

## Comprehensive Support for Families

### Indicators to measure how parents are valued in rich countries

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In the 20 years preceding the COVID-19 crisis, average spending on services for families – including childcare – in high-income countries, saw notable increases relative to falls in cash benefit spending. Nevertheless, even before COVID-19, some of the world’s richest countries were failing to offer comprehensive childcare solutions to all families. In some instances, this reflected their policy priorities rather than available resources.

The COVID-19 pandemic also challenged children’s education, care and well-being as parents struggled to balance their responsibilities for childcare and employment, with a disproportionate burden placed on women. In the context of lockdown and school closures, childcare was one of the worst affected family services and had a significant knock-on effect.”

UNICEF has previously called for a set of four key family-friendly policies: paid parental leave, breastfeeding support, accessible quality childcare and child benefits. This report shows how governments can help parents through paid parental leave, followed by affordable and high-quality childcare. Using the most recent comparable data, it assesses the parental leave and childcare policies in the 41 high-income countries that are part of the Organisation for Economic Co-operation and Development (OECD) or the European Union (EU). For simplicity, we call them the ‘rich countries’.

Accessible, affordable, and quality childcare helps parents return to work after parental leave, improves children’s social and cognitive development, and promotes a more gender equitable society. Yet, a latest report reveals that childcare is inaccessible to many parents in the world’s richest countries.

The report of where do rich countries stand on childcare ranks high-income countries based on their national childcare and parental leave policies.

The best-performing countries combine affordability with quality of organized childcare while offering long and well-paid leave to both mothers and fathers.

*Extracted from 'Where Do Rich Countries Stand on Childcare? A ranking of national childcare policies in wealthy countries' (UNICEF Innocenti's report).*

Available at: <https://bit.ly/3zKl2rX>

Childcare policies play a key role in the development of children and work-life balance for adults.

## Key Messages

The report highlights the situation of many countries through some key messages:

1. Luxembourg, Iceland and Sweden occupy the top places in the League Table. The best performers manage to combine affordability with the quality of organized childcare. They also offer generous leave to both mothers and fathers, giving parents a choice on how to take care of their children. However, no country is a leader on all four fronts suggesting that there is room for improvement, even among the more family-friendly countries.
2. Slovakia, the United States, and Cyprus occupy the bottom places of the League Table. Weak investments in leave and childcare appear to indicate that childcare is seen more as a private rather than public responsibility.
3. Japan, Romania, Estonia and the Republic of Korea rank highest on leave entitlements. Romania and Estonia have the longest leave available for mothers, while Japan and Korea have the longest leave reserved for fathers. Initially, very few fathers used this leave but the uptake has increased each year.
4. The United States is the only rich country without nationwide, statutory, paid maternity leave, paternity leave or parental leave. However, nine states and Washington, DC, offer their own paid family leave. Some employers offer 12 weeks of unpaid leave but only six in ten workers are eligible. In practice, only one in five private-sector workers qualifies for paid leave.
5. Iceland, Latvia, New Zealand, Finland and Denmark have the highest quality of childcare. Denmark, Finland and New Zealand combine a low children-to-staff ratio with high qualifications of caregivers to ensure that children get sufficient attention from trained personnel.
6. Ireland, New Zealand and Switzerland have the least affordable childcare for the middle class. A couple of two earners of average wage would need to spend between a third and a half of one salary to pay for two children in childcare.
7. Although most rich countries subsidize childcare for disadvantaged groups, a single parent on low earnings would still need to spend between a third and a half of their salary in Slovakia, Cyprus and the United States to keep two children in childcare.
8. Countries with shorter paid leave for mothers – but longer leave reserved for fathers – tend to have more children aged under 3 in childcare centres. However, even some of the world's richest countries, such as Switzerland, have both short leave and low enrolment in childcare.
9. Countries with high rates of satisfaction with childcare tend to have high enrolment and few parents struggling with childcare costs.

## Childcare in rich countries

Childcare should provide affection, protection, stimulation and nutrition and enable children to develop social, emotional and cognitive skills. These goals can be achieved through high-quality childcare both within and outside the family. Rather than viewing one form of care as inherently better for children, the report looks at the policy mix and the scope of choice offered to parents who decide to stay with their children, as well as those who decide to use organized care.

