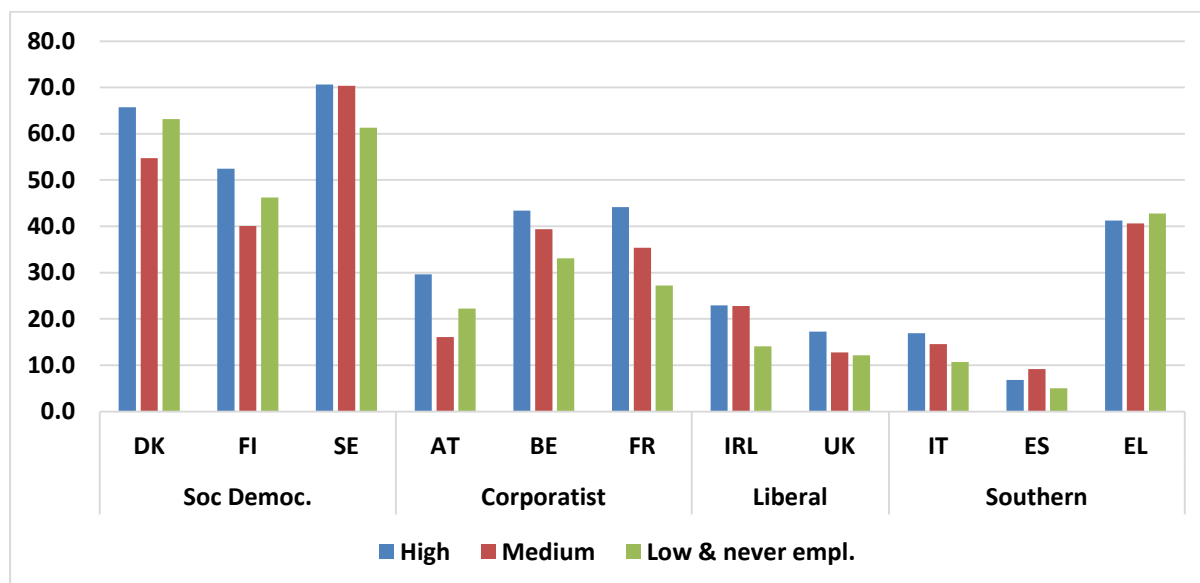
Further, when we think about inequality between social risk groups regarding their access to childcare, we must also think about the country sampled. For example, lone parents have greater use of formal childcare relative to the reference group of households with working age adults in Greece (50 per cent), Austria (40 per cent), Ireland (21 per cent) and the UK (18 per cent). However, in Denmark lone parents (52 per cent) make less use of formal childcare relative to households with two working age adults (66 per cent), but greater *absolute* access to childcare when compared to lone parents in Liberal and Corporatist states. In this way, some of the countries with the greatest level of use of formal childcare services can also have the

largest differences between social risk-groups. Countries with targeted or means tested systems of care provision give preference to vulnerable social risk groups, but provide less coverage to such groups overall. Universal countries do not apply preference to specific social risk groups, but as a result provide these very groups with greater access to care.

### 2.4.3 Childcare differences across social class groups

We now turn to social classes to examine class stratification in access to childcare across countries. As before, we focus on social class differences in access to formal care.

**Figure 2.7: Formal Centre-Based childcare use across social class and countries (per cent), EU-SILC 2016**



Source: EU-SILC 2016. Authors' Calculations

In Figure 2.7 upper social class groups have the greatest access to formal childcare in each country, although the differences are most pronounced in Corporatist states. Although there are differences between class groups in terms of access to formal childcare, these differences are far smaller than the country differences in access to care. For example, the greatest levels of access to childcare found among the lowest social class group are among Social Democratic states. Liberal and Southern states, with the exception of Greece, offer the least amount of coverage to lowest social class groups. Once again, the greatest social class differences tend to appear in



certain countries of the Corporatist and Social Democratic states, despite them having significantly higher *absolute* access to childcare services.

In Ireland, Lowest social class individuals have the lowest access to formal childcare (14 per cent). However, middle (22 per cent) and High social class (22 per cent) households have only a minor advantage in access to childcare. Since Ireland, like other liberal welfare regimes, relies heavily on private provisions of childcare it is likely that costs are high, excluding the lowest classes from access to this care.

## 2.5 The need for formal care

The differences above highlight levels of access between and within countries when it comes to childcare. However, these results cannot determine whether these levels of access are adequate for a household. We now turn to this measure.

In this section we focus only on formal childcare services, and not on parental care, child-minding or family care, mentioned above. Specifically, we consider the prominence of met and unmet need for formal childcare. As noted, Social Democratic states have the greatest access to formal services, while Corporatist states offer less access to the service but more than Liberal and Southern states. What is implied, but not stated, is that countries with fewer formal services may also have inadequacies in their access to childcare.

Using a series of questions, we are able to isolate three distinct outcomes of care need. First, having no need for formal childcare (labelled *no need*). Second, having a need for formal childcare and then having adequate access to this care which does not result in any unmet need (labelled *met need*). Third, having a need for childcare without the corresponding access or sufficient access to care (labelled *unmet need*). It is worth considering these groups in detail:

If the child does not attend a centre-based service or a day-care centre and the household does not cite having an unmet need, they are classified as having no need for formal childcare. These households typically use traditional, parental childcare.

If the child attends a centre-based service and the household does not cite unmet need for care, they are classified as having a met need for formal childcare.

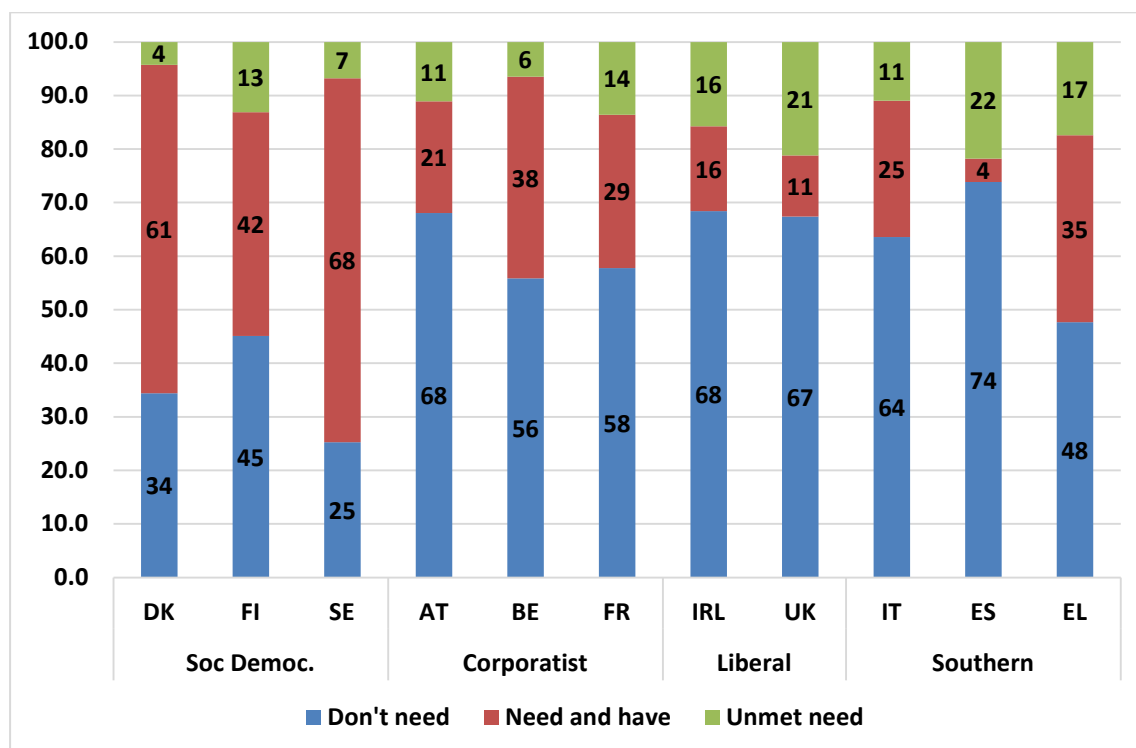
If the households cites an unmet need for childcare, regardless of whether they already use a formal service, they are classified as having an unmet need for care. The unmet need may refer to the number of hours of care received as well as not receiving any formal care at all.

In the section below, we first consider the prevalence of need across countries and welfare states. We then consider the prevalence of unmet need by social risk groups and social class groups across countries and welfare states.

### 2.5.1 Childcare need across welfare states

Figure 2.8 splits countries by met and unmet childcare need. Across most countries (except the Social Democratic states), the majority of individuals report having no need for childcare services. These households are likely providing parental care and have no need for formal care options. Regarding formal care, there are vast differences between countries in met and unmet need.

**Figure 2.8: Formal childcare need across countries (per cent), EU-SILC 2016**



Source: EU-SILC 2016. Authors' Calculations

Sweden (68 per cent), Denmark (61 per cent) and Finland (42 per cent) record the highest levels of adequate childcare and the lowest levels of no need for childcare

services. These countries are unique in that the majority of people have access to adequate childcare. Here, households who rely primarily on full-time parental care are in the minority.

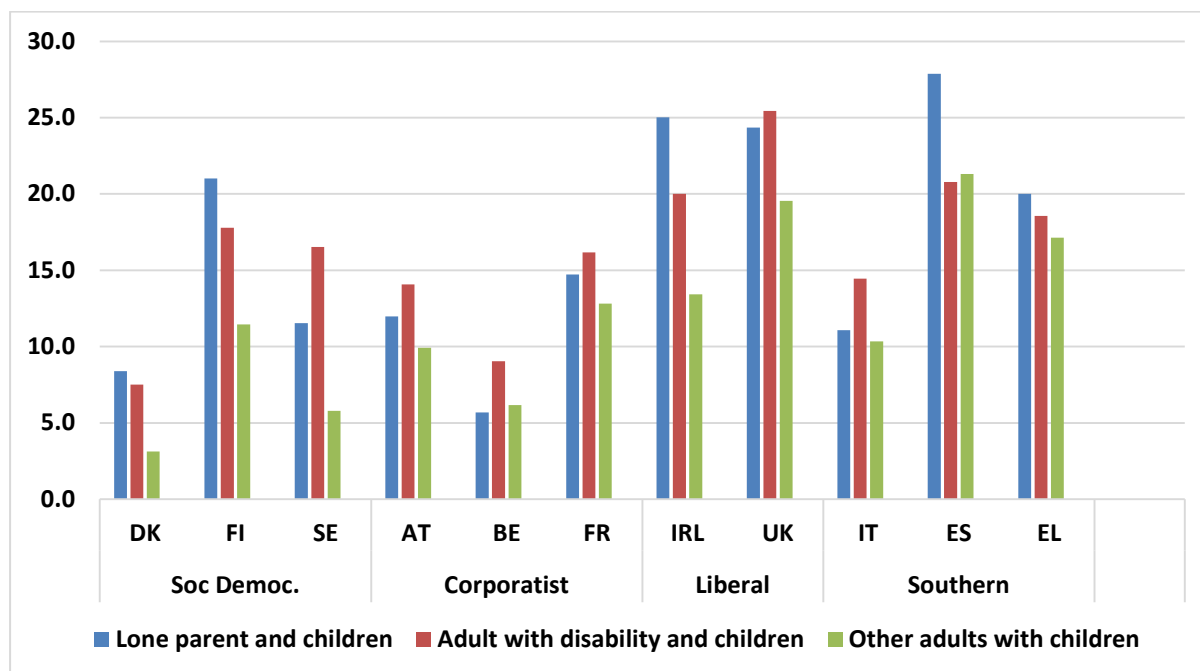
Corporatist states rely primarily on exclusively parental care. However, these countries also provide adequate access to formal care. Liberal and Southern states rely primarily on parental care, and report high rates of unmet care need. Spain has the highest rate of unmet childcare needs, echoing the findings of Leon (2005) and others mentioned above. Ireland (16 per cent) and the UK (21 per cent) also contain relatively high levels of unmet need.

Generally, the frequency of “met need” relative to “unmet need” differs across countries and welfare states, highlighting a clear difference between countries with universal services, and countries with means-tested services. Liberal states differ from Corporatist states and Social Democratic states as families in the former welfare states are more likely to cite “unmet need” than “met need”. It’s only in Spain and the Southern states that we find the same pattern. In Social Democratic and Corporatist states, the opposite is true. We further illustrate this point below.

### 2.5.2 Unmet childcare need across social risk groups

The figure above splits countries into three potential groups in terms of childcare access. However, access to adequate childcare is likely to vary within countries. This section focuses on the distribution of unmet need for childcare between social risk groups across countries as shown in Figure 2.9.

**Figure 2.9: Unmet childcare need across social risk groups and countries (per cent of those in households with children under twelve), EU-SILC 2016**



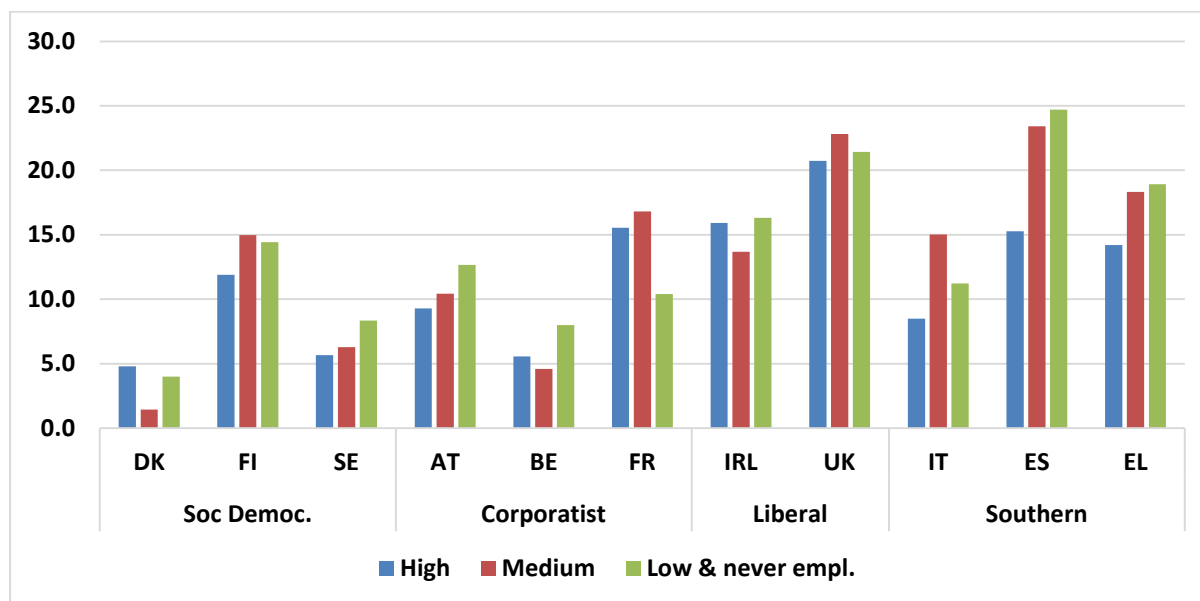
Source: EU-SILC 2016. Authors' Calculations

In every country those least likely to report unmet childcare need, are those of the reference social risk group – other working age adults. Further, countries can be split into two groups. First, countries where lone parents report the highest level of unmet need. Second, countries where people with a disability (or living with someone who has a disability) have the highest level of unmet need. Denmark (8 per cent), Finland (21 per cent), Ireland (25 per cent), Spain (27 per cent), and Greece (20 per cent) are countries where lone parents have the greatest rate of unmet need for formal childcare. The percentages are the highest for those in households with a disability in Sweden (16 per cent), Austria (14 per cent), Belgium (9 per cent), France (16 per cent), UK (25 per cent), and Italy (14 per cent). In Corporatist states, those in households with a disability are most at risk of unmet childcare need, while in Social Democratic states lone parents are most at risk (Sweden is an exception). Social risk groups are therefore a strong predictor of unmet childcare need.

### 2.5.3 Unmet childcare need across social classes

Unmet childcare needs will also differ between social class groups. We consider this distribution below as presented in Figure 2.10.

**Figure 2.10: Unmet childcare need across social classes and countries (per cent of those in households with children under twelve), EU-SILC 2016**



Source: EU-SILC 2016. Authors' Calculations

Differences between classes are largest in the Southern states. Those in the lowest and medium social classes in Southern states are particularly susceptible to unmet need; especially in Spain where 25 per cent of them report unmet need for childcare. Social class appears to vary across countries as a predictor of unmet childcare need, but is not as strong as social risk group as a predictor of unmet childcare need.

