

2 Reconciliation of Work and Family Life in Europe¹⁴

2.1 Introduction

In this chapter we will discuss the issue of reconciliation in the countries of the European Union.¹⁵ We will focus on arrangements on the macro level that are aimed at enhancing a more equal division of both paid work and household & family tasks between men and women. These macro conditions try to stimulate men to reconcile working life and family life in Europe in a 'quantitative' way: they make it possible for men to spend more time with their children and/or on household tasks and for women to spend more time on the labour market. What men actually do, which household and childcare tasks they will perform and which they will not, will be discussed in the next chapter.

The arrangements supporting the combination of paid work and care can be categorised into three components: time off (such as leave schemes and flexible working time patterns), monetary benefits (including, for example, tax allowances, social security and social assistance) and services (like childcare facilities). This categorisation in time, money and services is based on studies of care regimes in Europe (Bettio & Plantenga 2004; EC 1998b). Following the distinction between time off, money and services, we will discuss *leave arrangements* and *working-time arrangements* as part of policies offering time, the *tax system* as a part of the financial benefits and *childcare facilities* as the component of services. The focus is on statutory provisions on a national level (macro level). Benefits or provisions on a meso level (employers) or a micro level (family or individual) are not taken into account.

The chapter is structured as follows. Firstly, we examine the differences and similarities between the countries of the European Union, secondly, we discuss the issue of welfare state typology and finally try to answer the question whether current welfare state regime types are sufficient to explain the variety between countries concerning conditions for reconciliation.

¹⁴ This chapter is an adapted version of the research paper 'Female Employment and Family Formation – the Institutional Context' written by I. Koopmans and J.J. Schippers of the Utrecht School of Economics, University of Utrecht, The Netherlands. The paper is based on research done for the European Union research project Female Employment and Family Formation in National Institutional Contexts (FENICs) and has been presented at the joint working conference 'Researching family, employment and welfare issues in Europe: the quantitative approach', Brussels, 18-20 February 2003. The paper can be downloaded: <http://www.warwick.ac.uk/ier/fenics/brussels.htm>. We would like to thank I. Koopmans and J.J. Schippers for putting their paper at our disposal.

¹⁵ Meant are the member state countries before the enlargement of the European Union on May 1st 2004.

2.2 *Flexible working patterns*

To start with we will describe arrangements regarding time off. First we will present figures on part-time work and forms of flexible working time arrangements and in the next section the various leave schemes are considered.

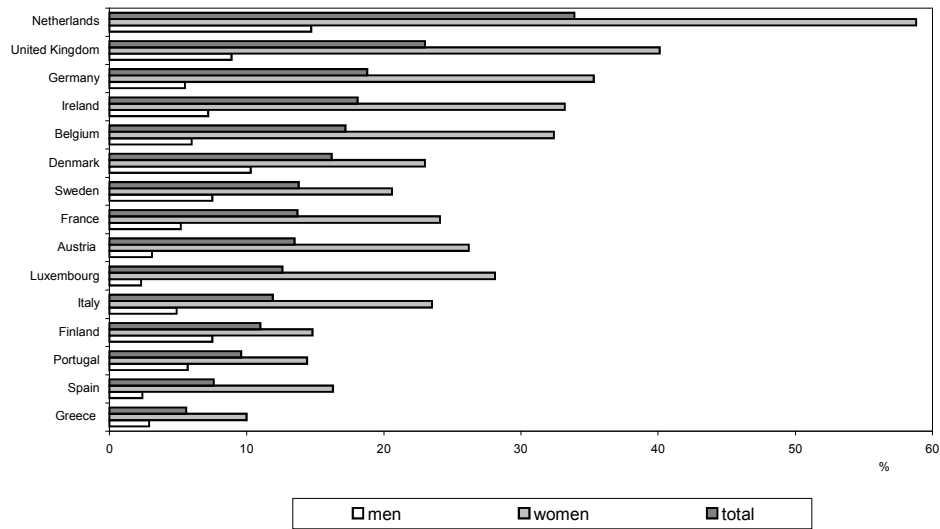
Before describing the flexible working patterns in more detail, we have to make a general remark. Although these arrangements are widely used as ways to reconcile work and family life, we have to consider that employees can have other motives for working part-time or using flexible-working arrangements as well. Also employers often have other motives for introducing flexible working arrangements: they introduce operational flexibility to reduce costs and to boost productivity and competitiveness (EIRO 2001). Furthermore, flexible-working arrangements can make reconciliation of work and family life more difficult too. In families where both parents work at different time schedules, the varying work schedules are often difficult to combine with childcare arrangements or school hours. Therefore, we also have to consider the quality of flexible working schemes in relation to reconciliation (Plantenga 1995).

Part-time work

Figure 2.1 illustrates part-time work as a proportion of employment in general, and for men and women specifically.¹⁶ The highest proportion of part-time employment in total employment is currently seen in the Netherlands: more than 30% in 2000. This is followed by the United Kingdom, where 23% of the working population works part-time. In the southern-European countries (Greece, Portugal and Spain) the part-time rates are much lower, less than 10%. Figure 2.1 also illustrates the difference in part-time work between women and men. It shows that in all the European countries, part-time work is a predominantly female phenomenon, particularly in the Netherlands and in the United Kingdom, where respectively 58.8 and 40.1% of women work under thirty hours per week (OECD, Labour market statistics).

¹⁶ *Part-time work is defined as a reduction of the official fulltime working week. In statistical surveys the definition can differ: in the OECD statistics, part-time employment refers to persons who usually work less than 30 hours per week in their main job; in the EU statistics it is left to individuals to classify themselves as full-time or part-time workers.*

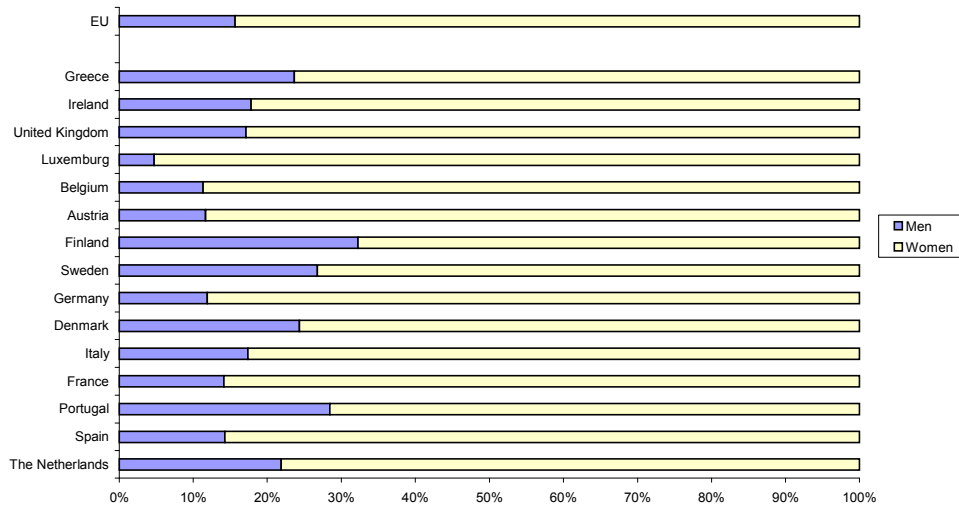
Figure 2.1 Part-time employment, total, women, men, 2002