### Leave for mothers

The vast majority of children are cared for by their parents, from birth and during infancy, whether leave policies and care options are available or not. Well-designed maternity, paternity and parental leave can help parents during the first few years of a child's life without the fear of losing employment or experiencing poverty at a critical point in the child's life course.

Prenatal maternity leave helps mothers prepare for the birth of the child. It can help protect their health, and that of the baby, in the later stages of pregnancy, for example by enabling them to take a break from hazardous work. Maternity leave following birth allows mothers to recover from pregnancy and childbirth and to bond with their children. It facilitates the development of early and secure attachments – vital for both the child and the caregiver's mental health and well-being – and supports breastfeeding, which leads to better health for both mother and child.

Well-paid, job-protected leave from work helps female employees maintain their income and attachment to the labour market, although leaves that are too long can have the opposite effect. Maternity leave, which typically starts just before childbirth, tends to be short and well-paid, averaging 19 weeks across the rich countries and paid at 77 percent of the national average wage. Parental leave that follows maternity leave tends to be long and paid at a lower rate: averaging 36 weeks paid at 36 percent of the average wage. In 14 of the 41 rich countries, it is fully paid for an employee with average earnings, although some countries use a cap. In the past half-century, leave available to mothers has been substantially extended. Back in the 1970s, it used to be short – 17 weeks on average in 7 countries. In 1990, doubled to 40 weeks on average. By 2018, it averaged 51 weeks with the US being the only rich country with no national statutory entitlements.

### Leave for fathers

Leave reserved for fathers helps them bond with their children and supports the redistribution of childcare between mothers and fathers. However, working fathers typically face professional and cultural barriers that prevent them from staying with their children. To encourage uptake, almost all rich countries have introduced leave reserved for fathers on a 'use-it-or-lose-it' basis. Leave for fathers tends to be substantially shorter than maternity leave (usually 1–2 weeks) but it is paid at a higher rate. It is a relative novelty.

## Take-up of paternity leave

Leave reserved for fathers makes up on average one tenth of total leave. It constitutes at least one third of all available paid leave in only four countries: Iceland, Japan, the Republic of Korea and Portugal. In 11 countries with comparable data, the take-up averages 55 percent, ranging from 24 percent in Hungary to 92 percent in Slovenia. The take-up reflects cultural differences and gender norms whereby childcare is viewed as a mother's job, but it also reflects the age of the policy.

## Money: leave payment rates and sources of financing

The length of leave is an important indicator of the commitment of a government or country. However, the length can be a misleading indicator of policy quality because it is paid at very different rates. In some countries, parents can't live off the payment, while caring for the child.

Across rich countries, an average woman would be paid two thirds of her earnings during maternity and parental leave: ranging from a quarter of her pay in Finland to full pay in Chile, Israel, Lithuania, Mexico, the Netherlands and Spain. Full-pay equivalents show the generosity of the entitlement. They are weeks of leave multiplied by the payment rate. For example, if a woman is entitled to 10 weeks of leave at 50 per cent of her usual salary, her full-pay equivalent is 5 weeks. When calculated in this way, the most generous leave is offered by four post-communist countries: Romania (92 weeks of full pay), Estonia (84 weeks of full pay), Bulgaria (70 weeks of full pay) and Hungary (68 weeks of full pay). At the other end of the scale, Australia, Ireland, New Zealand and Switzerland offer less than 10 weeks of full pay.

## After the leave

A typical length of leave available to mothers in rich countries is 55 weeks (32 weeks when recalculated into weeks of full pay). Yet, the end of paid childcare leave usually does not coincide with the start of entitlements to affordable childcare, leaving many families with young children struggling to fill this gap. The end of parental leave should be aligned with the availability of childcare to ensure there are no gaps in the provision of childcare as parents look to return to work (OECD, 2009).