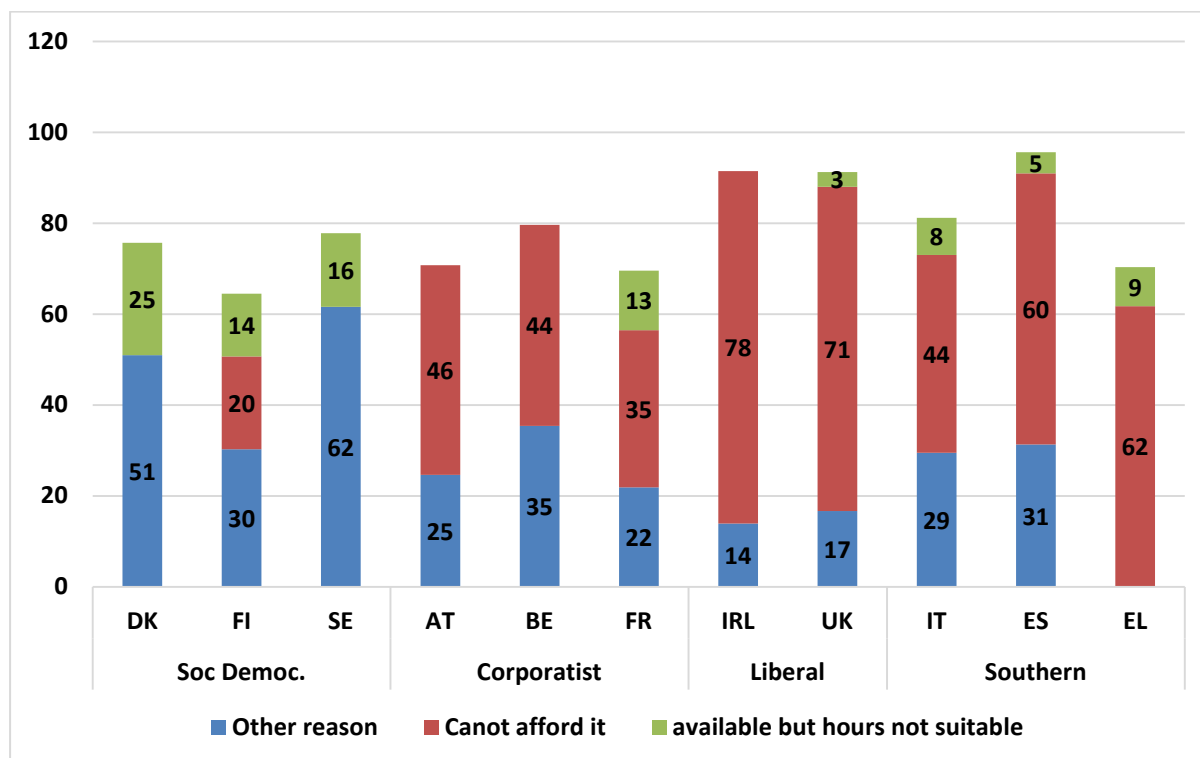
#### 2.5.4 Reason for unmet childcare need

During the interviews when respondents reported unmet need for childcare, they were asked the main reason for unmet need. Figure 2.11 lists the distribution of these main reasons across countries.<sup>6</sup> The most common reasons are affordability, suitability, and other reasons.<sup>7</sup>

<sup>6</sup> For statistical reasons linked to the small number of cases for some answers, we cannot report all the reasons that would add up to 100%.

<sup>7</sup> Other reasons is one of the formatted answers offered to the interviewees. This is not a residual category constructed by the authors.

**Figure 2.11: Reason for Unmet childcare need across countries (per cent), EU-SILC 2016**



Source: EU-SILC 2016. Authors' Calculations

Note: Considers only respondents with unmet need.

Once again, there is significant country variation in the main source of unmet need. However, three groups of countries can be isolated. Social Democratic states list mostly other reasons for having unmet need. Affordability only emerges as an issue in Finland, and even here, the reason is uncommon.

Corporatist states cite a blend of issues, noting affordability and other reasons as the main issues tied to unmet childcare need. The affordability issue dominates in Liberal and Southern states. This is especially true in Ireland (78 per cent) and the UK (71 per cent).

### 2.5.5 Statistical model of childcare need

Throughout the chapter we have seen that childcare need differs across countries, and across groups within countries. In order to untangle these dependencies, we turn to regression models to estimate the likelihood of unmet need for formal childcare among households with children under 12.

We propose three main reasons for having unmet need for childcare. First, countries will differ in their level of provision of care, with universal countries offering more care and means tested countries offering less.

Second, tied to the first point, the characteristics of individuals will affect their chances of having unmet need. Social risk and social class factors will lead to differences in the odds of having unmet need because they are associated with differences in the resources needed to obtain formal childcare on the market. On the one hand, higher class households are more likely to need formal childcare – with higher labour market participation, they are less likely to be available to provide it themselves. On the other, higher class households would have a greater ability to pay for formal childcare services, if these come from the private market.

Third is the demographic composition of a person's home: mainly, whether they have more than one child and whether they have children aged under five (those who require more care than older children). In Table 2.1, we present four multinomial logistic regressions which predict no-need and unmet need for formal childcare, relative to adequate childcare to meet the family's need. The results presented in Table 2.1 are expressed as odds ratios, where values greater than 1 indicate a positive association or greater likelihood of observing a particular status (no need/unmet need) with respect to the reference category (need met) while values between zero and one indicate a reduced likelihood of such events.

**Table 2.1: Multinomial logistic regression predicting no need and unmet need for childcare (EU-SILC 2016)**

	Model 1	Model 2	Model 3	Model 1	Model 2	Model 3
<b>VARIABLES</b>	No need	No need	No need	Unmet need	Unmet need	Unmet need
<b>Country: Ref(Sweden)</b>						
DK	1.71***	1.76***	1.73***	0.64	0.64	0.65
FI	3.08***	3.16***	3.31***	3.28***	3.34***	3.28***
AT	9.66***	9.25***	9.34***	5.65***	5.13***	5.01***
BE	4.92***	4.79***	4.97***	1.63*	1.50	1.45
FR	6.46***	6.39***	6.54***	5.21***	4.91***	4.79***
IRL	13.15***	12.68***	13.74***	10.08***	9.45***	9.18***
UK	16.76***	17.14***	17.91***	19.23***	18.84***	18.36***
IT	7.82***	7.64***	7.56***	4.93***	4.85***	4.88***
ES	52.52***	49.43***	48.32***	54.42***	50.19***	49.50***
EL	4.11***	3.92***	3.69***	5.44***	5.28***	5.40***
<b>Social risk group (Ref: Working age adults)</b>						
Lone parent		1.11	1.00		1.77***	1.85***
Adult with disability		1.14*	1.14*		1.56***	1.61***
<b>Social class (Ref: High social class)</b>						
Middle social class		1.28**	1.26**		1.27*	1.29**
Lowest social class or never employed		1.44***	1.45***		1.53***	1.53***
<b>Number of children under 12</b>			0.78***			1.00
Youngest child 5+			1.61***			0.71***
Constant	0.31***	0.26***	0.30***	0.09***	0.06***	0.08***
<b>Observations</b>	72,288	72,288	72,288	72,288	72,288	72,288

Note: \*\*\* p<0.001, \*\* p<0.01, \* p<0.05

Model 1 controls only for country differences in childcare need. The reference category focuses on Sweden. Results show that Social Democratic states have the lowest odds of reporting no need for childcare services. In this way, the model shows country differences in the provision of parental care (without additional forms of care like formal childcare). However, Model 1 shows that even within welfare regimes, countries differ in their propensity to report no need for childcare services. Denmark and Finland both report significantly higher odds than Sweden of citing no need for childcare options, but are more similar to Sweden than the countries in the other regimes are. Thus, Social Democratic states have the lowest odds of families relying



solely on traditional parental care. Corporatist, Liberal and Southern countries have higher odds of relying on this care. Liberal states have after Spain the second highest odds of relying on such care. The estimates for Spain are particularly high because the reference category for the dependent variable is having “adequate childcare”. This category is particularly small in Spain (as seen in Figure 2.8), leading to larger odds. Respondents in Ireland are 13 times more likely to cite “No need” for childcare when compared to respondents in Sweden, suggesting Ireland has some of the highest rates of exclusive reliance on parental childcare. According to our results, Spain, the UK, and Ireland have the highest rates of exclusively parental care in Europe.

Model 2 builds on the findings in Model 1. Can differences in social risk and social class groups explain the differences between countries in “no need” for childcare vs. “met need”? Controlling for social classes and social risk does not eliminate country differences in this respect. The country effects decreased slightly in each country, except the UK, where the effect has risen. Further, social classes and social risk groups have their own influence on a family’s likelihood of reporting “no need” vs. “met need” for childcare. Lone parents and those with a disability have similar odds of reporting no need for additional childcare when compared to working age adults. However, the middle and lower social classes report higher odds of having “no need” vs. “met need” for formal childcare, when compared to high social class families. This is partly a function of class differences in being able to adequately meet childcare needs (i.e. lower “met need”) and partly due to class differences in employment.

Model 3 builds on Model 2, considering the impact of household composition. Mainly, the model estimates the effect of having more than one child under 12 in the home, and whether the youngest child is aged over 5. The measures have little effect on country differences in their odds of citing “no need” for childcare. As before, our results show that Spain, the UK, and Ireland have the highest odds of reporting no need for childcare. In Ireland the odds of citing “no need” increase after considering household composition, although the effect is minor. Each additional child under the age of 12 lowers one’s odds of reporting “no need” for childcare vs. “met need”, most likely due to the extra responsibilities of having several children. However, if the

youngest child is 5 or more (and likely to be in school) the odds of not needing childcare are higher.

We now consider the odds of having unmet need for childcare vs. needs that are adequately met, as shown in the second set of 3 columns in Table 2.1. Model 1 estimates the individual country effects of having unmet childcare need. These estimates are particularly important as they are tied to our hypotheses. Here, Social Democratic states have the lowest odds of having unmet need vs. met need for childcare (though the rate is also low in Belgium), while the Corporatist welfare states, like Austria and France, have greater odds than Social Democratic states. Apart from Spain, the results for the Southern states are also quite similar to the Corporatist states. After Spain, which has very high odds of unmet vs. met need, the Liberal welfare states have the second highest odds of having unmet childcare need. Once again, even within welfare regimes there are differences: Sweden has significantly lower odds of reporting unmet need than Finland (but not Denmark). This suggests that within welfare state typologies, there are country differences in the adequacy of childcare provision. Spain's odds are exceptionally high when compared to Sweden (54 times more likely) due to the large discrepancy in access to care in both countries. In Ireland, a respondent is 10 times more likely to cite unmet need for care than a similar respondent in Sweden. The results suggest that respondents in Spain, the UK, and Ireland have the highest odds of citing unmet need.

Model 2 considers the importance of social risk and social class. Again, controlling for social risk and social class differences has changed the country estimates only slightly, suggesting that country differences cannot be explained by the larger share of working class or the larger share of vulnerable social risk groups across countries. This finding is particularly relevant to Spain and Ireland, since both countries have a high share of lower social class and a high share of vulnerable social risk groups. The estimates suggest that their rates of unmet need cannot be explained by the prevalence of such groups in each country, which suggests they have distinct models of childcare provision. Again, lone parents and adults with a disability are prone to report unmet need for childcare, while those in the middle and lower social class individuals have higher odds of reporting unmet need than those in the higher

social class. As mentioned in the previous section, this result likely stems from their differences in resources.

Finally, Model 3 considers the importance of household composition. Here too, country differences cannot be explained by these measures. Irish respondents are still 9 times more likely to cite an unmet need for care compared to Swedish respondents, even when having similar household compositions, similar social classes and similar social risk characteristics. Our main findings remain unchanged, the countries with the highest odds of unmet need (relative to citing adequate need) are Spain, the UK, and Ireland even when we control for differences between these countries.

Overall, the estimates reveal three findings. First, there are significant differences between and within regimes in the need of formal childcare. Second, social risk and social class groups differ in their likelihood of citing unmet childcare need, with lone parents and households where an adult has a disability having the greatest odds of unmet need. Further, across social classes, those in the lower social class have the greatest odds of having unmet need. Third, differences between social risk and social class groups cannot be fully explained by number of children or presence of children under 5. In terms of Ireland's place in the study, we find that Ireland has high odds of exclusively parental care (no need), but also of inadequate levels of care provision (unmet need).

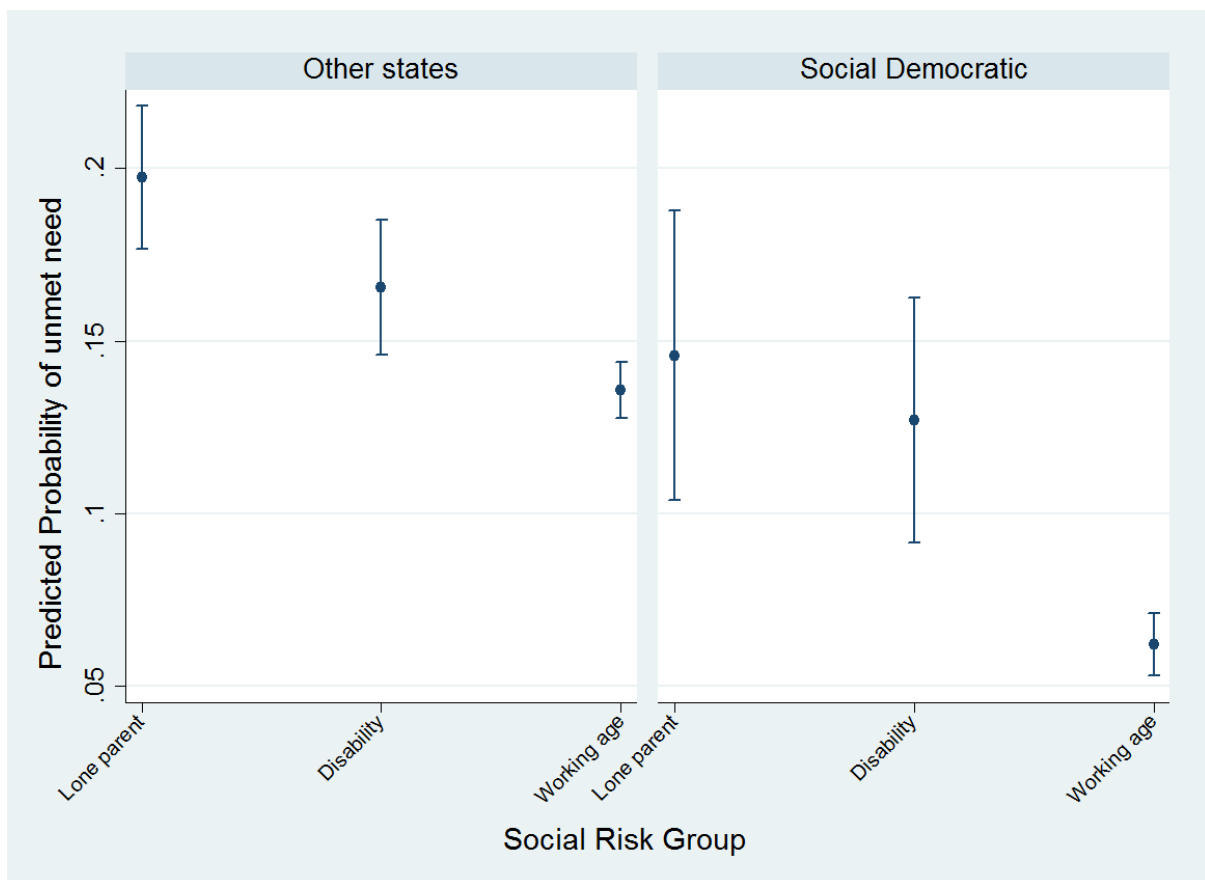
The results support *hypothesis 1a*, Social Democratic states have on average the lowest odds of unmet need, although Finland has higher odds than Sweden and may constitute an outlier. We also accept *hypothesis 1b*, welfare states with means-tested childcare provision have higher rates of unmet need, which is especially true for Ireland, the UK, and Spain. We also accept *hypothesis 2a* regarding group differences. In every model predicting unmet need, vulnerable social risk groups have higher odds of reporting that their needs are unmet when compared to the more advantaged reference group of other working-age age families. We also accept *hypothesis 2b* that the middle and lower social classes have greater odds of citing unmet need when compared to the higher social class. In the next section, we consider whether differences between social risk and social class groups in unmet

need for care are smaller in Social Democratic states, when compared to all other regimes.

### 2.5.6 Group differences in Social Democratic states

In this section we simplify the models above in an effort to compare social risk and social class differences in Social Democratic states, relative to other states. We hypothesise that social risk and social class groups in states with universal childcare experience more equality regarding unmet need, relative to other states. In the model below we interact a dummy variable for Social Democratic states with social risk and social class. We list the full model in the Appendix (Table A.1). We illustrate the predicted probability of citing unmet need by social risk group for Social Democratic and non-Social Democratic states below.

**Figure 2.12: Predicted probability of having Unmet need by Social Risk groups in Social Democratic states versus other states (Interaction effect)**

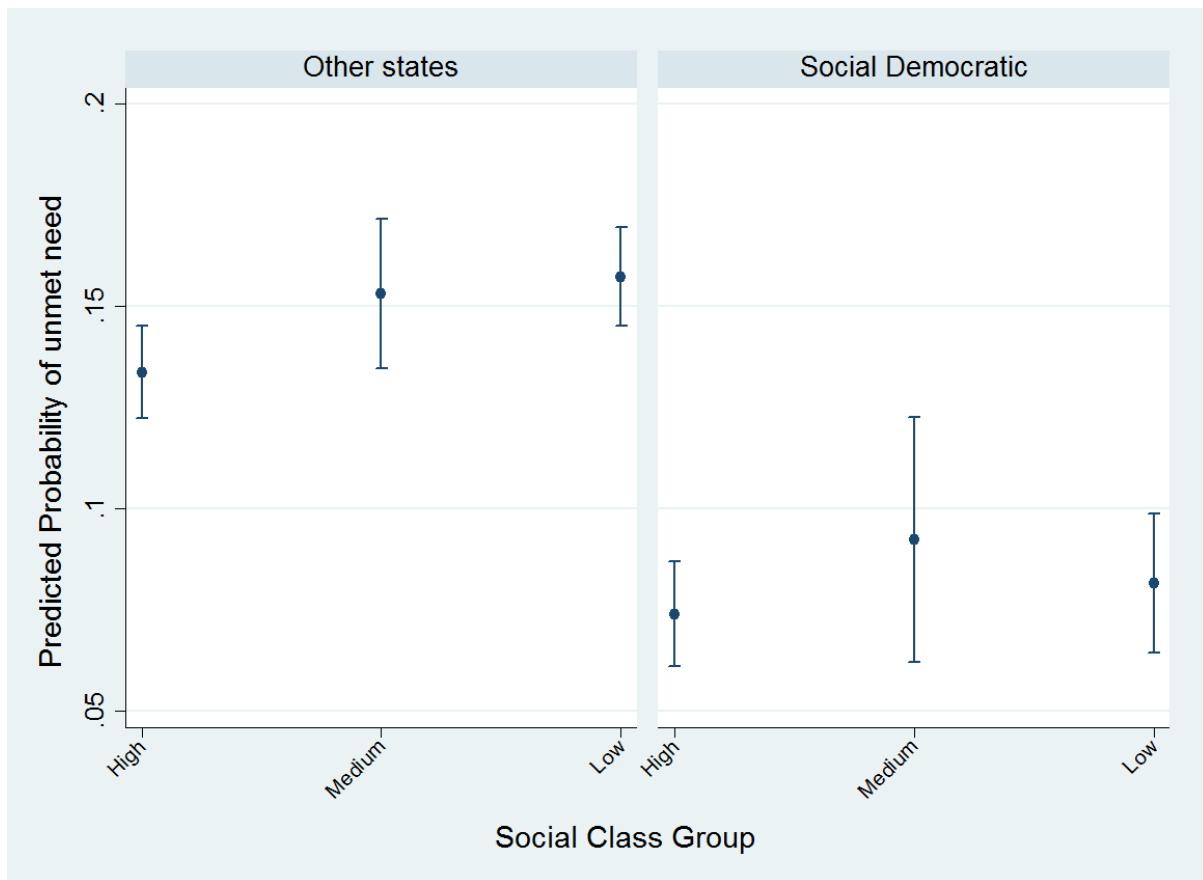


Source: EU-SILC 2016. Authors' Calculations  
 Note: Full model output is listed in the appendix

Referring to Figure 2.12 we see that in both sets of countries, vulnerable social risk groups have a greater chance of experiencing unmet need for childcare. However, the inequality between groups is wider in Social Democratic states than in other welfare states. Lone parents in Social Democratic states have a predicted probability of roughly 15 per cent of experiencing unmet need, working age adults have a predicted probability of roughly 6 per cent of experiencing unmet need. In non-Social Democratic states lone parents have a predicted probability of roughly 20 per cent of experiencing unmet need, while working age adults have a predicted probability of roughly 14 per cent. This finding runs counter to our hypothesis, and so we reject *hypothesis 2c* for childcare. In other words, the gap between the vulnerable and advantaged social risk groups is *not* smaller in Social Democratic states, even though both vulnerable and advantaged groups in Social Democratic states fare better than their counterparts in other welfare regimes.