Source: OECD, *Labour market statistics*

That part-time work is predominantly a female phenomenon can also be concluded on the basis of figure 2.2. Figure 2.2 presents the part-time rates of men and women as part of the total part-time work (= 100%). In the Netherlands of all part-time workers approximately 22% is male and 78% female. In the several countries of the European Union this ratio differs. The gender division of part-time work is most equal in Finland and Portugal and most unequal in Luxemburg. There is no clear difference between the Southern European countries and the Nordic countries, as is the case with general figures concerning the labour market participation of men and women.

Figure 2.2 Part-time employment of men and women as part of total part-time employment, 2001



Source: European Commission (2002) *Employment in Europe*

The quality of part-time work in relation to full-time work differs per member state. Governments and trade unions have traditionally adopted very different approaches to the use of part-time contracts. In the past some countries had tax systems and social security systems that penalised part-time work. For example in Germany, the right to receive insurance benefit still depends on the length of the working week. If employees work less than fifteen hours a week, no social security contributions are paid and no insurance benefits are received (MISSOC 2000).

In other countries, rights of part-time workers are equal to full-time workers, and in some countries part-time work is even promoted. In France, for example, part-time work has been encouraged by the state as a means of expanding employment. The social security contributions for part-time workers are lower, and there also is a reduction in contributions when a full-time job is converted into a part-time job (EU 1998a). The Netherlands part-time workers have the same rights as full-time workers. Also in the Netherlands there is legislation allowing all employees in over-10-workers-companies to request a reduction or an increase in working hours.

The right to reduce the working hours is in some countries specifically limited to working parents. In the Nordic countries working parents have the right to shorten working hours during the years of child rearing. In Sweden, all parents have the right to reduce a regular full-time eight-hours working day to six hours until their child is eight years old. There is no benefit to compensate lost earnings. In Finland, on the other hand, there is some compensation. Each parent is entitled to work reduced hours (either a six-hour day or a thirty-hour week) until their child goes to school (seven years old) and parents working reduced hours receive an allowance until their child is three years old, at 25% of the flat rate payments for parents taking care leave (Moss & Deven 1999). In Spain, parents with a child under six, or a disabled

child, can reduce their working hours by 33 and 50% without compensation for lost earnings. During the first nine months after birth, employed mothers or fathers have the right to reduce their working day by one hour, without loss of earnings.

Flexible working time

Flexible working time patterns consist of a compressed workday, flexitime workweek, teleworking and working from home. The compressed workday or workweek is characterised by the fact that the number of daily working hours is more than usual, while fewer days per workweek are worked than usual. An example is the four-day workweek in which one works nine hours a day. Flexitime is a system permitting flexibility of hours at the beginning or the end of the day. Generally it suggests that employees have to be present at their work at core times, but offers employees the opportunity to choose the time at which they start or stop working. Teleworking gives employees the opportunity to work from home, while staying in contact with the workplace.

International comparison is difficult, because of the lack of statistics. Also, the figures are not to be distinguished for men and women. Table 2.1, based on the second and third European Survey on Working Conditions (European Foundation 1997, 2001)¹⁷, shows that there is not much variation in flexitime. On average, 25% of the employees have a flexitime working arrangement. The Netherlands has the most employees with flexitime arrangements (35.8%), followed by Germany (33.2%), Sweden (32.3%) and the United Kingdom (31.8%). In the European Union teleworking on a full-time basis is carried out by only 1% of the working population. Occasional teleworking is more widespread (5% of the workers). As can be seen from table 2.1 there are wide disparities between countries, with the United Kingdom having the highest number of people (10%) teleworking at least one quarter of the time (European Foundation, 2001). Working from home is still uncommon. In 1992, 4.9% of employed women and men in the European Union said they were working from their homes on a regular basis. In 1997, the figure fell to just over 4.4% (Eurostat 1993 & 1998; see also Evans 2001).

¹⁷ The surveys are designed to monitor working conditions; the second survey was conducted in fifteen countries of the European Union between 1995 and 1996, the third survey in 2000.

Table 2.1 Flexible working arrangements

	<i>Employees with flexitime working arrangement %, 1995/96</i>	<i>Teleworking from home. At least one quarter of the time %, 2000</i>	<i>Teleworking from home. All the time %, 2000</i>
Austria	22.3	6	3
Belgium	26.2	6	2
Denmark	24.9	6	1
Finland	22.3	8	1
France	25.6	4	2
Germany	33.2	4	0
Greece	22.7	2	1
Ireland	19.4	4	1
Italy	19.2	2	0
Luxembourg	18.0	9	3
Netherlands	35.8	7	1
Portugal	19.1	2	1
Spain	20.4	4	3
Sweden	32.3	5	1
United Kingdom	31.8	10	2
EU	n.a.	5	1

Source: European Foundation (1997 & 2001); Evans (2001)

2.3 Leave schemes

Leave arrangements for working parents vary considerably between the countries of the European Union. In this section we will discuss four categories of leave: maternity leave, paternity leave, parental leave and childcare leave. Maternity leave is reserved for (employed) women for the time they are due to give birth and following childbirth. Paternity leave is for fathers who wish to take leave around the birth of their child. Parental leave can be defined as an entitlement to leave, granted to fathers and mothers during a specified period after the termination of the maternity leave. Related to parental leave schemes are childcare or care leave schemes. The goal of these schemes is to subsidise parents staying at home to look after their own children. Although maternity leave is especially for women, in some countries, especially the Nordic countries, it is part of parental/childbirth related leave, designed for women as well as men. The design of the leave programme can influence the decision for men to stay home for some time and for women the moment to start working again. That is the reason why we will also pay attention to maternity leave. In the description, the focus is on the statutory provisions in the EU countries. A key issue is the duration and cash benefits of leaves. The information represents the situation in 2001. However, in those countries where since 2001 major changes in regulation have taken place we have updated the information.