Inequality between Social risk groups is greater in Social Democratic states, but this stems from the higher overall level of provision of care. Respondents in other states are more equal but have a higher chance of experiencing unmet need overall. We now consider the predicted probabilities for social classes.

**Figure 2.13: Predicted probability of having Unmet need by Social class in Social Democratic states versus other states (Interaction effect)**



Source: EU-SILC 2016. Authors' Calculations  
 Note: Full model output is listed in the appendix

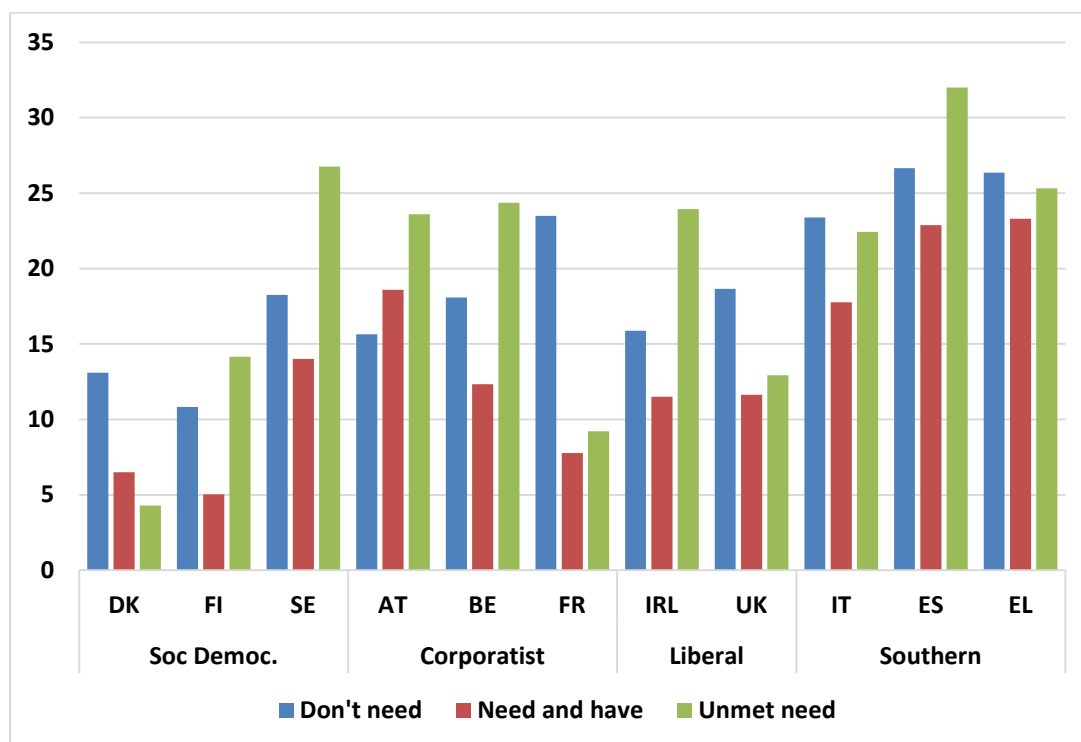
Figure 2.13 illustrates the lower level of unmet need (because of a higher level of provision) across all social classes in Social Democratic states. The two groups of states also differ in the gap between the highest and lowest social classes: this is statistically significant in the Other States but not in the Social Democratic states. Here we accept *hypothesis 2c*. Differences in unmet need between social classes are flattened in Social Democratic states.

## 2.6 Poverty and household need for childcare

The experience of unmet need for care has consequences for poverty and social exclusion, we now turn to these consequences. First we explore the association between unmet need and poverty. Households are at risk of poverty if their disposable income is below 60 per cent of the median household income. Second,

we use the Eurostat measure of material deprivation<sup>8</sup> (Guio, Gordon and Marlier, 2012) where a household is materially deprived if it cannot afford at least three goods or activities from a list of nine (food, clothing, adequate heating, etc.). We then estimate the association between unmet need for childcare and this measure.

**Figure 2.14: At risk of poverty by childcare need and country (per cent), EU-SILC 2016**



Source: EU-SILC 2016. Authors' Calculations

Households with adequate childcare are the least likely to report a risk of poverty in every country but Denmark (6 per cent) and Austria (18 per cent). Beyond this, countries can be split into those where the risk of poverty is associated with having no need for childcare (traditional parental care) and having unmet need for childcare.

France (24 per cent), the UK (19 per cent), Italy (23 per cent) and Greece (26 per cent) are those where households with 'no need' are most at risk of poverty. Finland (14 per cent), Sweden (27 per cent), Austria (24 per cent), Belgium (24 per cent),

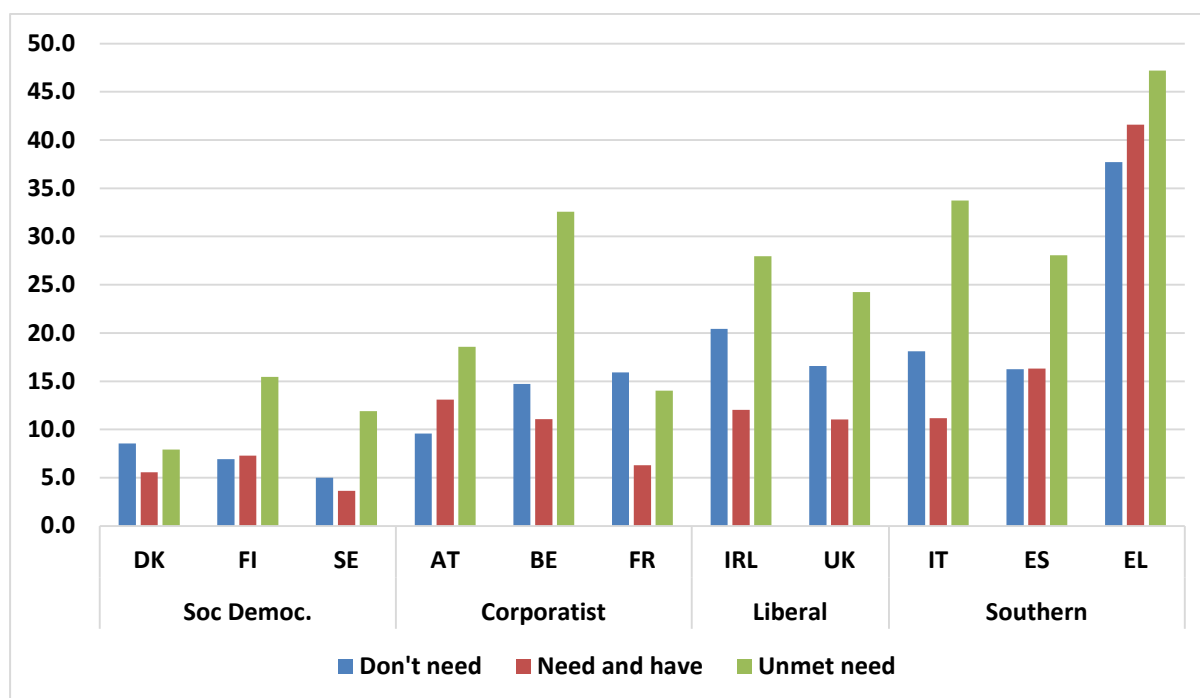
<sup>8</sup> We use the EU definition of material deprivation which involves an inability to afford three or more of the following: annual holiday, meeting unexpected expenses, avoiding arrears on household bills, a protein meal every second day, adequate heating of the dwelling, durable goods like a washing machine, colour television, telephone or car

Ireland (24 per cent) and Spain (32 per cent) are those where unmet need is associated with the largest rates of poverty.

It is possible that unmet need for childcare prevents parents from fully engaging with the labour market and so limits the amount of resources these households can secure.

Thinking of poverty across countries and welfare states, Social Democratic states have the lowest risk of poverty overall. Corporatist and Liberal regimes all have higher rates of poverty, but generally sit in the centre of the distribution. Southern states have the highest rates of poverty, and the highest risk of poverty among families with unmet childcare need. We now turn to measures of material deprivation across countries.

**Figure 2.15: Material Deprivation by childcare need and country (per cent), EU-SILC 2016**



Source: EU-SILC 2016. Authors' Calculations

The households most likely to experience deprivation across all welfare states are those with unmet childcare need, although again, this differs by country. Again, the relationship could operate in one (or both) of two ways: Unmet need for childcare may limit labour market participation leading to low income and deprivation; or low income may lead to both deprivation and an inability to afford adequate childcare



(assuming it is not provided by the state as a universal benefit). Families with adequate childcare need are the least likely to experience deprivation, in every country. Here households are likely engaging with the labour market and are able to cover childcare costs either public or private, while also paying for other material need. In the middle of the distribution are households who use exclusively parental childcare. This group is likely made up of single earners, and as a result may experience higher levels of deprivation because of lower income.

Comparing countries and regimes, Social Democratic countries have low rates of deprivation. Corporatist and Liberal countries have a higher chance of deprivation, while Southern states have the highest rates of deprivation, with additional pressure on those with unmet childcare need. In the next section we use statistical models to untangle the association between country, social class, social risk group, and unmet need on deprivation.

#### 2.6.1 Statistical model of material deprivation

The models below (Table 2.2) estimate the likelihood of experiencing material deprivation. The purpose of the model is to consider the link between unmet need and material deprivation, and whether this link can be explained by social risk, social class, and number and age of children.

**Table 2.2: Binomial logistic regression predicting material deprivation (EU-SILC 2016)**

VARIABLES	Material Deprivation	Material Deprivation	Material Deprivation
<b>Country (Ref: SE)</b>			
DK	1.69	1.86*	1.92*
FI	1.76*	2.04**	1.97**
AT	2.50***	2.14**	2.18**
BE	3.44***	3.05***	2.98***
FR	2.84***	2.70***	2.71***
IRL	4.30***	4.05***	3.96***
UK	3.62***	4.05***	4.06***
IT	4.18***	4.73***	4.84***
ES	4.00***	3.64***	3.81***
EL	13.37***	16.81***	17.65***
<b>Childcare need (Ref: Need met)</b>			
No need	1.26**	1.15	1.19*
Unmet need	2.22***	1.89***	1.86***
<b>Social risk (Ref: Other adults)</b>			
Lone parent		3.94***	4.14***
Parent with disability		2.33***	2.31***
<b>Social class (Ref: high soc class)</b>			
Middle social class		1.82***	1.82***
Lowest social class or never employed		4.33***	4.34***
<b>Number of kids under 12</b>			1.21***
<b>Youngest child 5+</b>			0.92
<b>Constant</b>	0.04***	0.01***	0.01***
<b>Observations</b>	72,288	72,288	72,288

Model 1 estimates the association between deprivation and country and childcare need. Unmet childcare need has a significant and negative association with deprivation when compared to adequate childcare. Further, respondents with no-need for childcare also report higher odds of experiencing deprivation when compared to respondents claiming to have adequate childcare.

Social Democratic states have the lowest odds of reporting material deprivation as noted in the previous figures. Corporatist states have higher rates of deprivation, while Liberal and Southern states have the highest odds of reporting material deprivation. Deprivation is particularly high in Greece, where respondents are 13

times more likely to experience material deprivation than Swedish respondents. Ireland, Italy and Spain also have higher rates of deprivation, where respondents are four times more likely to report material deprivation than Swedes.

Households with unmet childcare need are twice as likely to experience deprivation as households with adequate childcare. Households with no need for childcare are also significantly more likely to experience deprivation than households with adequate childcare, but to a lesser extent. This association is likely tied to the fact that households providing exclusively parental childcare are also more likely to rely on a single income or (in the case of lone parents) on income from social welfare.

Model 2 builds on Model 1, adding measures of social risk and social class membership. These additional controls do not remove the association between country and deprivation, which remain significant. The estimates have shifted only slightly, leaving Greece, Italy, Ireland, and the UK as the countries with the highest odds of deprivation. Social risk and social class groups also do not account for the association between unmet need and deprivation, although its magnitude is reduced slightly. Importantly, the association between deprivation and having no need for childcare is fully explained by differences in social class and social risk in terms of deprivation.

Lastly, social risk and social class groups differ in terms of their risk of deprivation. Lone parents are almost four times more likely to experience deprivation compared to other households. Households with a disability are twice as likely to experience deprivation as other households. Regarding social class, those in the middle social class are almost twice as likely to experience deprivation as those in the highest social class. Those in the lowest social class are four times more likely to experience deprivation than those in the highest social class.

Model 3 considers the importance of the number and ages of children. These factors do not explain country differences in deprivation. Nor do they explain the negative impact of unmet childcare need on deprivation. Even when respondents have children who are over the age of 5 and require less childcare, if they cite unmet need for childcare, they are also likely to be experiencing deprivation, controlling for all other measures. Each child increases the odds of deprivation in the home. As before, we find that Greece, Ireland, and Italy have the highest odds of experiencing

material deprivation.

The estimates above provide two key findings. First, country differences in deprivation cannot be explained by social class, social-risk, or household composition. Controlling for each of these maintains differences between countries in their odds of deprivation. Second, unmet childcare need is significantly associated with deprivation. Further this effect cannot be explained by social class, social risk, or household composition.

Regarding our hypotheses tied to deprivation, we accept *hypothesis 3*; unmet need for childcare is associated with deprivation. This association remains even when controlling for a range of other measures. In the next section we consider mother's employment as an outcome, in an effort to explore the relationship between unmet childcare need and the economic activity of mothers.

### 2.6.2 Estimating mothers' non-employment and childcare need

The last section of the chapter explores the association between childcare need and mothers' economic status across countries. We ask whether a lack of childcare impedes mothers' access to economic activity, given that mothers disproportionately provide the bulk of childcare in the home.

Is unmet need associated with non-employment or are these separate processes? The models in Table 2.3 estimate the odds of mothers not working, controlling for country differences, differences in care need, social risk, social class, and household demographic composition.

**Table 2.3: Logistic regression predicting mothers not working (EU-SILC 2016)**

VARIABLES	Mother not working	Mother not working	Mother not working
Country (Ref: Sweden)	Model 1	Model 2	Model 3
DK	1.10	1.10	1.17
FI	3.47***	3.09***	2.89***
AT	6.35***	3.98***	4.08***
BE	2.84***	2.05***	1.93***
FR	2.56***	1.76**	1.74**
IRL	6.33***	4.05***	3.78***
UK	3.93***	2.77***	2.68***
IT	7.62***	5.56***	5.80***
ES	5.79***	3.20***	3.42***
EL	8.63***	6.79***	7.63***
<b>Childcare need (Ref: Met need)</b>			
No need	1.26**	1.15	1.19*
Unmet need	2.22***	1.89***	1.86***
<b>Social risk (Ref: Two working age adults)</b>			
Lone parents		1.45***	1.65***
Disabled parent		1.52***	1.53***
<b>Social class (Ref: High social class)</b>			
Middle social class		1.33***	1.35***
Lowest social class or never employed		2.64***	2.71***
<b>Number of children under 12</b>			
Youngest child over 5 years old			0.64***
Constant	0.09***	0.07***	0.04***
<b>Pseudo R<sup>2</sup></b>			
	0.060	0.113	0.138
<b>Observations</b>			
	67,410	67,410	67,410

Source: EU-SILC 2016. Authors' Calculations

Note: \*\*\* p<0.001, \*\* p<0.01, \* p<0.05

Starting with Model 1, there are country differences in mothers' non-employment. Social Democratic states have the lowest odds of mothers reporting non-employment; where Sweden and Denmark have similar odds. Finnish mothers have three times higher odds of not working compared to Swedish mothers. Mothers in Liberal countries have higher odds of not working, especially Ireland where they are six times more likely to be non-employed when compared to Swedish mothers. Corporatist states hold a "middle ground" regarding family based care. Mothers in Belgium EU and France are two times more likely to not be in employment, when compared to Swedish mothers. Mothers in Southern states have the overall highest odds of non-employment, when compared to Swedish mothers. Specifically, Greek

and Italian mothers are nine and eight times more likely (respectively) to report that they are not working than Swedish mothers. In total, there is wide variation between countries in mothers' employment. Once again, the countries with the highest odds of non-employment are Greece, Italy, Austria, and Ireland.

Model 1 also reveals that childcare need is associated with mothers' non-employment. Mothers with no need for childcare have higher odds of non-employment, reflecting their greater likelihood of providing exclusively parental care. However, unmet childcare need has a larger positive association with mother's non-employment. Mothers who feel they have unmet need for childcare are two times more likely to be outside of employment when compared to mothers who have adequate childcare.