We have to consider that the formal regulations do not provide information about the actual impact. The data concerning the percentage of families that actually take up parental

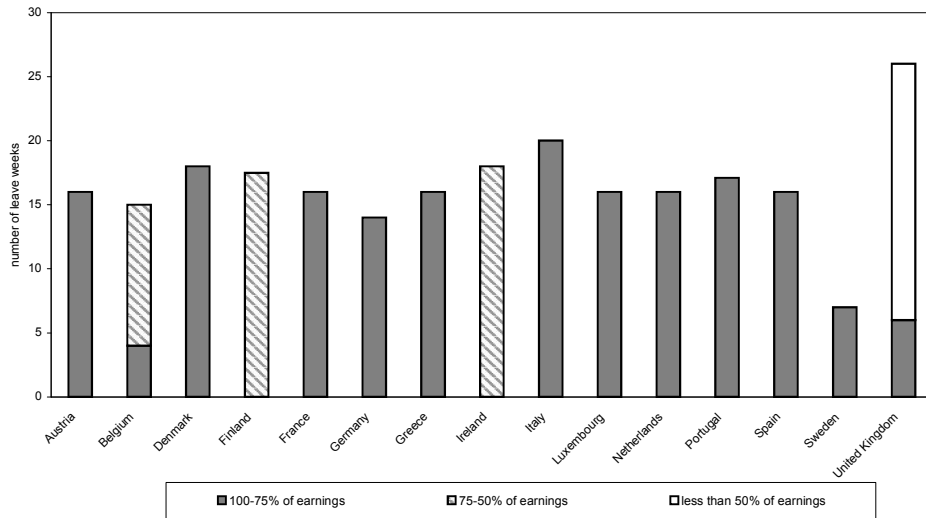
leave are very limited. Many countries are not able to provide figures on the actual take-up rates (EC 1998b). To gain a clear understanding of the actual impact of leave arrangements, statistical information on the take-up rates and the actual duration of leave taken would be needed (Bruning & Plantenga 1998; Plantenga & Koopmans 2002).

Maternity leave

Public support for families with children starts with the provision of maternity leave. In 1992, the Council of the European Community adopted a Directive on Maternity Leave (92/85/EEC) that entitles all working women to a fourteen week leave, but not with full payment of wages. Instead, employees must receive the same benefit as if they were on sick leave. Figure 2.3 provides an overview of the statutory maternity leave in all European Union countries. All member countries of the European Union now have a statutory maternity leave of at least fourteen weeks. Germany has the shortest entitlement to paid maternity leave, namely fourteen weeks, while the longest leave is granted in Italy. Here, working women have the right to five months maternity leave (two months before and three months after giving birth). In Sweden the leave's duration is relatively short (fifty days), because there exists no maternity leave as such, it is part of the parental leave period.

The cash maternity benefit differs considerably from country to country. Cash maternity benefits are granted for a specified period, before and after childbirth. Benefit payments usually start approximately eight to six weeks before the expected date of birth and end six to eight weeks after birth. In a number of countries (Austria, France, Germany, Greece, Luxembourg, the Netherlands, Portugal and Spain) maternity benefits are set at 100% of the wages. It should be pointed out, however, that in most of those countries the benefits are limited to a maximum. These upper limits have not been taken into account. In Belgium and the United Kingdom the amount of cash benefits is lowered after a number of weeks: in Belgium maternity leave is paid at 82% of earnings for the first month, and 75% of earnings for the remaining period, in the United Kingdom payment for the first six weeks is 90%, and a flat rate payment (€ 142 per week) for the remaining twenty weeks.

Figure 2.3 Statutory maternity leave, 2001-2002
Duration and payments



Source: see appendix 1, table I

Paternity leave

In recent years many countries have introduced paternity leave for fathers (or partners) to take leave around the birth of their child. A legal right to paternity leave exists in Belgium, Denmark, Finland, France, the Netherlands, Portugal, Spain, Sweden and the United Kingdom. In Finland fathers are entitled to an eighteen days leave; in Denmark, Sweden and the United Kingdom they have ten days leave; in France, paternity leave allows fathers to take eleven days off; in Portugal five days and in Spain two days. Belgium has ten days in the private sector, and four days in the public sector. The Netherlands also introduced a paternity leave of two days. Table 2.2 shows that payments of the paternity leave schemes are income-related, with the exception of the United Kingdom, where payments are flat rate.

Table 2.2 Statutory Paternity Leave in the European Union, 2001-2002

	<i>Duration</i>	<i>Payment</i>
Austria	-	-
Belgium	10 days (workers in the private sector) and contract workers (i.e. non-civil servants) in the public sector	In the <i>private</i> sector the employer pays the first three days of the leave at 100% of earnings. The remaining seven days will come out of the budget of the National Health and Disability Insurance Institute and will be paid at 82% of earnings up to a maximum level (this new rule came into force on 1 July 2002). In the <i>public</i> sector leave is paid at 100% of earnings
	4 days (public sector)	90% of previous pay with a maximum of € 430 per week
Denmark	10 days	The amount is determined on the basis of income earned, on average 60% of an employee's pay, and at least € 10.09 a day
Finland	18 workdays (including Saturdays)	100% of gross pay up to a ceiling
France	14 days	-
Germany	-	-
Greece	-	-
Ireland	-	-
Italy	-	-
Luxembourg	-	-
Netherlands	2 days	100% of earnings
Portugal	5 days	100% of the average daily wages
Spain	2 days	100% of earnings
Sweden	10 days	80% of the qualifying income
United Kingdom	14 days	flat rate payment £ 100 (€ 143) per week

Source and notes: appendix 1, table II

Parental leave

In June 1996, the European Union Directive on parental leave (96/34/EC) came into force. The Directive provides a set of minimum requirements all member states must meet; in particular, each employee (male or female) should be entitled to at least three months of parental leave after the birth or adoption of a child. The right to leave should 'in principle' be an individual non-transferable entitlement. Payments for workers on leave are left to member states to decide on (Moss & Deven 1999). Despite this Directive, parental leave varies considerably between member states according to rights, payment, length and flexibility (see

table III in Appendix 1). From the overview it appears that all the countries have statutory provisions on parental leave that give legal entitlement to the persons qualifying for the leave.

Parental leave can be an *individual* right or a *family* right, or a mixture of both. If parental leave is a family right, parents can decide between themselves who will use the leave. In case of an individual right both parents can claim the individually assigned period of leave. The leave is non-transferable; in other words, the admitted period of time cannot be transferred from one parent to the other (Bruning & Plantenga 1999). In most European countries parental leave is a non-transferable individual entitlement. Only in Austria, Finland, France, Germany, and Italy it is a family right. Sweden has a mixture of individual and family rights. A parent may transfer her or his days to the other parent (family right), except for the 60 days called the mum's or dad's months (individual right). In Denmark, on the other hand, the 32 weeks of parental leave is an individual right, but the 32-week entitlement to full benefit is a family right. Parents can share this benefit entitlement or one of the parents can exhaust the benefit entitlement during the period of leave.

Whether parental leave is *paid* or *unpaid* varies also. In eight countries of the European Union parental leave is paid. Payments vary from flat rate payment systems to income-related ones. In order to make a comparison possible, flat rate payments have been converted into a percentage of gross female wages.¹⁸ Figure 2.4 shows that payments are low in Austria, Belgium, Germany and Italy, but relatively high in Denmark, Sweden, Finland and Luxembourg. In seven countries (France, the Netherlands, the United Kingdom, Ireland, Portugal, Spain and Greece) the leave is unpaid. In the Netherlands, employers can supplement statutory parental leave provisions (either individually or through collective agreements). In France, parents receive an allowance only if they take care of at least two children.

The *duration* of parental leave also varies greatly, from a minimum of three months in Belgium to a maximum of three years in France, Germany and Spain (see figure 2.4). Furthermore, parental leave in Spain is an individual right, so the family can in fact take six years of leave. Note, though, that in those countries where duration of the leave is relatively long, the payments are low. An exception to this rule is Sweden. Since 2002 this country grants 480 days of paid leave per family, and besides the parental leave, the Childcare Leave Act also entitles each parent to take leave during the first 18 months of his or her child's life. This entitlement is, however, unpaid. It implies that a parent may be on unpaid leave first and draw the cash benefit afterwards, ending up with a total of 1020 days of leave of absence at the most (Näsman 1999).

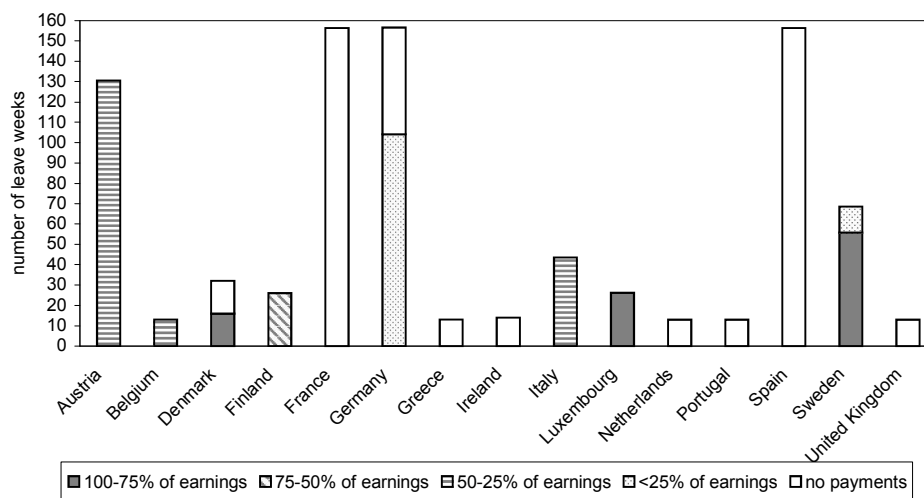
Some countries have introduced specific measures to encourage fathers to take up the parental leave. When the father takes leave, the duration of the total parental leave is extended in some countries. In Italy, for example, the period of parental leave could be extended with one month if the father takes at least three months leave, and in Austria with six months if the father is taking at least six months leave. In other countries there are quotas; the father can only take a proportion of parental leave. For example, in Sweden two months of leave are earmarked for the father; these two months cannot be transferred to the mother ('use it or lose it').

¹⁸ We start from the assumption that women in particular take up leave, therefore figures of gross average earnings for female employees in manufacturing in 1998 were used (Eurostat, New Cronos database).

In some countries the parental leave system is more *flexible* than in others. In these countries it is possible to take leave part-time or to take leave in one or more 'blocks'. The part-time option is now very common, but the option of spreading the leave is still rare. Only in Denmark, France, Germany, the United Kingdom, Ireland and Sweden, the period of leave may be split up in parts. In the Netherlands this is also a possibility, but if the request for splitting up the leave is in conflict with important business interests, the employer may refuse. The number of years during which entitlement to parental leave remains valid is limited by the age of the child. In most countries the leave has to be taken before the child reaches the age of five. But in Italy, Denmark, Sweden and the Netherlands, the time span is longer; leave can be taken till the child reaches the age of eight or nine.

Figure 2.4 Statutory parental leave for the individual, 2001-2002

Duration and payments



Source: appendix 1, table III

Childcare leave

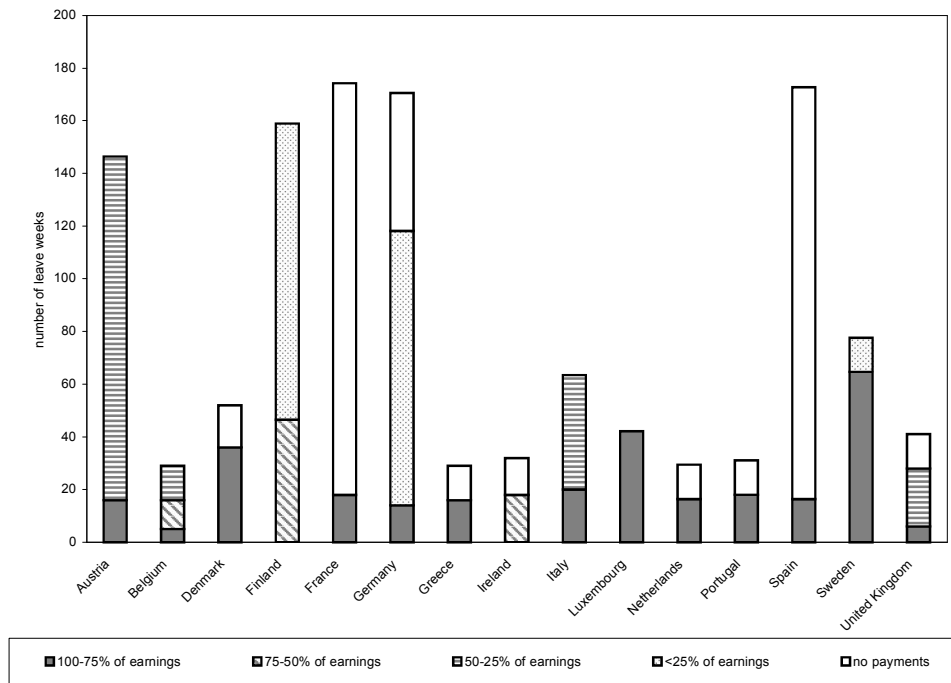
The childcare leave schemes can be taken after the parental leave period, offering parents additional time to care for their children. In Finland, the childcare leave is unpaid, but the family can receive child home care-allowances paid by the local authority for the period of the leave. The allowance is available to a family with a child under three years and consists of a basic payment of € 252 per month for the first child. The benefit is conditional on parents not using publicly funded childcare services (see appendix 1, table IV).