Model 2 considers the impact of social risk and social class. The pseudo R-squared value has increased in model 2, suggesting that we are better able to explain the variation in mothers non-employment. Country differences remain even when we consider social risk and social class. Further, social risk and social class cannot explain differences in unmet care need, but can explain differences in "no need" for childcare. Mothers with no need for childcare are twice as likely to report non-employment as mothers with adequate childcare. This finding is predictable, since mothers who are committed to traditional parental childcare are more likely to be outside the labour market than mothers who have access to childcare services. Having unmet childcare need increases a mothers likelihood of non-employment almost two times when compared to mothers with adequate childcare. This is consistent with the supposition that unmet childcare need prevents mothers from working, although we cannot make definitive causal claims using cross sectional data.

Model 3 considers the number and ages of children. Both measures are strongly associated with mother's non-employment and increase the measure of variation explained (Pseudo R-squared). Having multiple children in the home increases the odds of being mother's non-employment, but where the youngest child is over 5, mothers have lower odds of being non-employed, compared to mothers of younger children. Crucially, these estimates do not explain the negative impact on employment of having unmet need for childcare, which remains significant. The

countries with the highest odds of mothers' non-employment are Greece, Italy, and Ireland.

Again, the table above contains two important findings. First, social class, social-risk, or household composition cannot explain country differences in mothers' non-employment. Second, the positive association between unmet childcare need and mothers' non-employment cannot be explained by any of the measures considered. In short, the findings are consistent with the view that unmet childcare need acts as a potential barrier to mothers' employment. As expected, we find that unmet childcare need is associated with non-employment. We confirm *hypothesis 4*.

## 2.7 Summary

This chapter explored the country, social class, and social-risk differences in access to childcare. It also outlined the impact of unmet childcare need on first deprivation and then mothers' employment. We focused specifically on households with children under the age of 12. Results suggest:

Access to formal childcare differs significantly between countries, with Social Democratic states offering the highest access, Corporatist states offering intermediate access, and Liberal and Southern states offering little access to childcare.

Within countries, social class and social risk groups differ significantly in access to childcare, with lone parents having overall the lowest use of formal childcare. Differences between social risk groups are slightly more pronounced in Social Democratic states, differences in social class groups are most pronounced in Liberal states.

Unmet childcare need differs across countries with Social Democratic states having lower levels of unmet childcare than Southern and Liberal states. Further, social risk, social class, household composition and country differences cannot explain the differences in social-risk groups in having unmet need. In short, lone parents across a range of welfare states are more likely to suffer from unmet need when compared to other working age adults controlling for a wide range of household characteristics.

Material deprivation is associated with unmet formal childcare need. Household composition, social class and social risk differences between individuals do not explain the effect.

Finally, mothers' non-employment is affected by unmet childcare need. As before household composition, country, social class, and social-risk group differences cannot explain the effect.





# Chapter 3

## Homecare



### 3.1 Introduction

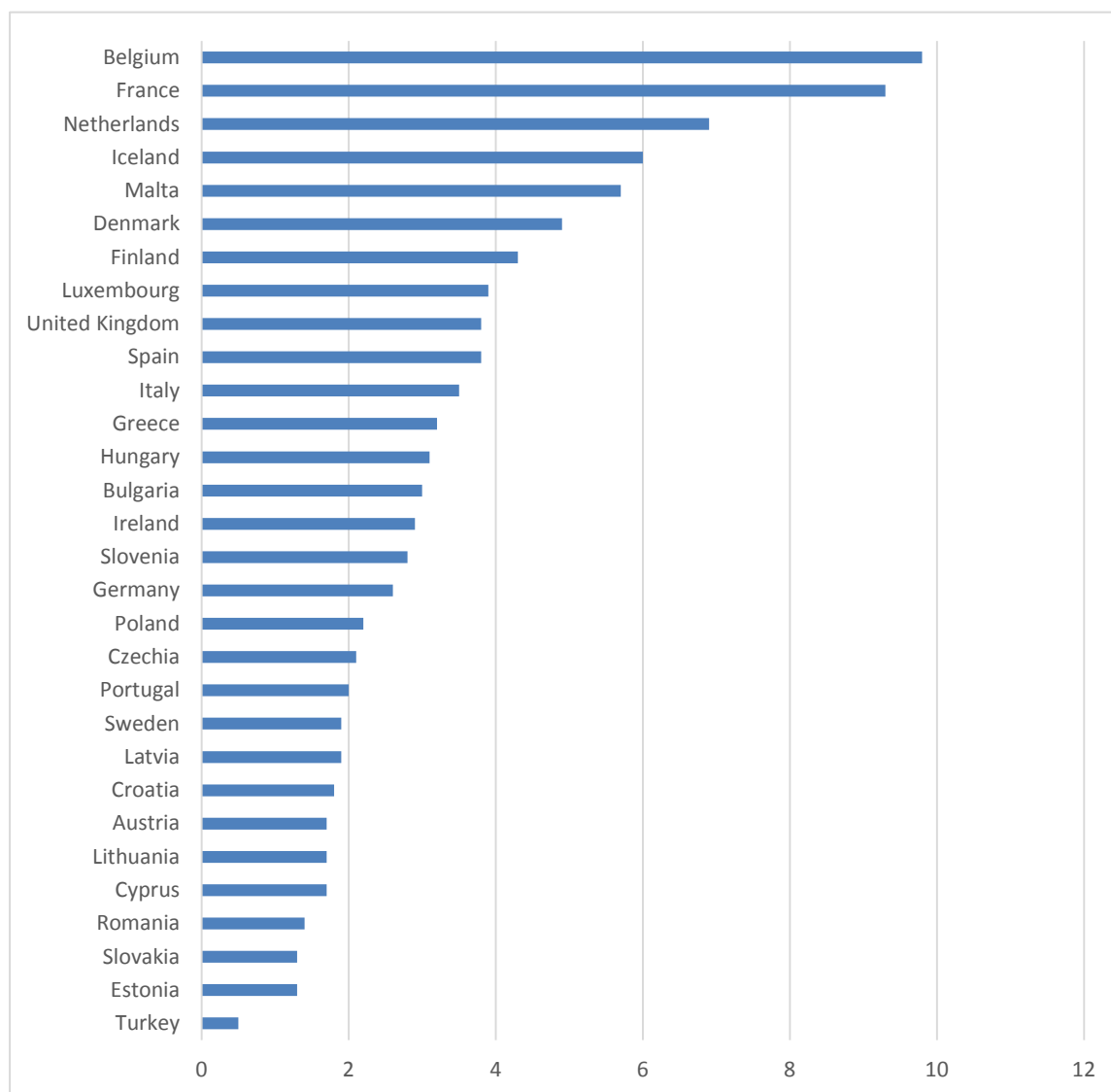
This chapter considers access to home care and has four aims. First, we present country differences in home care. Second, we consider social risk and social class differences in home care across countries. Third, we discuss the relationship between access to home care and poverty. Specifically, we consider the association between social risk, social class, and home care access and poverty. Finally, we consider how social risk, social class, and country context influence the relationship between home care need and employment. Throughout, we consider the hypotheses laid out in Chapter 1.

Older adults and children with illness or disability are the primary users of formal home care services (Murphy et al 2015; NESF 2012). However, working age adults may also use formal home care. Such services are a cost effective and more appropriate method than residential care of caring for a wider range of people (Fernandez and Forder 2008, Costa-Font et al. 2009, Hanly and Sheerin 2017). Unmet home care need is closely associated with social exclusion and poverty, both for those receiving care and carers themselves (Srakar et al 2015; King and Pickard 2013). Countries also differ in the prevalence of unmet home care need. As a result, the effects of unmet need for such care warrants attention (Srakar et al 2015).

### 3.2 Baseline differences in Europe

Before considering micro-level data from EU-SILC, we briefly examine macro differences in home care captured in previous years (Figure 3.0). The figure below captures country differences in formal home care provision. It focuses only on formal home care provision and does not consider families receiving home care informally through friends or family.

**Figure 3.0: Self reported use of home care services by country, European Health Interview Survey 2014, individual level data (per cent)**



Source: Eurostat: 2014 EU-SILC data. Series; hlth\_ehis\_am7u

Note: Data does not consider respondents under 15 years of age.

Social Democratic states (Denmark, Sweden, Finland, and Norway) differ widely in the figure above. Some countries use formal home care more than others; 5 per cent of Denmark’s individuals use formal home care services, while it is less than 2.5 per cent among Swedish individuals. Liberal states (Ireland and the UK) provide less coverage than the Social Democratic states (except for Sweden), with Ireland offering slightly less coverage (2.6 per cent) than the UK (2.8 per cent). Southern states (Spain, Italy, and Greece), sit close to one another offering below average cover of home care to individuals.

### 3.3 SILC sample

This chapter uses cross-sectional data from the 2016 EU-SILC, which includes a unique module on access to services. We focus only on respondents who have a potential need for home care services or who live with someone who has a potential need for such services. For this reason, we select only households in which a member is in need of assistance. During the SILC interview, the household respondent was asked the following:

“Presence in the household of people who need help due to long-term physical or mental ill-health, infirmity or because of old-age?”

Using this item, we can focus exclusively on households with adults or children who need help due to a long-term health issue or disability. The survey instruction notes that *“the main characteristics of a long-term health problem are that it has lasted already or is expected to last for at least six months... and may require a long period of supervision, observation or care.”* The measure is capturing not only older respondents and children, but also working age adults who may need care because of illness or infirmity. It is also important to note that this form of care is different from childcare, discussed in the previous chapter.

A follow up question asks whether individuals receive “Professional home care” in their home, whether their need for professional care is met, and the reasons for unmet home care, if this is the case. Professional home care refers to receiving care from *“professional health or care workers”*, or those who provide home care for wages in a formal labour market setting. Specifically, the survey states *“Professional care shall be understood as a person for whom providing home care represents a job: work or paid activity. The term “professional” does not content a notion of qualification or a quality of care.”*

### 3.4 Need for help

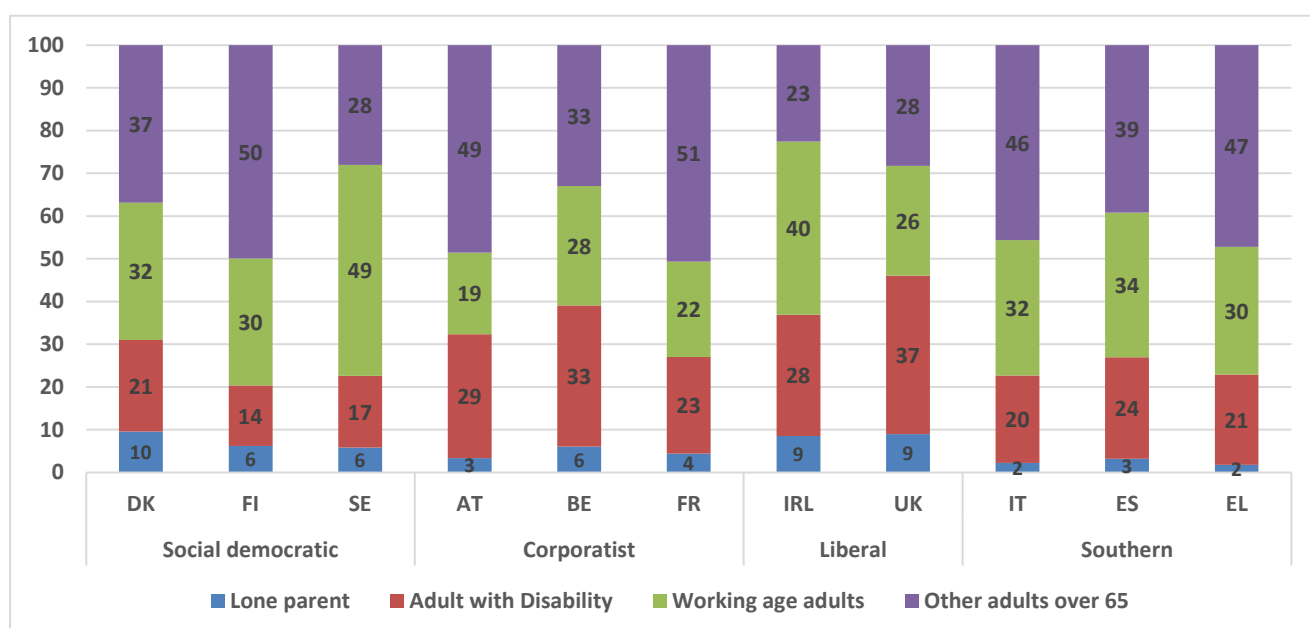
We present the distribution of social risk groups and social classes in need of home care across countries and welfare states. Countries are unique in their distribution of social class and social risk groups, but also in the need for home care between those groups and within countries. The baseline difference in social class and social risk groups were covered extensively in Chapter 2, and so we only present the

distribution of the groups reporting the presence of someone in the household that needs help.

### 3.4.1 Social risk groups

We defined social risk groups as lone parents, someone of working-age with a disability (or living with someone of working-age who has a disability), or adults aged over 65. In order to compare these groups to a meaningful reference, we also consider working age adults (and any children they may have) who do not fall into the categories above. Importantly, not all households with a disability require home care. Thinking of our sample overall, most people living in a household with a person with a disability do not need formal home care (63 per cent). However, when thinking of the share of respondents who need home care, the majority cite a disability present in the household (56 per cent). We show the distribution of social-risk groups among households in need of home care within countries below.

**Figure 3.1: Composition of individuals in households with a Need for Home Care across countries and welfare states (per cent) EU-SILC 2016**



Source: EU-SILC 2016. Authors' Calculations.

Note: Includes only those with potential home care need.

The need for home care is largely concentrated among adults over 65. This association holds in most countries, although the need for home care is also high in working-age households with a member who has a disability. Sweden (49 per cent)

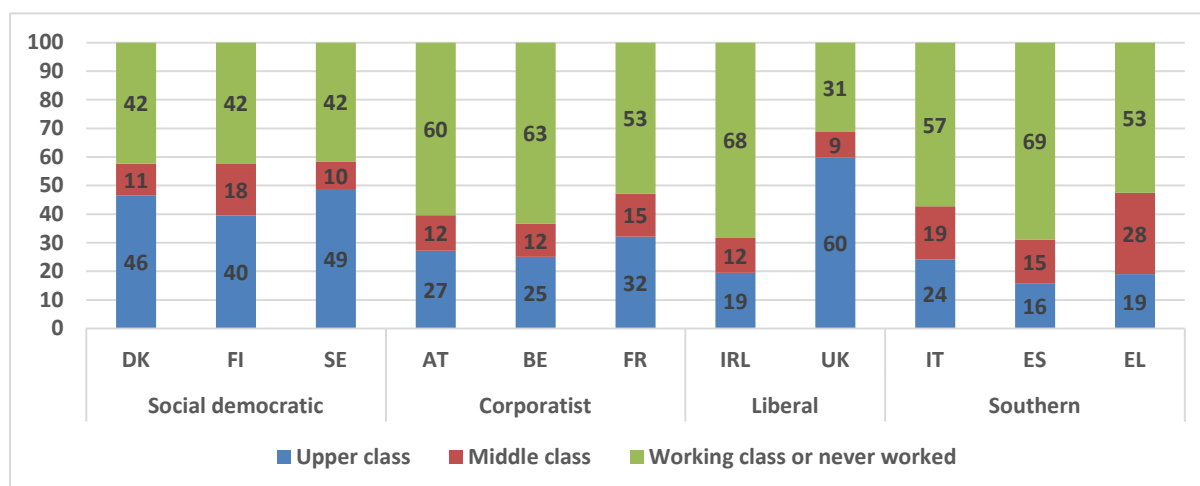
and Ireland (40 per cent) are important outliers; there is a high percentage of people who live with someone of working-age requiring home care in both countries. In Belgium (33 per cent) and the UK (37 per cent) the majority of respondents in households that need home care contain a working-age adult with a disability. The remaining countries are those where older adults are most in need of home care. Lone parent households are the least likely to cite a need for home care.

The figure shows that home care need is not confined to one social-risk group. Further, the relationship between social risk groups and their need for care differs across countries and welfare states.

### 3.4.2 Social class groups

Chapter 1 defined social class groups using the occupation-based European Socio-Economic Classification, which draws on the work of Goldthorpe (2007). These categories capture group differences in resources like income and status; we simplify the ESeC into three categories, high, middle, and lower social classes. The distribution of these groups across countries and welfare states is shown below in Figure 3.2. The chart focuses only on respondents who live in a household where someone needs care.

**Figure 3.2 Social Class Composition of population in need of home care across countries and welfare states (per cent) EU-SILC 2016**



Source: EU-SILC 2016. Authors' calculations.

Note: Only includes those with potential home care need/only those with person requiring help in household.

Three important distinctions emerge. First, in most countries those who need home care are over-represented in the lowest social class. Social Democratic states are an exception, as is the UK. Second, the relationship between class and home care need differs by country or welfare regime. Here, Corporatist, Southern states, and Ireland have a particularly high share of those needing home care in the lowest social class. Third, in Social Democratic states those in need of home care are about equally likely to be in the highest and lowest social class. The two Liberal states are very different from each other. In the UK, the highest social class dominates among those in need of home care while in Ireland those in need of home care are mostly comprised of those in the lowest social class. This difference likely stems from the class composition of both countries. As we saw in the previous chapter, the majority of respondents in the UK fall into the high social class group, while Ireland is the opposite (Figure 2.3).