Childbirth-related leave

We have seen that the leave arrangements in the European countries differ in almost every aspect. In summarising the main points it makes sense to compare countries on the

maximum combined duration of maternity, paternity, parental and childcare leaves and the payment attached to the leave. Figure 2.5 shows the consecutive weeks of childbirth-related leave available to the individual.

Figure 2.5 Consecutive weeks of childbirth-related leave, 2001-2002
Duration and payments



Source: appendix 1, table I, II, III, IV

From the figure it appears that in four countries (Finland, France, Germany and Spain) the total duration of the childbirth-related leave is as much as three years. While in four countries (Austria, Denmark, Italy and Sweden) the duration is between one and two years, in seven countries (Belgium, Greece, Ireland, Luxembourg, the Netherlands, Portugal and the United Kingdom) it is less than a year. The countries' rankings change significantly if the payment attached to the leave is taken into account. The most generous countries are Austria, Denmark, Luxembourg, and Sweden. They have a relatively long period of well-paid childbirth-related leave.

2.4 Tax systems and financial support for families

Tax relief providing support for families raising children can be found in most European countries. The form and level of support varies markedly. Income tax systems can make

adjustments through child tax credits, tax deductions or tax rebates, child tax allowances or by adjusting the tax rate for the presence of children in households. All these adjustments result in families with children paying less tax than single persons or childless couples with the same earnings. However, tax relief for dependent children cannot be properly interpreted unless state support via cash payment is taken into account. If we look at tax relief as well as universal cash benefits we see that especially in Luxembourg, Austria, Germany, and Belgium the support for families with children is substantially higher than in other countries (Bradshaw et al. 1993; OECD 2002).

In addition to the child tax allowances and child benefits it is foremost to consider the way tax systems are organised and how this design may benefit certain types of households. Key factor in the design of the tax system is the unit of taxation. We could, broadly speaking, distinguish two types: joint taxation and individual taxation. In the case of *joint* taxation the income obtained by all the family members is added together so that the tax rate depends on the total household income. Under this system, taxation of the second income (generally the wife's) starts at the highest marginal tax rate faced by the first income. In a progressive system, this tax rate will be higher than if the couple were taxed as two separate individuals. Therefore it provides a disincentive for second income earners (mostly women). Joint taxation can be mandatory or optional. A variant of joint taxation is a splitting system, where men and women's income is added together and divided equally in two, the tax rate is applied to half of the income and then multiplied by two. Splitting can be based on the couple, but also on the family. With *individual* taxation each person is taxed regardless of the income level of other family members (Villota & Ferrari 2001; Rubery et al. 1998).

During the 1950s joint taxation for married couples was the rule in most countries. The principles of taxation were formulated on the basis of a social organisation in which the male partner was the breadwinner. The family provider enjoyed tax deductions to compensate for support obligations. However, in some countries over the past decades tax systems have been adjusted to deal with changing household structures. The rise of the two-earner family stimulated the shift from joint taxation to individual taxation. Individual taxation is now the rule in seven countries (Austria, Denmark, Finland, Italy, Sweden, The Netherlands, and The United Kingdom), it is optional in three countries (Belgium, Ireland, and Spain), and not available in five countries (Germany, France, Greece, Luxembourg, and Portugal) (Dingeldey 2001; Villota & Ferrari 2001).

Contrary to this change in the unit of taxation, most countries maintained some form of tax relief for a dependent spouse (Sainsbury 1999). In some tax systems this tax relief is given by transferring the tax allowance from a non-working person to the working partner. Transferable allowances are also considered a disincentive for women to (re) entry the labour market because of the tax increase on the husband's income.

To shed more light on the change of the tax system and to determine the extent to which the tax privileges of the married man have been eroded, Sainsbury has compared income taxation of fourteen countries for the years 1985 and 1995 (Sainsbury 1999). For this purpose she developed a family tax benefit ratio. This measure consists of the taxes paid by the male breadwinner with a dependent wife and two children as a percentage of taxes paid by a single person without children. Both have the same earnings (100% APW wage level). The family tax benefit ratio shows the encodement of family responsibilities in the tax system: the lower the percentage, the larger the family privilege. This ratio demonstrates the child tax

allowances as well as the tax relief related to marital status. Sainsbury used data from 1996 (OECD 1998). We decided to update these figures with data from 2000 (OECD 2002) and added a column in which the tax burden is corrected for the amount of universal cash benefits. Table 2.3 presents the results for several countries in 2000. Inspection of the column for all taxes shows that Germany, Ireland, Spain and Luxembourg offer relatively high tax relief for families, whereas The United Kingdom, Austria, Greece, Finland and Sweden were the least generous countries. In Sweden, and Finland there is no difference in tax for single persons and breadwinner families. In Greece families even pay 0.1% more income tax than single persons. Belgium, Portugal, France, Italy, Denmark and the Netherlands are in between these two clusters of countries.

Table 2.3 The family tax benefit ratio in the EU countries (%), 2000

<i>Income taxes plus employee contributions</i>		<i>Income tax plus employee contributions less cash benefits</i>	
Germany	47	Luxembourg	0
Ireland	50	Ireland	27
Spain	50	Austria	27
Luxembourg	53	Germany	47
Belgium	74	Portugal	49
Portugal	77	Spain	50
France	78	Belgium	50
Italy	84	Italy	52
Denmark	85	France	56
Netherlands	86	United Kingdom	60
United Kingdom	90	Netherlands	69
Austria	94	Denmark	70
Finland	100	Finland	72
Greece	100	Sweden	73
Sweden	100	Greece	101

Source: Sainsbury, 1999. Updated by author, calculated from OECD (2002)

If we look at the column in which the taxes have been reduced with the universal cash benefits, the picture changes considerably. In Austria, for example, the percentage goes down from 94% to 27%, in Luxembourg from 53% to -3%. The impact of the cash benefit in these countries is substantial. The negative number for Luxembourg is due to the fact that for married couples with children the cash benefits received exceed income tax and contribution. In Germany and Spain, on the other hand, the percentage remains the same. Instead of cash benefits these countries offer tax allowances or credits for children. If we once again rank the countries according to generosity in tax benefits for families - including the tax reduction due to cash benefits - Luxembourg, Ireland, Austria, Germany, Portugal, Spain and Belgium appear to be the most generous countries.

2.5 *Childcare facilities*

The development of services for childcare has taken on a policy priority for the European Union. In March 1992, the council passed a recommendation on childcare (92/241/EEC) in which member states are encouraged *'to develop measures to enable men and women to reconcile their family obligations arising from the care of children and their own employment...'*. With this in mind member states should try to ensure that childcare services are affordable and available in all areas and regions of the member states. This recommendation is an example of 'soft' law; member states are not formally bound by this type of legislation (Roelofs 1995). Enforceable entitlements to childcare facilities only exist in three countries. In Denmark every child older than one has the right to use day-care facilities (Kremer 2002). In Finland, parents may receive compensation for damages if there is no day-care place available for the child, while in Sweden, all children of working parents and students are guaranteed a place in a subsidised care from the age of one (EC 1998b; Kamerman 2000b).

In all the other member states, a great diversity in types of childcare services exists in the various countries. Firstly, it is important to note that in most countries a distinction can be made between informal and formal childcare. Informal implies that someone from the family-social network usually provides childcare, while formal childcare is an institutionalised form with qualified, specialised, paid childminders. Secondly, there is a great diversity between countries in types of formal childcare services. The main types are day-care centres (for example nurseries, kindergarten, playschools) and family day-care provided by individuals (childminders) who take care of children (see table 2.4). Day-care centres can take different forms depending on child's age. There are, broadly speaking, different facilities: for children under three years old, children aged three years until compulsory school age, and school age children. In most European countries there are pre-primary school programs for children before the age of compulsory schooling. Services for school-age children consist of out-of-school centres, open before and after school hours, during free afternoons and mostly during school holidays. Thirdly, also the way in which childcare is financed varies. In some countries childcare is financed mainly out of public expenditure, while in others childcare is supported by the private sector. Mostly, however, there is some mixture of financing.

Table 2.4 shows the main provisions and data of formal childcare, based on Eurostat data, OECD figures, and national statistics.¹⁹ The provision of childcare facilities varies widely, especially for children under the age of three. Although provisions of childcare facilities for children less than three years old are important especially for working mothers, in most countries the coverage rate is less than 20%. In Austria, Greece, Italy, and Spain, the coverage rate is even below 5%. In Germany, and Portugal approximately 10% of under three-year olds have been enrolled. In The Netherlands in recent years the capacity of childcare has rapidly increased, the enrolment rate is now 18.5%, while in the United Kingdom it is slightly higher, 20%. Belgium, Denmark, Finland, France, Ireland and Sweden provide more than 20% of public nursery places for this age group. The highest rate of children under the age of three participating in childcare facilities is found in Denmark, where

¹⁹ The data only refer to formal childcare provision. The statistics do not distinguish between private and public day-care and no distinction is made between full-time and part-time attendance.

more than 60% of the age group has been enrolled. In Sweden the coverage rate is almost 50%, in Ireland almost 40%, Belgium and France about 30%, and in Finland slightly lower, 24%.

Table 2.4 Formal childcare facilities, 1998-2000

	Year	Schemes & Scope of application	Enrolled children as percentage of the age group		Compul- sory school age
			0-3 years	Aged 3 to compul- sory school age	
Austria	1998	Krippen (crèche) 0-36 months Kindergarten (day-care centre) 3-6 years	4	68	6
Belgium (Flemish commu- nity)	2000	Crèche 0-36 months Childminders 0-3 years Pre-primary education 2 ½ or 3-6 years	30	97	6
Denmark	April 1999	Kommunal dagpleje (municipal childminder arrangement) Vuggestuer (crèche) 6 months-2 years Børnehaver (children gardens) 3-5 years Aldersintegrerede institutioner (age integrated facilities) 6 months – 6 years	64	91	7
Finland	31-1- 1999	Pälväkoti (day-care centre) 0-7 years Perhepäihähoito (family day-care) 0-7 years	23.6	65.8 ^a	7
France	1998	Crèche (0-3 years) École maternelle (pre-primary school) 2- 6 years	29	99	6
Germany	2000	Krippen (crèche) 0-36 months Kindergarten (day-care centre) 3-6 years	10	78	6
Greece	2000	Nursery (day-care centre) 0-30 months Kindergartens (day-care centre) 2 ½ - 4 ½ years	3	46	6
Ireland	1998	Nursery (private day-care centre) 3-60 months Playgroup 3-6 years Early primary education 4-5 years	n.a. ^b	56	6
Italy	1998	Crèche 3 months – 3 years Day-care centre (0-3 year) Scuola dell'infanzia (pre-school) 3-6 year	6	95	6

	Year	Schemes & Scope of application	Enrolled children as percentage of the age group		Compul- sory school age
			0-3 years	Aged 3 to compul- sory school age	
Luxem- bourg	n.a.	n.a.	n.a.	n.a.	6
Nether- lands	1998	Halve- en hele-dagopvang (half and full day-care centre) 0-4 year Gastouderopvang (family day-care services) Peuterspeelzaal (pre-school playgroup) 2-3 year Kleuterschool (nursery school)	18.5 ^c	98	5
Portugal	1996/ 1997	Nannies, crèches, mini- crèches, family crèches (3 months-3 years) Jardim the infância (pre-school education): (3-6 years)	12.6	64.5	6
Spain	1998- 1999	First pre-school stage (under 3 years) Second pre-school stage (3-6 years) Public and private nursery schools (guarderías)	6.9	89.4	6
Sweden	1998	Förskola (pre-school) 0-6 years Familjedaghem (family day-care) 0-6 years Öppenförskola (open pre-school) 0-6 years	48	73 ^d	7
United Kingdom	2000 ^e	Day nursery (0-4 years) Family day-care, private childminders (0-4 years)	20	60	5

Notes:

^a Age group 3-7 years, of whom 6 years 76.4 %. Pre-school education for 6 years old, 700 hours a year.

^b The percentage of children aged under 5 is 38%.

^c Data on pre-school playgroup is not included. Age group 0-4 years.

^d Age group 1-5 years. 74 % for the age of 6 years.

^e England only. Care provision is mostly private.

Sources: OECD (2001a and 2001b); OECD (1999-2000); Eurostat (2002b); Delemarre (2001)

The percentage of children age three to the age of compulsory attendance that is enrolled in childcare arrangements is much higher. This is not surprising, because most of the care services provided are pre-school programs. Belgium, Denmark, France, Italy and the Netherlands have the highest coverage rate; almost a full coverage is achieved. Medium coverage rates are found in Austria, Finland, Germany, Spain and Sweden. Although Germany has about 78% of its 3-6 year olds enrolled in kindergarten, these programs are largely part-day and supplementary services or extended day programs are usually not available (Kamerman 2000a). Provisions are relatively low in Greece, Ireland, Portugal and the United Kingdom.