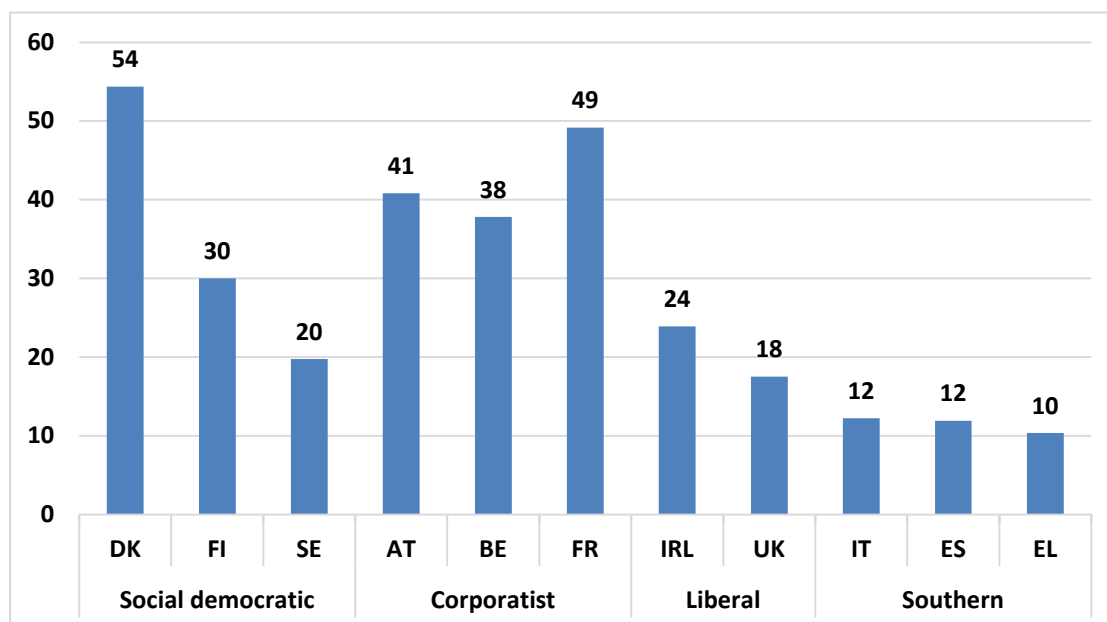
### **3.5 Use of formal home care**

One way to secure home care need is to rely on formal home care services (provided by waged workers, mentioned earlier) (NESC 2012); another is to rely on informal home care provided by friends and family. We consider the use of formal home care across countries and across social risk and social class groups within countries. We return to informal home care in a later section.

#### **3.5.1 Home care differences between welfare states**

Figure 3.3 shows the share of people receiving formal home care of the people who cite a need for home care.

**Figure 3.3: Percentage of Individuals In households receiving formal home care by country and welfare state EU-SILC 2016**



Source: EU-SILC 2016. Authors' calculations

Note: This data considers only those who cite a need for help.

Across all countries, the majority of respondents who cite a need for help do not receive formal home care. The exception is Denmark (54 per cent) and in France, just under one-half of those who need help receive formal home care (49 per cent). Gannon and Davin (2010) previously mentioned France as having wide coverage of home care services. Elsewhere, the European Commission (2018) report on ageing cites Denmark and France as investing heavily in home care provision.

Southern states provide the least formal home care to those in need of it. In Italy, Spain, and Greece just over 10 per cent of respondents who live in homes where someone needs help, receive formal home care services. The European Commission (2018, p 134) suggests coverage of home care is low in these countries.

Regarding welfare state differences, Liberal states sit closer to Southern states than to Corporatist states; Ireland provides formal care to 24 per cent of those needing care, while the UK provides it to 18 per cent of those needing care. Generally, there are wide differences between countries in access to home care, even when considering only those who need any type of care. These differences likely affect social class and social risk groups in terms accessing home care. The Social



Democratic states are very divergent, with high levels of provision in Denmark, medium levels in Finland and relatively low levels in Sweden.

Our results confirm the pattern identified by Saraceno and Keck (2011). They argued that Corporatist states are encouraged to provide care for the elderly at home within the family. This support mainly takes the shape of familialist income transfers.

Formal home care and residential care are still available, but there is less coverage in these forms of care. We see that Corporatist countries have high access to formal home care in the figure above (Figure 3.3). Southern states are familialist by default. Here, income transfers are minimal and formal home care is highly limited; this appears in the figure above as Southern states are the least likely to grant access to formal home care. Saraceno and Keck (2011) claim liberal welfare states like Ireland and the UK are internally divergent, with some familial income transfers but limited services for the care of elderly. This too emerges in the figure, where this welfare regime has low access to formal home care services from professionals. However, the rate is above the Southern states, which offer minimal coverage.

The only outliers to Saraceno and Keck's typology are Finland and Sweden, where a minority of respondents who seek care, receive it. They hypothesise that such countries should see large decommodification of care, away from the family and to the state. Hence Denmark's use of home care services. We find that Sweden and Finland have low rates of formal home care among households that need any form of care. These countries could be more reliant on residential forms of care, which the EU-SILC does not capture, or on informal home care provided by family and friends. The European Commission's (2018) report on ageing suggests these countries invest more in home-care than residential care, which rules out the latter option. It's possible that these countries provide mostly informal care to those who need home care. Alternatively, the relatively high level of provision of home care may have raised expectations, making formal home care the norm such that demand has outstripped supply.

### 3.5.2 Home care differences across social risk groups

This section splits the provision of home care by social risk group. In Table 3.1 we do not present results for lone parents as the number of cases for this group is too small to report, for reasons of statistical robustness and disclosure control.

**Table 3.1: Percentage receiving formal home care among those in need of care, by social risk across country and welfare state EU-SILC 2016**

Welfare state	Country	Adult with Disability	Working age adults	Other adults over 65
<b>Social Democratic</b>	DK	34	42	80
	FI	17	15	44
	SE	[10]	7	52
<b>Corporatist</b>	AT	25	[29]	54
	BE	28	29	57
	FR	35	35	63
<b>Liberal</b>	IRL	20	19	42
	UK	16	12	24
<b>Southern</b>	IT	8	10	16
	ES	6	8	18
	EL	9	8	12

Source: EU-SILC 2016. Authors' calculations.

Note: Denominator is made up of all respondents who claim to need home care. Results presented with [ ] are estimates considered to have a wider margin of error and should be treated with caution.

In most countries older adults are the most likely to receive formal home care. The provision of formal care for adults with a disability and working age adults is lower.

Corporatist countries show surprisingly little variation, apart from the higher rate of formal care among older adults. Adults over 65 still receive the most care (54 per cent in Austria, 57 per cent in Belgium, and 63 per cent in France) but the remaining groups are uniform, with adults with a disability, and working age adults showing similar levels of access to home care. In Ireland, adults with a disability, and working age adults receive little home care (20 per cent) unlike older households who need help, 42 per cent of which receive home care. Once again, Sweden provides little care to each social risk group. Southern states receive very little care in general.

### 3.5.3 Home care differences across social classes

Social classes are also likely to vary in terms of access to formal home care services. In this section, we consider if social class groups receive similar access to home care across countries.

**Table 3.2: Social classes receiving home care by country and welfare state**

Welfare	Country	High Social class	Middle social class	Lowest social class or never worked
<b>Social Democratic</b>	DK	53	56	55
	FI	30	35	28
	SE	23	[21]	17
<b>Corporatist</b>	AT	49	[28]	40
	BE	35	45	38
	FR	50	53	47
<b>Liberal</b>	IRL	34	18	21
	UK	20	[10]	14
<b>Southern</b>	IT	8	14	14
	ES	13	11	12
	EL	11	8	12

Source: EU-SILC 2016. Authors' calculations.

Note: Denominator is made up of all respondents who claim to need help. . Results presented with [] are estimates considered to have a wider margin of error and should be treated with caution.

Differences between social classes are minor. Social class membership does not explain differences in home care access, although country differences exist. The UK (20 per cent), Ireland (34 per cent), and Austria (49 per cent) may be an exception in that high social class individuals show a greater level of access to home care services than the lowest social class or middle social class respondents. It is likely that those in the high social class are better able to secure home care through the market, while those in the lower social class are entitled to means tested services for care. In Italy (8 per cent) and Belgium (35 per cent) members of the high social class have the lowest access to formal home care. Liberal countries have high class differences in access to home care, most likely due to the market provision of much home care.

We now consider the prominence of unmet need across countries, and across social risk and social class groups within countries. Beyond asking respondents if they live in homes where at least one individual needs help, the survey also asks whether respondents receive adequate help. This data also allows us to capture who receive informal care from family and friends. These respondents, although in households where someone has a need for home care also respond that they have no need for *formal* home care. We assume these respondents receive such help informally. It should be noted that countries likely differ in the duration of care provided – the

number of hours per week, for instance. While the duration of care should be noted in future research, we do not explore this outcome due to limitations of space.

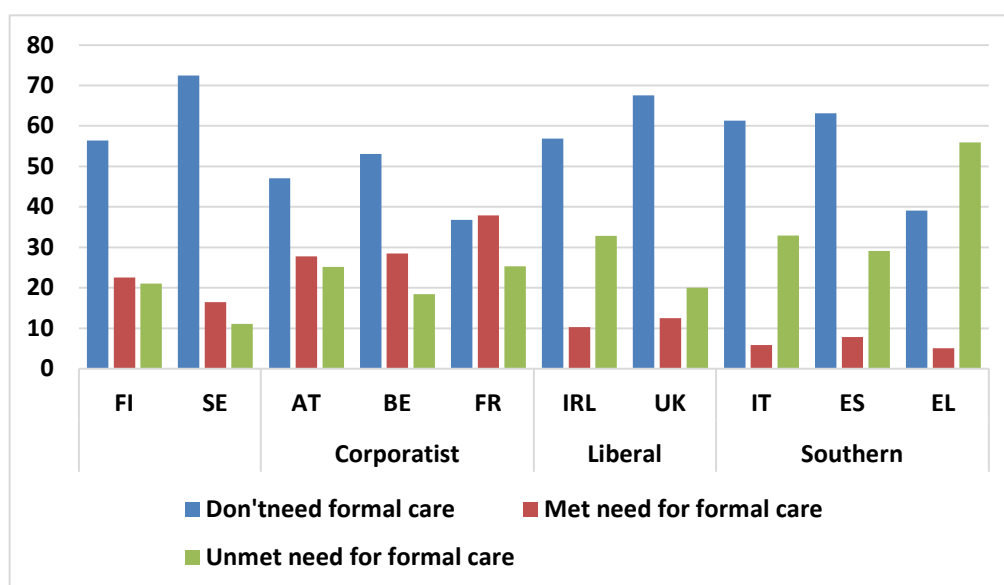
We note that the previous figures show unexpected results for Sweden, where few of those who need care receive formal home care. These respondents must either rely on informal home care, or must have high levels of unmet care. We pay particular attention to their results below.

### 3.6 Met and unmet need for home care

#### 3.6.1 Country differences in met and unmet need

In the section below (Figure 3.4) we show the prevalence of met and unmet need for formal home care across countries and welfare states.<sup>9</sup> The figure also shows the prevalence of informal home care (marked “Don’t need formal home care”). These respondents cite a need for care but do not require formal home care.

**Figure 3.4: Met and unmet need for home care by country and welfare state (per cent) EU-SILC 2016**



Source: EU-SILC 2016. Authors' calculations

Note: Denominator is made up of all respondents who claim to need help. Denmark is omitted from the analysis because it has no variation in unmet need (all respondents cite “adequate care”) This is likely an error within the data.

<sup>9</sup> Denmark is dropped from the analysis as home care need does not vary (100 per cent of individuals list that their need for home care are met).

In all countries, except Greece, the biggest group among those who need home care consists of those who “don’t need” formal care, and (we assume) receive informal care. In Greece the biggest category is ‘unmet need’ (56 per cent). Informal home care is most prominent in Sweden (72 per cent) and the UK (68 per cent).

Figure 3.4 reveals that countries differ in the prevalence of unmet home care need. Social Democratic and Corporatist states have few instances of unmet need as it is the least common outcome in each of these countries. Liberal and Southern states have more unmet need than met need. Here unmet need is more common than adequate home care services. Finally, unmet need is most prevalent in Greece (56 per cent), Italy (33 per cent) and Ireland (33 per cent). The lowest rates of unmet home care need are in Sweden (11 per cent).

Since unmet need is associated with social exclusion, it is worth considering its distribution among social-risk and social class groups.

### 3.6.2 Social risk differences in unmet need, across countries and welfare states

Unmet need for home care differs across countries and welfare states, with Social Democratic and Corporatist states seeing few instances of unmet need, and Southern and Liberal states seeing significantly larger rates of unmet need. Is unmet need distributed equally across social risk groups; or are those prone to social exclusion more likely to report unmet need? We show the differences in unmet need across social risk groups and across countries and welfare states below. In Table 3.3 we do not present results for lone parents as the number of cases for this group is too small to report, for reasons of statistical robustness and disclosure control.

**Table 3.3: Unmet need for home care by social risk group across countries and welfare states (per cent within each group) EU-SILC 2016**

Welfare	Country	Adult with Disability	Working age adults	Other adults over 65
Social Democratic	FI	27	11	25
	SE	[23]	[6]	15
Corporatist	AT	[31]	[22]	23
	BE	21	17	16
	FR	29	17	29
Liberal	IRL	34	29	38
	UK	21	16	21
Southern	IT	33	26	38
	ES	29	21	36
	EL	50	47	64

Source: EU-SILC 2016. Authors' calculations

Note: Denominator is made up of all respondents who claim to need help. Results presented with [ ] are estimates considered to have a wider margin of error and should be treated with caution. Denmark is omitted from the analysis because it has no variation in unmet need (all respondents cite "adequate care")

Table 3.3 highlights that countries show variation in unmet need by social risk groups. In each country, those in working age households, the reference category, are least likely to report unmet care need. Older adults and adults with a disability are more likely to report unmet need for home care.

In Finland (27 per cent), Sweden (23 per cent), and Austria (31 per cent) households with a disability are most likely to report unmet need. Older individuals are more prone to unmet home care need in Greece (64 per cent), Ireland (38 per cent) Spain (36 per cent), and Italy (38 per cent). In general, all the vulnerable social risk groups are to some extent (but with some variation) more likely to report unmet need than the reference group, but these group penalties are mitigated by the country of respondents.

### 3.6.3 Social class differences in unmet need, across countries and welfare states

We turn to social class differences in unmet home care need. Is unmet need distributed equally across social classes; or are the most disadvantaged social class households more likely to experience unmet formal home care need?

**Table 3.4: Unmet need for home care by social class across countries and welfare states (per cent within each class) EU-SILC 2016**

Welfare	Country	Highest social class	Middle social class	Lowest social class
<b>Social Democratic</b>	FI	21	20	21
	SE	[8]	[17]	12
<b>Corporatist</b>	AT	[18]	[29]	28
	BE	15	[13]	22
	FR	20	23	31
<b>Liberal</b>	IRL	41	27	31
	UK	20	[18]	20
<b>Southern</b>	IT	28	35	35
	ES	24	27	31
	EL	54	54	58

Source: EU-SILC 2016. Authors' calculations

Note: Results presented with [ ] are estimates considered to have a wider margin of error and should be treated with caution. Denmark is omitted from the analysis because it has no variation in unmet need (all respondents cite "adequate care")

In most countries, the three social classes are similar in terms of their chances of unmet care need. Where differences exist, typically the highest social class households report lower rates of unmet need.

Ireland is an exception where high social class households (41 per cent) report higher rates of unmet care need than the lowest social class households (31 per cent). This finding challenges our previous results (Table 3.2), where over 30% of respondents in the highest class group cite access to some form of home care.

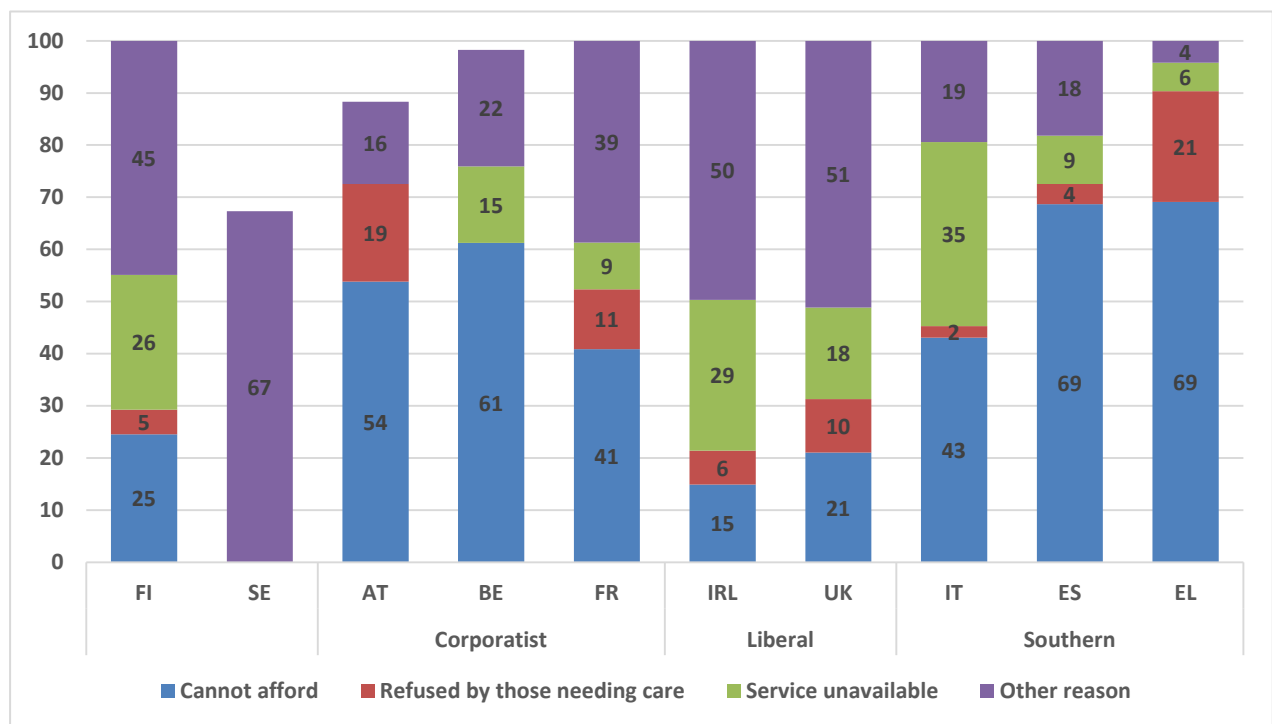
We offer two interpretations. First, results could stem from the fact that higher class respondents rely mostly on private provisions of care, and while they have access to this care (Table 3.2), it is inadequate overall (Table 3.3). In other words, since Ireland offers only limited home care services (Gannon and Davin, 2010), high social class households may rely more on private provisions of home care than other class groups. Market based solutions for home care may not be comprehensive, even for the most advantaged social classes. Second, higher social class groups are less likely to qualify for means-tested services. Further, higher social class groups are less likely to provide informal care to older family in the home (a group which tends to cite "no need" for care), because of higher levels of labour market participation by

women. Both factors are likely at play, but Ireland is also unique in its high chances of unmet need among the highest social class groups. Such groups typically hold an advantage in terms of access to services.