The coverage rates do tell something about the availability and access of childcare, but nothing about the way childcare is financed or funded. The level of government involvement, however, remains widely different across the European Union. In the United Kingdom and Ireland, the public sector's involvement in childcare is limited. Most childcare is private, with no public funding. But even more important than the issue of whether childcare is private or public is the question how much parents have to contribute to childcare, and to what extent the contribution of parents is income-related. In countries relying on private provision, private costs can be high (OECD 2001a). Unfortunately, there are no accurate figures about the affordability of childcare in the European Union countries.

2.6 *Reconciliation and welfare state regimes*

In summarising the foregoing we can conclude that there is a great variety between countries in conditions to reconcile working life and family life in Europe. To explain the differences and similarities we will discuss the organisation of welfare states. Institutions are embedded in welfare states; welfare states create the climate and set the conditions for the institutions. In this section we will describe some comparative studies on welfare state regime types. Next we will discuss how to cluster countries on the basis of our findings on conditions concerning reconciliation. Finally, we will pose the question if current welfare state regime types are sufficient to explain the variety between countries concerning conditions for reconciliation.

Welfare state regime types

Well-known is Gøsta Esping-Andersen's theory of welfare state regimes (1990). In his study *The Three Worlds of Welfare Capitalism*, welfare state regimes are defined as a specific institutional configuration of state, market and family adopted by societies in the pursuit of work and welfare. Esping-Andersen clusters Western industrialised welfare states into a liberal, conservative/corporatistic and social democratic regime. The *liberal welfare state* regime - the United States, Australia, Canada, United Kingdom and Ireland - has been characterised by a belief that the self-regulating capacity of the market brings welfare to a maximum number of citizens. Only if the market fails, the state intervenes. As a consequence social security plans are modest, welfare benefits are means-tested and entitlement rules are strict. There is a strong reliance on market solutions (employer sponsored benefits) and private insurance. In the *conservative or corporatistic welfare state* regime - found in continental European countries such as Austria, France, Germany, Italy, and the Netherlands

- family and church play a crucial role. In Esping-Andersen opinion, the essence of a conservative regime lies in its blend of status, segmentation and familism. Men are seen as breadwinners and women primarily as mothers and caretakers. Compulsory social insurance schemes are common, but these social rights differentiate according to class and status. Provisions, for example, are typically organised along occupational lines, often with preferential treatment of civil servants. The social security rights are financed through contributions paid by the employer and/or the employee. In the *social democratic welfare* regime - Sweden, Denmark and Finland - the state plays an important role, while the market is of minor importance. It is characterised by a strong commitment to a full-time employment guarantee for men as well as women. Equality is seen as a fundamental value. A characteristic feature is its universal approach; entitlements to benefits and services are based on citizenship or residence. Other traits are the generous benefit levels and the funding of benefits is through taxation rather than contributions from insured persons.

Esping-Andersen's work is appreciated and often quoted, but also highly criticised. Critics have pointed out the fact that some countries are difficult to classify. The Netherlands, for example, has been considered an ambiguous case because the Dutch welfare state has characteristics of both the social democratic as well as the conservative welfare state regime (Den Dulk 2001). Others argue that the Netherlands has been gradually infused with liberal characteristics (Veen & Trommel 1998). Critics substantiate that the Mediterranean countries, like Spain, Italy and Portugal, should be considered as a distinct regime: a family care model (Leibfried 1992; Naldini 1999). In those countries the family is the unit primarily responsible for the welfare of individuals. Informal care through the family network is important. Many feminist scholars too have criticised Esping-Andersen's typology because of his theoretical neglect of gender. The objection being the specific position of women in welfare states was not taken into account and the analysis of the family was underdeveloped (Orloff 1993; Sainsbury 1996, 1999).

In his book *Social Foundations of Postindustrial Economies* (1999), Esping-Andersen attempts to integrate gender and the role of families more fully into his classification. He analyses the extent to which welfare state regimes have pursued familisation or de-familisation, concepts first proposed by his critics (Orloff 1993; Lister 1997). In Esping-Andersen opinion de-familisation refers to the extent in which welfare states are lessening the familial burden, in other words it refers to 'the degree to which household's welfare and caring responsibilities are relaxed- either via welfare provision, or via market provision' (1999, p. 51). A familistic system, on the other hand, is one in which public policy assumes that households must carry the principal responsibility for their members welfare. Using measures such as the percentage of children under age three in daycare, the percentage of unemployed youth living with parents, and the average hours of women's unpaid work, he finds that welfare state variations in terms of de-familisation are as great as for de-commodification (defined as public protection against social risks in a free market system). Active de-familisation takes place in the social-democratic regimes. These regimes remain the only ones where social policy is explicitly designed to maximise women's economic independence. Liberal regimes tend to be open to de-familisation, albeit in a manner that is primarily reliant on the market. Conservative countries, on the other hand, are notable for their policy of sustained familism (leaving services to the families). Within this regime there are, however, differences; France and Belgium are much less familistic than Italy and Spain. Further,

Esping-Andersen states that more systematic attention to the family does not really alter his tripartite typology of welfare regimes. In his view, the differences between Southern Europe and the rest of continental Europe are not large enough to distinguish a separate Mediterranean regime.

Although Esping-Andersen does not explicitly discuss the institutions that support the combination of paid work and care, some presumptions can be derived from his theory applying the underlying principles of the welfare regimes and the concept of de-familialisation. In the Scandinavian countries, for example, where strong de-familialisation is a guiding principle for public policy, institutional arrangements will consist of an elaborate universal system of public day-care provisions and extensive paid leave schemes. The costs of familyhood will be subsidised through the heavy involvement of the state in the care of children, the aged and the helpless. High familialism in the corporatistic welfare state regimes, on the other hand, implies that childcare facilities are underdeveloped. State policy in those countries aims at strengthening the position of the male breadwinner - de-commodifying the male breadwinner via income guarantees -, while concentrating the caring tasks to families (women). As a consequence cash benefits will be given priority over the provisions of services. In liberal welfare state regime, where the market holds sway: government policy towards childcare and parental leave facilities is based on a principle of individual rather than collective responsibility. A consequence of this is that there is a minimal provision of publicly funded childcare and scanty statutory provisions of leave arrangements.

Typology of states and reconciliation

Do the presumptions of Esping-Andersen correspond with the cross-national comparison undertaken in this chapter? Table 2.5 summarises the main findings and gives a first clustering of countries, based on the preceding sections. The categories are divided in low, medium and high, using percentile scores of 33.3 and 66.6. The table shows certain features that different European countries have in common. Certain patterns emerge in groups of countries. Those groups correspond only partially to the Esping-Andersen model of welfare state regime.