### 3.6.4 Reasons for unmet need by country and welfare state

During the SILC interview, respondents with unmet need for care were asked the main reason for unmet need. We focus on four possible reasons; affordability, suitability, availability, and other reasons. These are shown by country in the figure below.

**Figure 3.5: Reason for unmet home care need across countries and welfare states (per cent) EU-SILC 2016**



Source: EU-SILC 2016. Authors' calculations

Note: Eurostat rules state that cells containing under 20 cases must be omitted and cannot be reported. Denmark is omitted from the analysis because it has no variation in unmet need (all respondents cite "adequate care")

The main reason for unmet care need differs across countries. Refusal to accept care is uncommon, but generally countries can be split by those where affordability is the main issue (Southern and Corporatist states), and those where "other" reasons are most often cited (Liberal and Social Democratic states).



### 3.6.5 Modelling access to home care services

The figures above capture group and country differences in home care access and adequacy. Unmet need for care can stem from the age profile of the country, with older populations containing higher need for home care than countries with younger populations. Country differences may also stem from differences in composition of social risk and social class groups within countries. Lastly, differences in the generosity of income support or the level of universality of home care provision could explain country differences.

We consider these relationships in Table 3.5 using the same methods as in Chapter 2. We estimate the likelihood of having no need, unmet need or a met need (reference category) for formal home care.

**Table 3.5: Multinomial logistic regression of having no need and unmet need for home care, odds ratios (EU-SILC 2016)**

	1	2	1	2
VARIABLES	No Need	No Need	Unmet Need	Unmet Need
Ref:SE				
FI	0.56***	0.76	1.38	1.61*
AT	0.38***	0.53**	1.34	1.48
BE	0.42***	0.43***	0.96	0.91
FR	0.22***	0.28***	0.99	1.09
IRL	1.25	1.11	4.73***	4.17***
UK	1.22	1.37*	2.37***	2.54***
IT	2.37***	3.15***	8.31***	9.45***
ES	1.83***	2.16***	5.50***	5.68***
EL	1.74**	2.20***	16.28***	18.13***
Ref: Adults over 65				
Lone parents		4.66***		2.64***
Adults with disability		4.01***		2.58***
Other adults		4.56***		1.91***
Ref: High social class				
Medium Social class		1.26		1.22
Low social class		1.24*		1.42***
Constant	4.41***	1.50**	0.68*	0.36***
Observations	28,797	28,797	28,797	28,797

Source: EU-SILC 2016. Authors' calculations

Note: \*\*\* p < 0.001, \*\* p < 0.01, \* p < 0.05.

Note: The models include households where someone needs help. The reference category consists of those with adequate formal care. Denmark is omitted from the analysis because it has no variation in unmet need (all respondents cite "adequate care")

We first consider models estimating the odds of citing no need for home care (relative to the reference group, which has adequate home care). Model 1 lays out the basic country differences in having no need or an unmet need for home care. Regarding “no need” for home care (households that rely on informal home care), Finland has lower odds of reporting “no need” for home care than the reference category (Sweden). Corporatist countries (Austria, Belgium and France) all report lower odds of having no need for care than Swedish households. Liberal countries (both Ireland and the UK) show no difference in their likelihood of reporting “no need” for home care, suggesting they have equal odds to Sweden. Finally, Southern states have the greatest odds of reporting “no need” for care than Swedish individuals. These findings are somewhat in line with the literature, with Southern states characterised by high level of both unmet need for formal home care and of citing “no need” (because of a reliance on informal home care). Corporatist and Social Democratic states, on the other hand, make greater use of formal care options. Sweden, Ireland, and the UK report a middle ground in terms of informal home care.

Model 2 for no need, considers social class and social risk measures. Country differences in the odds of having no need remain similar after controlling for social class and social risk groups within countries. Class and risk explain part of the difference between Finland and Sweden, however, the other country differences remain even when controlling for social risk and social class.

Social class and social risk have their own effects on having “no need” for home care. Holding older adults as the reference category, we show that the other social risk groups all have a higher likelihood of reporting no need for formal home care. In this way, older adults are the most likely to report having adequate access to formal home care services (the reference category). Regarding social class differences, the middle and lowest social class households are more likely to list “no need” for home care than high social class households are, although the effects is only significant for the lowest social class.

The next set of models considers the likelihood of citing unmet need for home care (relative to citing adequate home care need). We are particularly interested in these results since they are relevant to our hypotheses, laid out in section 1.8. Here, countries can be split into two groups. First, those countries with relatively low odds

of reporting unmet need for home care: Sweden, Finland, Austria, Belgium, and France. The second groups of countries are those with high odds of reporting unmet need for home care, namely Ireland, the UK, Spain, Greece and Italy. These distinctions follow welfare state differences in the provision of home care, with Social Democratic and Corporatist States providing more home care than Liberal and Southern states.

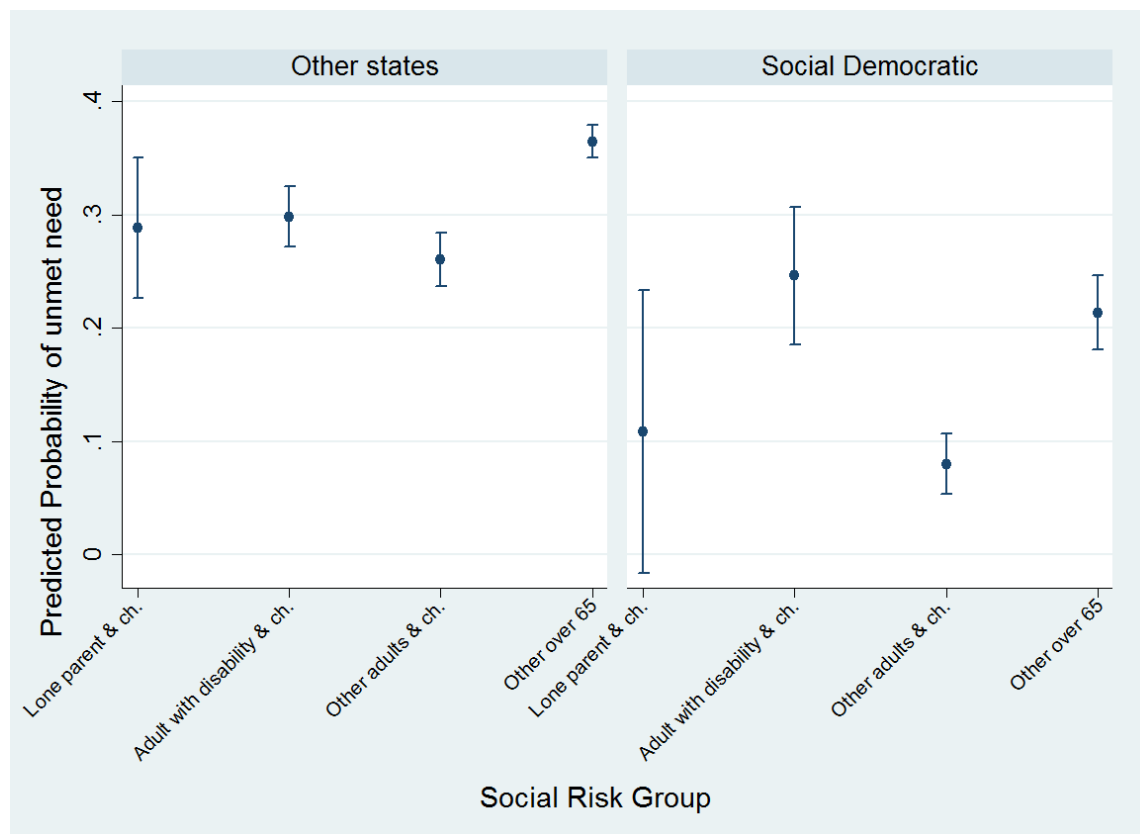
Model 2 examines social class and social risk patterns of citing unmet need for home care. Controlling for these factors does not eliminate the difference between countries. However, social class and social risk have their own impact on the odds of having unmet need for care. Holding older adults as the reference category reveals that they are least likely to cite unmet home care need. Working age adults, adults with a disability, and lone parents are all twice as likely to list unmet home care need when compared to older adults. This could stem from targeted resources, which are aimed specifically at households with older people. Regarding class differences, high social class households are the least likely to have unmet need for home care, while low social class respondents have the highest odds of unmet need.

Overall, country differences in unmet need persist, as do differences between social risk and social class groups. We accept *hypothesis 1a*, Social Democratic states offer the lowest odds of unmet home care need. We also accept *hypothesis 1b*, in that means-tested Liberal and Southern states have significantly higher odds of unmet need than Social Democratic states. We reject *hypothesis 2a*, vulnerable social risk groups have higher odds of unmet need for care, except for older adults. Older adults are the least likely to cite unmet need for care even when compared to the relatively advantaged working age adults (i.e. those who are not lone parents of living with someone with a disability). We find partial support for *hypothesis 2b* in that the lowest social class cites more unmet need than higher groups. However, there are no differences between the middle and higher social class in the odds of citing unmet need. In the next section, we consider the consequence of unmet need regarding poverty and deprivation.

### 3.6.6 Group differences in Social Democratic states

In this section we simplify the models above in an effort to compare social risk and social class differences in Social Democratic states, relative to other states. We hypothesise that social risk and social class groups in states with universal home care experience more equality in unmet need, relative to other states. In the model below we interact a dummy variable for Social Democratic states with social risk and social class. We list the full model in the Appendix (Table A.2), and chart the predicted probability of unmet need below.

**Figure 3.6: Predicted probability of having Unmet need by Social Risk groups in Social Democratic states versus other states (Interaction effect)**



Source: EU-SILC 2016. Authors' Calculations

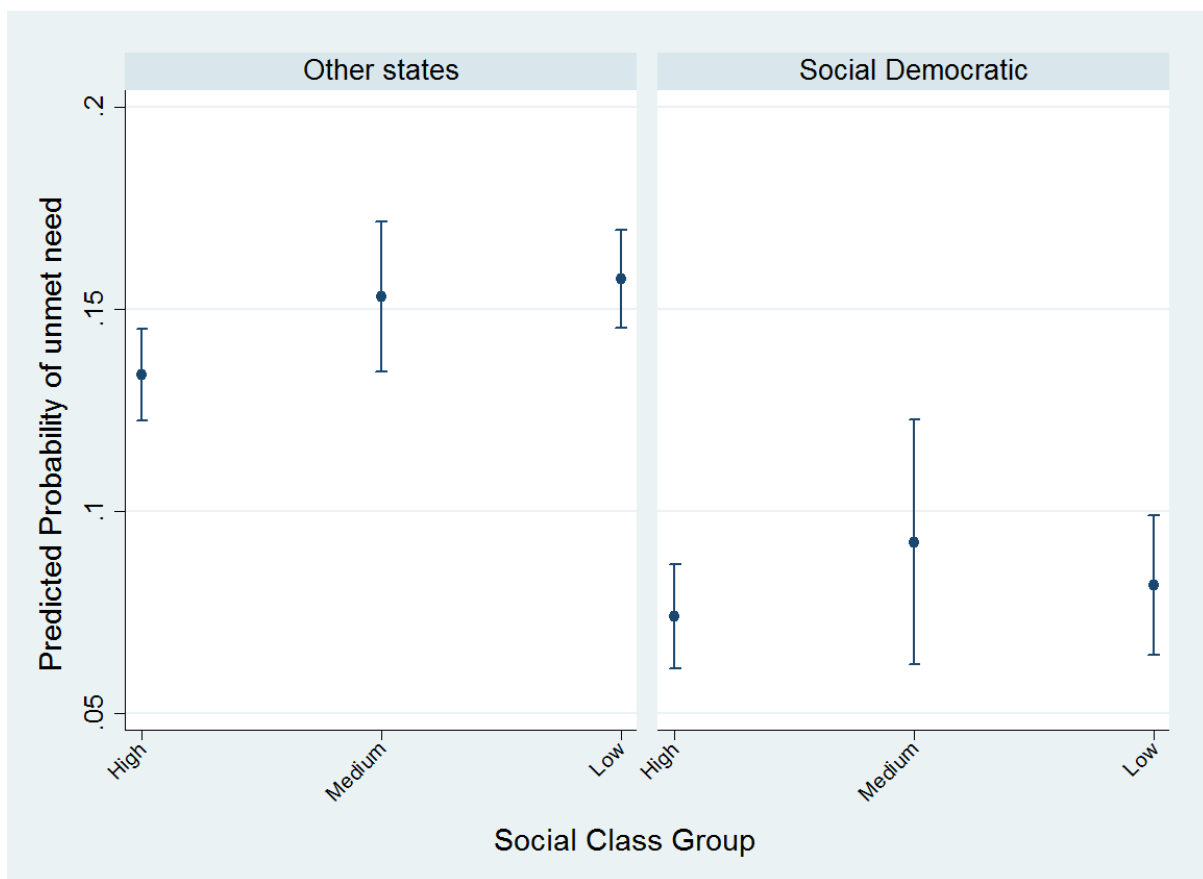
Note: Full model output is listed in the appendix

Most obviously, the results show that the odds of unmet need are higher in other states than they are in Social Democratic states, especially for older adults and those living in working-age households without a disability. However, inequality between groups is greater in Social Democratic states than in other states. The

reference group of working age adults have the lowest odds of citing unmet need in Social Democratic states, and working-age households with a disability and older adults have higher odds of unmet need. In “other states” working age adults have the lowest odds of citing unmet need, but differences between groups are minor as all groups have a predicted probability of roughly 30% in citing unmet need. It is significantly higher for older adults, however.

We now consider these differences across social classes.

**Figure 3.7: Predicted probability of having Unmet need by Social class in Social Democratic states versus other states (Interaction effect)**



Source: EU-SILC 2016. Authors' Calculations

Note: Full model output is listed in the appendix

Figure 3.7 suggests that there is less unmet need in every social class in Social Democratic states when compared to other states. Further, the difference between classes is insignificant in Social Democratic states but the difference between the highest and lowest social class is significant in other states. We accept *hypothesis 2c* regarding social class, but not regarding social risk groups: *Differences between*

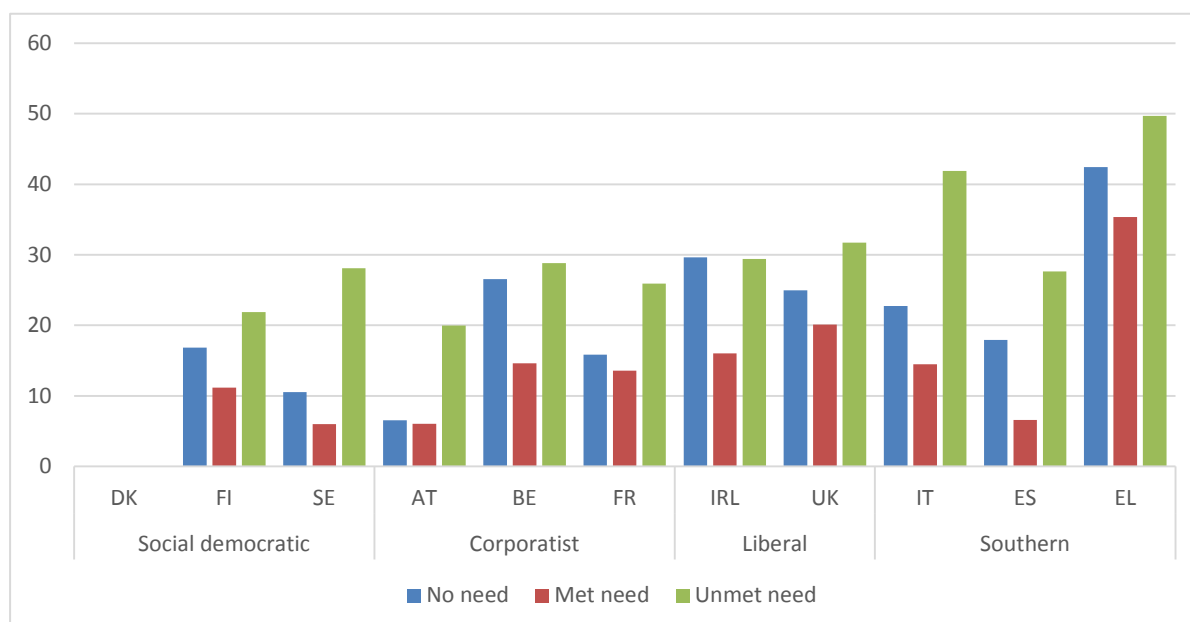
*social risk and social class groups in unmet need for care will be smaller in Social Democratic states.*

### 3.7 Poverty experience by access to home care

We hypothesise that respondents who live in households with adequate home care provision are less likely to experience material deprivation, even when controlling for country differences in the provision of care and differences between social risk or class groups.

This relationship could work in both directions. On one hand, deprivation could come prior to unmet need, leading respondents to limit the amount of care they secure through the market. On the other, unmet need could lead to deprivation as more and more resources are used to cover home care services, including opting out of the labour market. Given the cross-sectional nature of our data, we cannot untangle the temporal differences in unmet need and deprivation, we can however explore whether an association exists between both measures. We consider these differences using the figures below, before turning to a logistic regression.