In line with the Esping-Andersen typology we find that the *social democratic* countries (Sweden, Denmark and Finland) have extensive statutory provisions, which help working parents to manage their dual responsibilities to family and work. Provisions for childcare and paid leave arrangements are relatively high. The financial support for families with children through cash benefits and tax allowances on the other hand is relatively low. The tax system is based on independent taxation of individuals.

In the *liberal* countries (Great Britain and Ireland) the institutional arrangements are also consistent with Esping-Andersen model. These countries are characterised by short and poorly paid leaves and limited public childcare, whereas in Great Britain the flexible working time arrangements are widespread. The financial support for families with children is moderate in Great Britain, and high in Ireland. In both countries individual taxation is the rule. However, it is important to note the fact that in Great Britain recently changes have been made in leave arrangements, whereby the duration of maternity leave has been prolonged and paternity leave has been introduced. These changes in legislation are not in line with policies of countries belonging to a welfare state regime characterised as liberal.

The institutional arrangements in the other countries are less easily placed within the *conservative regime*. This regime type could be split into two quite distinct groups; the Southern countries and the other continental countries. If we look at the Southern countries (Spain, Italy, Greece and Portugal) we see that the childcare facilities for children under three years are - except for Portugal - very low. Informal care in those countries is extremely important. Leave facilities, however, are rather diverse. Spain knows a relatively long period of childbirth related leave, but payments are low. In Italy, on the contrary, the leave period is much shorter, but better paid. In all four countries part-time work and flexible work are relatively low and the tax system is joint or individual.

The continental countries reveal little commonality; differences among those countries are particularly striking. Belgium and France deviate markedly, especially with regard to childcare facilities, from the 'regime norm'. Both countries are in this respect closely behind the social democratic countries and if you look at the childcare coverage rate for three- to five- years old they even outdo the social democratic countries. Austria, Germany and Luxembourg fit better in the conservative regime. In those countries the emphasis is on time-related provisions. Parents are encouraged to take care of their children themselves. For this goal leave provisions are relatively long, while childcare provisions for children under three years are low. The financial support for families through cash benefits, and tax allowances is relatively high in Luxembourg, Austria and Germany. The Netherlands stands relatively alone in this group. On the one hand we could say that institutions correspond better with the liberal countries since the part-time strategy is widely used for combining work and family life and leave arrangements are underdeveloped. On the other hand the considerable increase in childcare facilities during the Nineties points at a social democratic course.

Concluding remarks

In summarising, the cross-national comparison shows that in some cases the welfare state regime typology breaks down and countries cannot be clustered into distinct groups corresponding to welfare state regimes. Conceivably, this is due to the fact that during the Eighties and Nineties welfare states were confronted with several important socio-economic changes, such as the continuing increase in women's labour force participation, the flexibilisation of the labour market, the decline of the male breadwinner system, and the declining fertility rate. Those changes mean that all welfare states have experienced a certain insecurity, but even more important those changes also have created pressure and a set of challenges which forced them to respond (Mayer 2001). Assuming that this social change exerts roughly similar pressure to all advanced societies, the question rises how do welfare states respond? Will these responses vary widely, across or within the boundaries of the various regime types?

Our comparison reveals that especially in the continental countries certain developments, such as the erosion of the male breadwinner system and the increasing labour market participation of women, have not induced the path dependent adjustments that regime theory would lead us to expect. On the contrary, some of the continental countries appear to deviate from the predicted path and move in a direction that crosses different regime types. For families in France and Belgium, for example, care in the early years of children's lives is provided through a combination of paid leave, publicly subsidised childcare and private care

arrangements. A response of two welfare states that combines the elements of the social democrat and the conservative world.

One could even say that because of this significant intraregime differences, dividing lines between the different regimes might fade in time. This is probably due to the fact that in the Nineties in all countries within the European Union the combination of paid work and care has received increasing attention and, moreover, public and private support for it has been raised. Leave policy, for example, has been extended in all countries and most of the countries have made some investment in childcare. This trend has brought together countries from different welfare regimes. For us it is of interest how despite the differences between the several European countries (with regard to labour market participation and social and political traditions), these countries are increasingly finding common ground in terms of solutions for reconciliation and especially the role of men. If countries are indeed getting closer to one another on this issue, than the possibilities to transfer solutions from one country to the other will also be enlarged. In chapter 5 we will discuss good practices concerning men and reconciliation in three European countries (Sweden, Spain and France) and come back to this issue.

It is an encouraging development that many of the necessary conditions for a more equal division of paid work and household and family tasks seem to develop (though a lot has to be realised yet). As argued, this is a very important first step for a quantitative balancing of tasks of men and women. Qualitatively speaking (who performs which tasks at home?), necessary conditions are not sufficient though. Let's therefore look at meso- and micro-conditions.

Table 2.5 Comparison of institutions in fifteen countries

	<i>Child-care for children less than 3 years</i>	<i>Child-care leave</i>	<i>Part-time work</i>	<i>Flexible work</i>	<i>Financial support for families</i>	<i>Unit of taxation</i>
<i>Nordic countries</i>						
Denmark	High	High	Medium	Medium	Low	Individualised
Finland	Medium	Medium	Low	High	Low	Individualised
Sweden	High	High	Medium	High	Low	Individualised
<i>Anglo-Saxon countries</i>						
Great-Britain	Medium	Low	High	High	Medium	Individualised
Ireland	n.a.	Low	High	Low	High	Optional individual - splitting
<i>Southern countries</i>						
Greece	Low	Low	Low	Low	Low	Joint
Italy	Low	Medium	Low	Low	Medium	Individual
Spain	Low	Medium	Low	Low	Medium	Optional individual - joint
Portugal	Medium	Low	Low	Low	High	Joint (splitting)
<i>Continental countries</i>						
Austria	Low	High	Medium	Medium	High	Individual
Germany	Low	Medium	High	High	High	Joint (splitting)
Luxembourg	n.a.	High	Medium	Medium	High	Joint (family quotient)
Belgium	High	Medium	High	High	Medium	Optional individual — splitting
France	Medium	Medium	Medium	Low	Medium	Joint (family quotient)
The Netherlands	Medium	Low	High	High	Low	Individual

Notes:

The scores low, medium, high were calculated using a 33.3 and 66.6 percentile. In case of childcare leave (i.e. maternity, parental, paternity and care leave) payment and duration are given even weight. Furthermore, the ranking of payment is based on a weighted average. The weigh factor of a payment category has been defined as the payment category's period divided by the total period. In case of flexible work we included flexitime and teleworking. Part-time work refers to both the women and the men. For the ranking of the financial support for families we used the family tax-benefit ratio, including the cash benefits.