**Figure 3.8: Material deprivation by home care need across countries and welfare states (per cent) EU-SILC 2016**



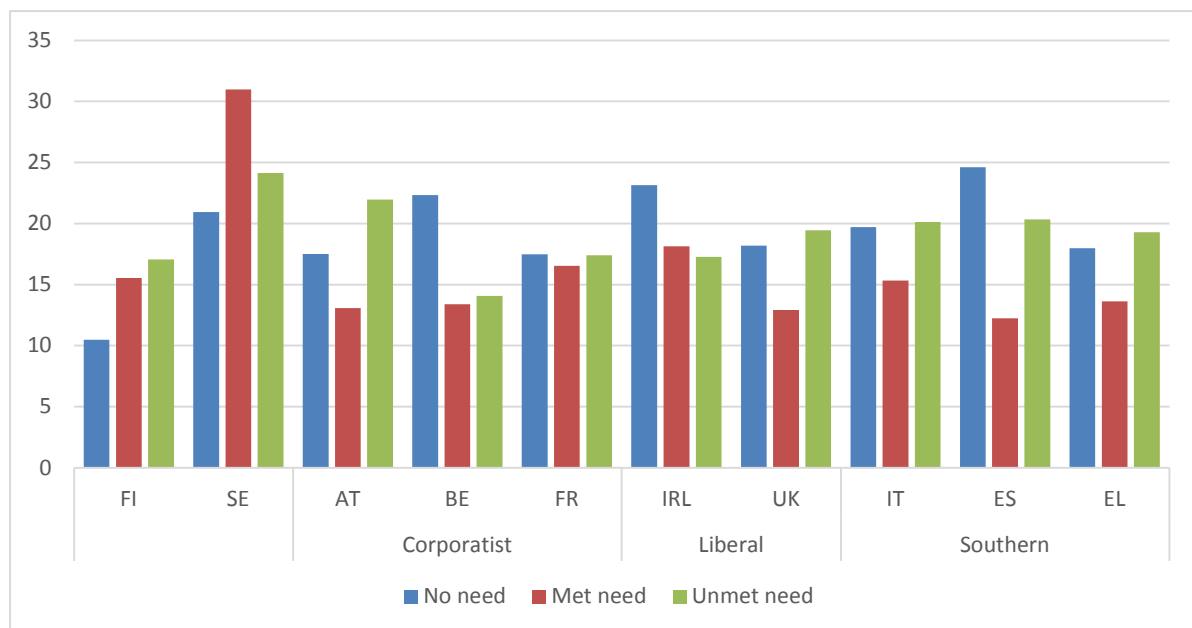
Source: EU-SILC 2016. Authors' calculations

Note: Eurostat rules state that cells containing under 20 cases must be omitted

Note: Denmark is omitted from the analysis because it has no variation in unmet need (all respondents cite "adequate care")

Compared to those whose needs are met, those with unmet need are more likely to report material deprivation in every country. Those with met need are the least likely to report deprivation in every country. Although countries differ in overall rates of deprivation, with Southern states having the highest rates, and Social Democratic states having the lowest rates, the impact of unmet need seems to apply in every country. We briefly consider in Figure 3.9 the association between home care and the risk of income poverty.

**Figure 3.9: At risk of income Poverty by home care need across countries and welfare states (per cent) EU-SILC 2016**



Source: EU-SILC 2016. Authors' calculations

The patterns for income poverty are not as clear cut as they are for material deprivation, although Figure 3.9 shows that those with met need tend to report lower poverty rates, with some variation across countries. Italy and Spain have higher poverty rates among individuals with no need and with unmet need for home care, while Finland and Sweden have a particularly high rate for those with adequate home care. This is consistent with the emphasis on universal provision via the state in Social Democratic countries, so that the household income level is less important in accounting for differences.

### 3.7.1 Modelling the relationship between unmet need and deprivation

The figures above suggest an association between social risk groups, social class groups and the experience of poverty or deprivation. In this section we explore the association between unmet need and deprivation using a binomial logistic regression. Our results are shown in Table 3.6.

**Table 3.6: Logistic Regression Model of material deprivation**

VARIABLES	(1) Material deprivation	(2) Material deprivation
<b>Ref: Met need</b>		
No need	1.702***	1.275
Unmet need	2.609***	2.150***
<b>Ref: SE</b>		
FI	1.528*	1.880**
AT	0.838	0.847
BE	2.535***	2.318***
FR	1.730*	1.968**
IRL	2.690***	2.406***
UK	2.617***	3.188***
IT	2.755***	3.370***
ES	1.743**	1.741**
EL	5.382***	6.869***
<b>Ref: Adults over 65</b>		
Lone parents		4.944***
Adults with disability		3.289***
Other adults		1.701***
<b>Ref: High class</b>		
Middle class		1.629***
Lower class		2.482***
<b>Constant</b>	0.0754***	0.0265***
<b>Observations</b>	28,621	28,621

Source: EU-SILC 2016. Authors' calculations

Note: \*\*\* p < 0.001, \*\* p < 0.01, \* p < 0.05

Model 1 lists the odds ratios of experiencing material deprivation, controlling for home care need and the country sampled. Those without a need for home care have higher odds of experiencing material deprivation compared to those with adequate home care. Further, those with unmet need for home care are almost three times more likely to report deprivation than those with adequate home care. Regarding country differences, Belgium, Ireland, the UK, Italy, and Greece have the highest



odds of reporting deprivation, while Sweden, Finland, and Austria have the lowest. Spain and France sit between these two groups.

Model 2 examines whether the pattern across home care need or countries change when we consider differences between social class and social risk groups. Adding these measures to the model does not explain the negative effect of unmet home care need, but does explain the negative effect tied to “no need” for home care. This result likely stems from class-based and social-risk based resources which allow some respondents to provide informal home care without experiencing deprivation and others to provide the care in spite of deprivation. Further, these measures do not eliminate country differences in deprivation. Accounting for differences in class and social risk compositions within countries has little effect on country differences, and seems to increase their impact for certain countries (like the UK).

Beyond this, social risk and social classes have their own impact on deprivation. Holding older adults as the reference group suggests this group has the lowest odds of experiencing deprivation; while lone parents are five times more likely to report deprivation than older adults. Households with a disability are three times more likely to report deprivation than adults aged over 65. Other working age adults are also significantly more likely to experience deprivation when compared to older respondents. Regarding class differences, High social class households are the least likely to report deprivation, with Middle class households having a slightly higher risk of deprivation, and Lowest social class groups have the highest risk.

Overall, three important points emerge. First an unmet need for home care is associated with deprivation regardless of the controls considered. Second, country differences in deprivation rates cannot be explained by the social risk and social class composition of the population; the country differences in deprivation persist when these are controlled. Third social risk and social class groups differ in their rates of deprivation. There are however, important differences with households over 65 being the most likely to avoid deprivation, even when class differences are considered. Regarding our hypotheses, we confirm *hypothesis 3*. Unmet need for home care is associated with deprivation, while the effect of having no need for formal home care is fully explained by social risk and social class measures.

### 3.7.2 Unmet need for home care and unemployment

Lastly we consider the impact of unmet home care need on people's employment status. The literature suggests that women with some care responsibilities are likely to move into full time care later in life (Srakar et al 2015; King and Pickard 2013). Although we cannot make causal arguments using cross-sectional data, we are able to compare whether those with unmet need for home care are less likely to be employed.

Once again, we use binomial logistic regression to predict a respondent's likelihood of being in employment, versus being either unemployed or inactive. For the purpose of this analysis we focus only on respondents aged 18 to 65. As before, we only consider respondents living in homes where someone needs formal or informal help. Results are shown in Table 3.7. The model's reference group consists of respondents who are unemployed or inactive, and lists the odds of being in employment, either full-time or part-time.

**Table 3.7: Logistic regression of being employed**

	(1)	(2)	(3)	(4)
VARIABLES	Employed	Employed	Employed	Employed
Ref. SE				
DK	0.39***	0.47**	0.49**	0.49**
FI	0.52***	0.54***	0.51***	0.51***
AT	0.58**	0.62*	0.85	0.85
BE	0.42***	0.45***	0.56***	0.57***
FR	0.47***	0.51***	0.61**	0.61**
IRL	0.29***	0.31***	0.31***	0.31***
UK	0.47***	0.49***	0.60***	0.60***
IT	0.52***	0.55***	0.54***	0.54***
ES	0.47***	0.48***	0.51***	0.51***
EL	0.44***	0.49***	0.44***	0.44***
Ref. Male				
Female	0.68***	0.68***	0.67***	0.85
Ref: Met need for care				
No need		1.26*	1.27*	1.42**
Unmet need		0.92	1.05	1.25
Interaction				
Female#No need				0.80
Female#Unmet need				0.69
Ref: Working age adult				
Lone parent			0.54***	0.54***
Disability			0.27***	0.27***
Ref: Highest social class				
Middle class			1.15	1.15
Lowest class			0.68***	0.68***
Constant	1.88***	1.57***	2.79***	2.49***
Observations	12,812	12,812	12,812	12,812
Nagelkerke R Square	148.4	174.2	772.6	776.5

Source: EU-SILC 2016. Authors' calculations

Note: \*\*\* p < 0.001, \*\* p < 0.01, \* p < 0.05

Note: Includes only those respondents who live with person requiring help in the household.

Note: Older adults are omitted from the analysis, focusing only on working age adults.

Model 1 estimates the likelihood of employment, controlling for country differences and gender. There are significant country differences in a respondent's likelihood of being employed. However, Swedish respondents (the reference category) are the most likely to be in employment when compared to all other countries. Further, men are more likely to be in employment than women. Thus in homes where someone need help, it is highly likely that most informal care is provided by women.

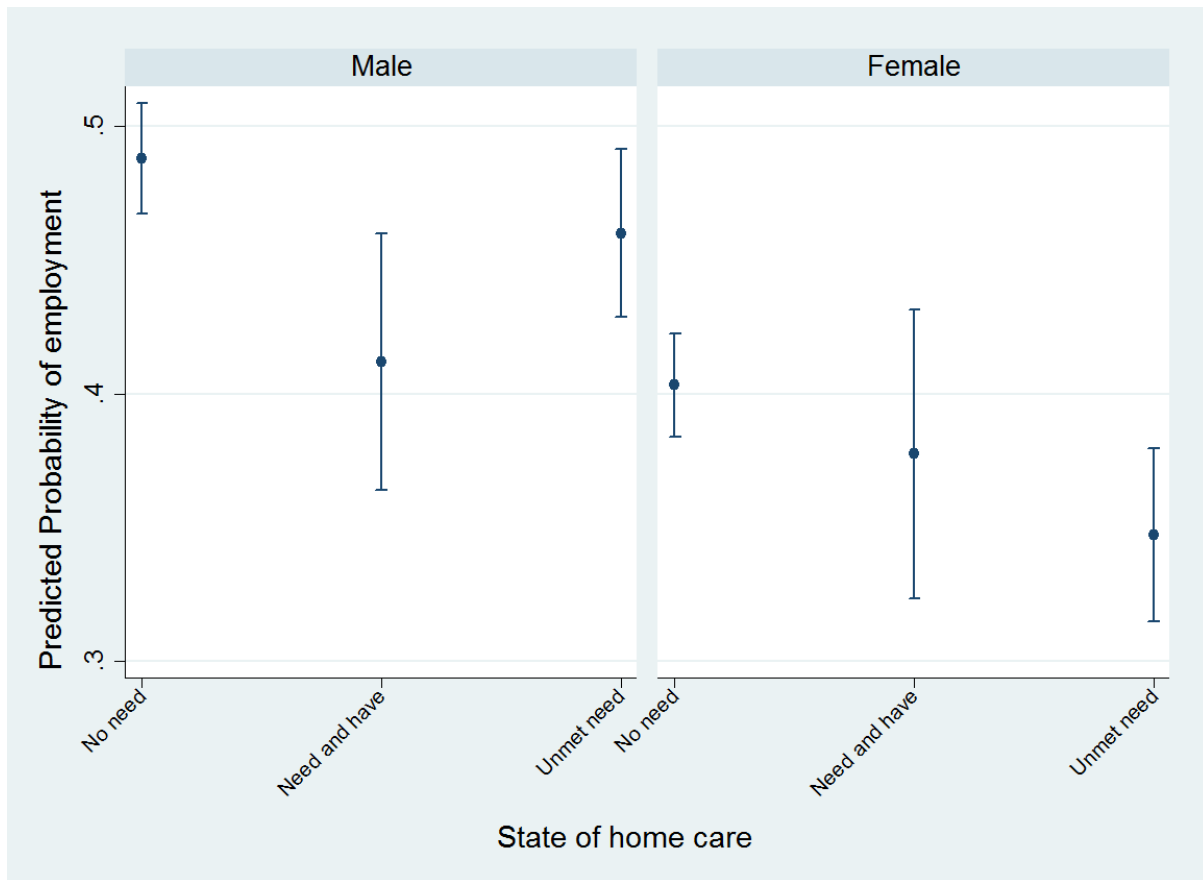
Model 2 controls for the home care need of respondents. Those with unmet home care need do not differ significantly from those whose need are fully met. This suggests that unmet home care need have little impact on an individual's likelihood of employment. However, those in households with no need for formal home care have higher odds of being in employment. This suggests that people living in these households are more likely to either combine informal care with employment or to have a division of labour between those in employment and those providing care.

Model 3 controls for the social risk and social class characteristics of individuals. Lone parents are less likely to be employed than other working age respondents. Those in households with a disability are also less likely to be employed than those in households with working age adults. Regarding class, Middle class households are more likely to be employed than Highest social class groups, although this difference is not significant. Lowest social class households are less likely to be employed than High social class households.

Finally, Model 4 adds an interaction effect between adequate home care and the respondent's gender. Although unmet home care need has no significant effect on employment, this effect could differ by gender. The interaction is not significant, suggesting that employment rate of both men and women is similarly unaffected by unmet home care need in contrast to met need.

However, an interesting result regarding the employment gap between males and females emerges if we plot the predicted probability of employment separately by gender and home care status (i.e. not needed, met need or unmet need). The predicted probabilities from model 4 for men and women by home care status are shown in Figure 3.10. The difference in predicted employment rates between genders is smaller for the met need group (0.41 for men and vs 0.37 for women) than for the 'no need' (.48 for men vs .41 for women) or the 'unmet need' (0.46 for men and 0.34 for women) groups. In other words, the gap between males and females is significantly smaller where the need for home care is adequately met – at least in this sample of working-age adults in households in which a member needs help because of infirmity or illness.

**Figure 3.10: Predicted probability of employment by adequate home care and gender**



Source: EU-SILC 2016. Authors' calculations

Note: We use estimates from Model 4 in Table 3.7

Despite this, we reject hypothesis 4. Individuals with unmet need for home care are not less likely to be employed compared to those with adequate care. Further, this relationship holds for both men and women.

Three important findings emerge on the link between home care needs and employment. First, country differences in employment persist despite controlling for social risk group and social class. This suggests that country differences, as before, cannot be explained by the composition of households within countries. Second, unmet home care need is not significantly associated with employment, suggesting that many individuals must remain in some form of employment, even if they have unmet need for home care. Third, unmet home care need has a similar effect on both men and women in that both are not significantly less likely to be employed than those with adequate home care. However, in exploring this link, we did find a gender gap in employment between men and women with unmet home care need; one that

does not exist among those with adequate home care or who did not need formal home care.

### **3.8 Summary**

This chapter explored country differences in access to formal home care service, among those who need care. It also explored social class, and social-risk differences in these services.

Access to formal home care differs between countries, but follows the expected pattern by welfare regime; with Social Democratic and Corporatist states having low levels of unmet need, and Liberal and Southern states having higher levels of unmet need (Hypothesis 1a and Hypothesis 1b).

Within countries, social risk groups differ significantly in access to home care, but not in the expected manner. Individuals over 65 have the greatest access to formal home care services; other vulnerable social risk groups gain significantly less access to such services (hypothesis 2a). Differences between social risk groups are more pronounced in Social Democratic states, but differences in social class are less pronounced in Social Democratic states (hypothesis 2c).

Unmet need for home care is associated with a likelihood of deprivation, even when controlling for social risk and social class differences (hypothesis 3).

Unmet need for home care is not associated with higher chances of non-employment, suggesting the majority of those living with inadequate home care must be combine paid work and informal care (hypothesis 4). However, the gender gap in employment is larger in the context of unmet need than it is in the context of met need, reflecting women's greater role in providing informal home care.



# Chapter 4

## Conclusions



## Chapter 4: Conclusions

### 4.1 Introduction

This report explored country differences in access to formal care services across Europe, with a specific focus on childcare and home care services. It also focused on social risk and social class differences in two types of formal services, childcare and home care. Using the Eurostat definition, formal childcare is the provision of centre-based childcare services (such as nurseries or pre-schools). Home care consists in supporting people to remain in their home rather than being in residential, institutional based care service. Formal home care includes a wide range of supports from health and medical care to domestic tasks (housekeeping, shopping etc.). The provision of childcare and home care can be public or private. The research draws on the statistical analysis of the EU-SILC's 2016 special ad-hoc module. Throughout, we tested four sets of hypotheses.

Hypotheses regarding country differences in care:

Countries with universal coverage (Social Democratic states) will have less unmet need for care, even when controlling for social risk and social class. *Hypothesis 1a: Social Democratic states will have less unmet need for care than the other regimes.* We also proposed that countries with means-tested systems of care will have more unmet need for care than the other regimes. *Hypothesis 1b: Southern and Liberal states will have more unmet need for care than the other regimes.*

Hypotheses regarding group differences in use of care:

Vulnerable social risk and social class groups will have more unmet need for care, compared to their reference categories. Hypothesis 2a: Vulnerable social risk groups will have more unmet need for care services, overall. Hypothesis 2b: Lowest and Middle social class groups will have more unmet need for care services, overall. Further, regarding differences between social risk and social class groups in unmet care within countries; we expected such differences to be smaller in Social Democratic states, when compared to other regimes. Hypothesis 2c: Differences between social risk and social class groups in unmet need for care will be smaller in Social Democratic states.



Hypotheses regarding unmet need for care and deprivation:

Unmet need for care has a negative impact on people's living standards as measured with material deprivation. Although we were not able to untangle the direction of the relationship between deprivation and unmet need, we explored the association between these measures, and whether they can be explained by country, household composition, or other characteristics (like social risk and social class). Specifically, we hypothesised that unmet need was associated with people's risk of deprivation, beyond levels of deprivation associated with social risk and social class differences. *Hypothesis 3: Unmet need for childcare are associated with deprivation for people with childcare need.*

Hypotheses regarding unmet need for care and employment

Unmet need for care is associated with lower employment. Once again, we could not fully untangle whether unmet need lead to non-employment or if non-employment increased the chance of unmet need. This association should exist beyond that which can be explained by social class and social risk. *Hypothesis 4: Unmet need for care is negatively associated with employment.*

## **4.2 Variations in care by country, social risk, and social class**

### 4.2.1 Country differences in care

We find that countries differ widely in their provision of care services, especially childcare. We argue that the eleven countries selected could be grouped into three distinct clusters in terms of childcare. First, Social Democratic states (Finland, Sweden, and Denmark) rely heavily on formal childcare. Second, Corporatist states (Austria, Belgium, and France) and Greece rely on a blend of formal and non-parental family care. Third, Liberal (Ireland and the UK) and Southern states (Italy, and Spain) rely mostly on exclusively parental childcare with most households citing no need for formal care options.

Although the use of formal home care for those with an infirmity is less common across Europe, three distinct clusters can again be distinguished. First, Corporatist countries (Austria, Belgium, and France) are the largest users of formal home care services. Second, Social Democratic states (Denmark, Finland, and Sweden) have varying degrees of home care, with Denmark (54 per cent) offering the highest

coverage, and Sweden (20 per cent) offering the lowest in the Social Democratic regime. Third, Liberal and Southern countries have the lowest home care coverage overall. Here, of those households who need the service, formal home care is very uncommon, with Ireland (24 per cent) having the highest coverage of the two Liberal states, and Greece (10 per cent) having the lowest coverage of the Southern states.

These country differences show that Liberal and Southern states provide a limited level of formal care services, while Corporatist and Social Democratic states provide wider coverage, depending on the service: Social Democratic states provide more childcare, while Corporatist states provide more home care.

#### 4.2.2 Group differences in use of care

There were significant group differences in the use of childcare and home care. However, these differences were influenced by wider country differences. Regarding childcare, lone parents in Social Democratic states had a high level of access to formal services. Although lone parents in Corporatist countries were less likely to use formal care than lone parents elsewhere, within Corporatist states there were only small differences between lone parents and other working age parents in the use of care. Lone parents in Liberal and Southern states were the least likely to use childcare, although all social risk groups were unlikely to use childcare in these states, as already noted.

Greece was a significant outlier in two ways. First, the country provided relatively high levels of access to formal childcare, compare to other Southern regimes. Second, lone parents often had the best access to formal childcare when compared to other households with children households with two working age adults. It is worth noting that there are very few lone parent households in Greece, however.

Households with a person with a disability had the best access to formal childcare in Social Democratic states, followed by Corporatist states, and finally Liberal and Southern states. The biggest gaps between households with a disability and other households were in France and Belgium, two Corporatist states with relatively good access to childcare.

The paradox of redistribution suggests that means tested benefits and services result in reduced access for those targeted by the means tested services. Our

findings are in line with this expectation suggesting that universal services (in Social Democratic states) are better able to reach the most disadvantaged groups (lone parents and households with a disability).

Regarding home care, not surprisingly, adults over 65 were the main beneficiaries of home care services across countries. Despite some demand for home care among lone parents, and among households with a person with a disability, older households were the main recipients of home care services. Older adults had the greatest access to home care in Social Democratic and Corporatist states. They had the least access in Liberal and Southern states.

Differences between social classes in childcare and home care were minor, but generally, the higher social class had greater access to care than the lowest social class did. Social class differences in childcare were most pronounced in Corporatist countries; and least pronounced in Liberal and Southern countries. However, these countries also granted the lowest overall levels of access to formal childcare: the apparent equality is a matter of a 'levelling downwards' rather than a 'levelling upwards'. Social class differences in home care were most pronounced in Austria and Ireland, with high social class households securing more home care than low social class households; and least pronounced in Southern states where very little home care was provided overall.

#### 4.2.3 Unmet need for care

We find significant differences between countries in unmet care need, even when controlling for social risk, and social class group differences. Regarding childcare, families in Liberal and Southern states had the highest likelihood of experiencing unmet childcare need, while families in Social Democratic and Corporatist states reported the lowest likelihood of unmet childcare need.

Social-risk group differences also emerged throughout our analysis; lone parents were almost twice as likely to experience unmet need compared to the reference group of other working age adult households. Working-age households with a disability were significantly more likely to report unmet childcare need than other working age adult households. Lastly, there are social class differences in unmet childcare need, with lowest social class households holding significantly higher risk

of unmet childcare need. Middle social class households reported a similar risk of unmet need to high social class households.

Regarding home care need, we also find significant country differences that remain after for controlling for social risk, and social class group differences. Once again, Liberal and Southern states have the highest risk of unmet home care need, while Social Democratic and Corporatist states have the lowest risk of reporting unmet home care need. Beyond country differences, there are social risk groups and social class differences in reporting unmet home care need. Lone parents and working-age households with a disability have significantly higher risks of unmet home care need when compared to older-adult households. Meanwhile, the lowest social class households had a higher risks of unmet home care need compared to middle and high social class households.

#### 4.2.4 Access to care services and material deprivation

Unmet need for care is strongly associated with household experience of material deprivation. Although we cannot report on the processes nor the causality of unmet need's impact on material deprivation, we find important associations in care need and deprivation. Regarding childcare, households with unmet need for care are more likely to experience material deprivation than households with adequate childcare need. This difference remains even when we control for social risk, and social class differences between households. Regarding home care, households with unmet need for home care are also more likely to report material deprivation than households with adequate home care. This pattern also remains when controlling for social risk, and social class differences between households.

#### 4.2.5 Access to care services and labour market participation

Unmet need for childcare increases a mother's risks of non-employment. This pattern remains even when controlling for social risk, and social class differences. The model also controlled for household demographic composition, suggesting that mothers with even a single child are more likely to report non-employment if they have unmet childcare need. However, unmet home care need has no effect on an individual's odds of employment rather than being inactive in the labour market,

although the gender gap in employment was smaller where the household's need for formal home care was met.

### **4.3 Limitations and future research**

Our report contains two limitations. First, we focus on a single time point, therefore we are not able to make causal arguments and identify the direction of causality. Although we find that unmet childcare and home care need is associated with deprivation, we cannot say that unmet need leads to poverty and social exclusion. On one hand, unmet need may impact on deprivation, in that households can't fully engage with the labour market due to unmet childcare need and therefore have limited financial resources and experience deprivation as a consequence. On the other hand, material deprivation and unmet care needs could both be caused by a separate, unmeasured variable such as access to resources. Thus, deprivation may impact and be impacted by unmet need for care. In a similar point, our cross-sectional data is not able to describe the characteristics of entire countries

Second, the prevalence of traditional home care and childcare (provided by families) need to be interpreted carefully. For some groups, this may reflect a relatively unconstrained preference to care for children or for adults with a disability within the family. For other groups, the choice may be constrained by low earnings capacity and the relatively high cost or low availability of formal care services. Where households report "no need" for formal care, this may reflect a preference for providing such care in the home or it may reflect the best choice available given a very constrained access to formal care.

Future research should consider longitudinal data which better captures the impact of access to formal care services on one's level of deprivation, and employment prospects. The EU-SILC has a longitudinal component, but the special module data used in this investigation does not consider repeated observations. Further, future research should explore the quantity (hours per week) of care received. Although we outline the importance of access, it is likely that groups differ in the quantity or quality of care they are able to secure, especially in countries where carers rely heavily on market provisions of care. While some of this data is available in the EU-SILC, we have not considered the issue here due to limitations of space.

In terms of labour market effects of access to care, the approach we used here was very broad and, in the case of home care, limited in terms of the size of sample. An examination of the link between caring responsibilities and employment would benefit from a more detailed analysis. In particular, the influence of caring on the decision to work full-time or part-time could be examined using the SILC data – something that was beyond the scope of the present analysis.

Another possible focus of future research would be the possibility that access to childcare has different consequences depending on the age of the youngest child. We did not examine this issue here, mainly because of space limitations but also because the number of cases available for analysis is reduced if we focus on families whose youngest child is in a particular age group. Nevertheless, the data is available in SILC and some preliminary analysis on this issue could be conducted.

#### **4.4 Policy discussions**

The purpose of this report was to compare Ireland and ten other European countries in the use of childcare and home care by household type. The countries selected in this analysis are characterised by different forms and levels of social protection and provision. Countries differ in emphasis on cash transfers and provision of services, and a reliance on public bodies or the private market for the provision of care (NESC 2005). The provision of affordable and adequate care services are important components of an integrated approach against poverty and social exclusion and that is particularly relevant to the most vulnerable members of society. Over the recent period, the notion of social investment has emerged in social policy debates particularly in Europe with the launch of the Social Investment Package as a consequence of the Great Recession (European Commission, 2013b).<sup>10</sup> Childcare and health services are among some of the social policy areas in which the European Commission recommended to EU member states to implement policy reforms in order to enhance people's capacity to fully participate in society and adjust to a changing world and environment.

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<sup>10</sup> The Social Investment Package is a set of guidelines to EU member states in key areas (education, childcare, training, etc.) designed by the European commission to tackle issues on poverty and social exclusion as a consequence of the Great Recession. For example the European Commission issued a list of guidelines to member states to tackle and monitor child poverty such as reducing inequality in accessing earlier childhood education.

By comparing access to care services across countries for specific groups of the population in terms of need and resources, we can draw two general conclusions (one on childcare and one on home care).

#### 4.4.1 Childcare

The analysis of the childcare services showed how different welfare regimes rely on very different childcare provision and how these might have various implications across different user groups.

A common feature in all welfare regimes is that vulnerable families (lone parents, working age households with a disability and those from the lowest social class) have less access to formal childcare when compared to “better-off” families. Although vulnerable families have relatively high access to formal childcare in Social Democratic regimes compared to other welfare regimes, within that regime, vulnerable families often report similar or lower levels of access to childcare compared to “better-off” families.

Across all welfare regimes, there is also an unequal distribution of unmet childcare need, as the most vulnerable households such as lone parents, working age adults with a disability and those from low social classes report having the highest level of unmet need compared to more advantaged families. The reasons for unmet need vary across welfare regimes and countries, reflecting the nature of the welfare system of the countries considered. Indeed, in the Social Democratic regime, the main reasons for unmet need are suitability of hours and other reasons (excluding cost) while in other welfare regimes and countries, and particularly Ireland, the main reason for unmet need is the unaffordability of childcare.

Our findings show that even taking account of the countries’ welfare characteristics from the most to the least protective, as well as families’ socio-economic risk, *unmet childcare need have implications in terms of families’ risk of poverty and social exclusion as well as on mother’s employment status, particularly for the most disadvantaged families*. This is particularly relevant in a country such as Ireland where high childcare costs for pre-school children are a barrier to female take-up of paid employment with consequences for income poverty and social exclusion (Russell *et al*, 2018). It is expected that the implementation in late 2019 of the new

Affordable Childcare Scheme will reduce childcare costs (OECD, 2017), promote female employment and contribute to reduce child poverty.

From a social inclusion perspective, social policies aiming to reduce the cost of childcare, particularly for vulnerable families, are key components to broader policies to tackle poverty and social exclusion as well as supporting mothers' labour market participation. Research has found that women's labour market participation is the most effective way to protect families with children from poverty and social exclusion (Esping-Andersen, 2002) and any policies to support childcare will contribute to this goal. This of course depends heavily on the earnings capacity of mothers.

To achieve these objectives, welfare regimes rely on different policy preferences and combination of provision of services public and private, and social transfer supports. Social Democratic countries appear as the best performing countries in terms of access to formal childcare across all groups of the population and difficulty of access to childcare is unrelated to family financial resources. The Social Democratic countries are characterized by high levels of public spending in childcare and early education and relative low childcare costs to families. The OECD family database showed that in 2015 public spending (on childcare and earlier education) in the three Social Democratic countries studied here varied between 1.1 per cent and 1.6 per cent of their GDP while for the Liberal countries it was between 0.5 per cent (Ireland) and 0.8 per cent (UK). Additionally, the same data source indicated that the childcare cost (for a family of two pre-school children in full-time formal childcare) in the Social Democratic countries varied in 2015 between 7 per cent and 16 per cent while in the Liberal countries it varied from 50 per cent to 64 per cent of the average earnings. It is argued that spending on childcare is related to the social inclusion of children who most need care. Van Lancker (2005, p21) specifies that to close inequalities in childcare coverage most European countries will need a "huge budgetary effort which may not be feasible in the short or even in the long term".

#### 4.4.2 Home care

In the second part of the report, we focused on the access to and use of formal home care and we observed some variations across welfare regimes and population groups.



It is in the Corporatist welfare regime that households who need some form of help use the most formal home care. The Southern regimes, which have a slightly higher percentage of people aged 65 and over, use formal home care the least. Not surprisingly, across all welfare regimes, older people are the social risk group that has the largest use of formal home care while it is lower among working age adults with a disability. With the general trend in the EU towards an increase in the share of the older population, we can expect in the future a general increase in the demand for home care. It is likely that social welfare regimes will respond differently to this in terms of whether they emphasise provision of services or social transfer supports.

Eurostat figures show that between 2005 and 2017, the share of the population aged 65 and over increased by 2.4 percentage points in the EU-28 (Eurostat online data, code: demo\_pjanind). The percentage point increase over the same period in the Social Democratic countries was respectively 4.4, 3.8 and 2.4 in Finland, Denmark and Sweden. In the Southern countries, the pattern of increase was also above the EU-28 average but less than in the Social Democratic countries, while it was below the EU-28 average in the Corporatist countries. Finally, in the Liberal countries, the percentage point increase in Ireland was 2.7 while it was much lower in the UK at 2.2.

The best performing welfare regimes for reducing unmet home care need are the Corporatist and the Social Democratic regimes, where households report the highest level of need being met while it is much lower in the Liberal and Southern regimes. Social Democratic states cite very little unmet need, despite providing only limited forms of home care to households. On the other hand, Sweden and Finland report an unexpectedly high level of 'no need' for formal home care in households where someone needs help. 'No need' for formal care typically implies that informal care is available, but these countries are characterised by high labour force participation of women – the typical providers of informal care. This relationship should be explored further in future work. It may be that the level of help needed is lower in these countries and can be more readily met with a small input of time from informal sources.

There are some variations in the experience of unmet need across social risk groups across welfare regimes. Across all welfare regimes, lone parents, household with a

person with disability and even other working age households are much more likely to report unmet home care need than older people. Indeed, across all welfare regimes home care services are mostly targeted to support the older population as they represent a large group of the population with a high potential demand for such services.

Based on the demographic forecast for most of the European countries, the social policy challenge will be to respond to the increasing share and demand of the older population, as well as increasing the level of support for the other vulnerable groups, that are already experiencing lower level of supports.

Reasons for unmet need varies across welfare regimes. In the Southern and the Corporatist regimes it is due to the cost of home care while in the Liberal and Social Democratic regimes, it is due to *other reasons* and lack of availability of services.

Poverty research has shown how households such as lone parents, households with a person with a disability or those in the lower social class are already exposed to a high risk of poverty. So, having an unmet need for formal home care represents, for these vulnerable households, an additional risk factor for social exclusion. This highlights a need for special attention and support to these groups in accessing home care. Comprehensive social inclusion policies to tackle poverty and social exclusion should also include policies supporting access to home care for the most vulnerable households.

Finally, from a labour market perspective the literature has highlighted different findings about the effect of home care on labour market participation (King and Pickard 2013; Srakar et al 2015). In this analysis, we did not find clear evidence that unmet need for home care was associated with inactivity or non-employment (rather than participating in the labour market), but there was a suggestion that among households containing someone in need of help, the gender gap in employment was smaller where the need for formal home-care was met. Provision of increased access to home care services may be a way to promote gender equality in the labour market.

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**Table A.1 Group differences in Unmet childcare need in Social Democratic States, compared to other states**

	1	2
VARIABLES	No Need	Unmet
Ref: Other country		
Social democratic	0.21***	0.20***
Ref: working age adult		
Lone parent	0.91	1.48***
Disability	1.16*	1.41***
SD#Lone parent	1.36*	1.90**
SD#Disability	1.01	1.66*
Ref: Highest class		
Middle class	1.10	1.25*
Lowest class	1.51***	1.63***
SD#Middle class	1.31	1.17
SD#Lowest class	0.80*	0.73
Number of children under 12	0.80***	1.00
Youngest child 5+	1.52***	0.68***
Constant	2.66***	0.55***
Observations	72,913	72,913
Robust seeform in parentheses		
*** p<0.001, ** p<0.01, * p<0.05		

Source: EU-SILC 2016. Authors' calculations.

Note: Only includes those with potential childcare need

**Table A.2 Group differences in Unmet home care need in Social Democratic States, compared to other states**

	<b>1</b>	<b>2</b>
<b>VARIABLES</b>	No need	Unmet need
<b>Ref: Other states</b>		
<b>Social Democratic</b>	0.58***	0.41***
<b>Ref: Highest social class</b>		
<b>Middle social class</b>	1.60***	2.15***
<b>Lowest social class</b>	1.28*	1.73***
<b>SD#Middle social class</b>	0.68	0.61
<b>SD#Lowest social class</b>	1.03	0.77
<b>Ref: Over 65</b>		
<b>Lone parent</b>	2.95***	1.62
<b>Disability</b>	3.17***	1.80***
<b>Working age adult</b>	3.68***	1.70***
<b>SD#Lone parent</b>	6.18*	2.77
<b>SD#Disability</b>	2.28**	2.84***
<b>SD#Working age adult</b>	2.56***	1.02
<b>Constant</b>	1.61***	1.14
<b>Observations</b>	28,797	28,797
<b>Robust seeform in parentheses</b>		
<b>*** p&lt;0.001, ** p&lt;0.01, * p&lt;0.05</b>		

Source: EU-SILC 2016. Authors' calculations.

Note: Only includes those with potential home care need/only those with person requiring help in household.