After the end of parental leave, some parents continue to care for their children full-time at home. Approximately half of the children aged under 3 are cared for only by their parents but the proportion varies from 22 percent in the Netherlands to 70 percent in Bulgaria. Between 2011 and 2019, the percentage of children cared for exclusively by their parents fell from 51 percent to 45 percent as more parents were likely to use help in childcare – primarily through the use of organized care.

Even if family care is a positive experience for most children, it can weigh heavily on caregivers, especially if they are experiencing a time of financial crunch. For many parents, their childhood experiences, mental health and well-being will affect their parenting ability; and successful parenting will become a learnt, not inherent, skill.

Caring for a child can be one of life's most gratifying experiences. Still, without adequate support, parents can become stressed, exhausted and forced to make excessive sacrifices in their education, employment and social life. The next section looks at the informal and formal childcare that can support them.

## Informal care

Some parents rely on informal care or care provided without remuneration by relatives, friends or neighbours. In rich countries, 27 percent of children under 3 and 29 percent of children from age 3 up to the school-age rely on such care for at least an hour a week.

## Formal care

When parental leave ends, some children attend organized childcare. It can relieve fatigued parents and enable them to return to work or attain a balance between paid work, self-care and caring for others. Such care, if of high quality, benefits children by fostering cognitive and social-emotional skills. Interactions with other children support children's social, emotional and behavioural development, giving them skills they can use in school and their lives outside school.

Early education and care may be especially beneficial in preventing children from disadvantaged backgrounds, and children whose parents left education early, from falling behind their peers in cognitive development in the early. In this way, access to early caring and educational experiences outside the home can have an equalizing effect on children's development and life chances. The main challenge is to ensure that childcare is accessible, affordable, equitable and high quality.

## Access

All 28 rich countries with available data provide some free access to childcare. However, in 16 countries the access does not start until the child is 3 years of age, while in another six countries it starts even later. Only Belgium, Denmark, Lithuania, Norway and Slovenia provide free access for children under 3. The hours of access are more compatible with parents who work part-time as the average entitlement is 25 hours weekly. Only Greece and Czechia provide free access of at least 40 hours weekly.

## Quality

Due to the lack of comparable data, the quality of childcare is measured in this report through the inputs, such as children-to-staff ratio and caregivers' qualifications. In rich countries, an average pre-primary teacher looks after 14 children – almost twice as many as in early childhood programmes for younger children where it stands at six. The ratio ranges from five children per teacher in Iceland to 24 children per teacher in Mexico.

## Affordability

The high cost of childcare accentuates socioeconomic inequalities and deters women from returning to work. Among parents who used organized childcare in Europe, 38 percent found its cost difficult to cover. Another 15 percent of parents would like to use daycare but cannot do so. The proportion ranges from 2 percent in Bulgaria to 33 percent in Spain.

The main obstacles include affordability (6.5 percent) and availability of places (2.2 percent). A negligible proportion of parents quote concerns about quality (0.3 percent), opening hours (0.6 percent) and geographical distance to the daycare (0.6 percent) as the reason for unmet need. Low-income families voice more affordability concerns. For example, in

Spain, 22 percent of low-income families and 5 percent of high-income families would like to make more use of childcare but do not do so because of money.

Most rich countries heavily subsidize childcare for disadvantaged groups. In 19 rich countries, a single parent of low earnings would pay less than 5 percent of their wage on childcare for two children full time.

Rich countries are also encouraged to consider programmes servicing remote areas and ensuring access to early learning for First Nations children. A model achieving substantial social impact is the Indi Kindi programme, a multisectoral early years program in two Indigenous communities in northern Australia.

## Recommendations

The report reviews childcare policies in 41 countries that are part of OECD or the EU using eight indicators to measure leave for parents as well as access, quality and affordability of childcare. Despite the role that childcare policies play in the development of children and work-life balance for adults, some of the world's richest countries fail to offer comprehensive solutions to all families. They can improve their policies as follows:

1. Provide a suitable mix of paid maternity, paternity and parental leave for mothers and fathers in the prenatal period and in the first year of a child's life, to ensure that parents can spend time caring for and bonding with their child.
2. Leave should be gender-sensitive, yet gender-equitable, to ensure neither parent is overburdened with home care, which can accentuate various gender inequalities. This would mean bringing fathers' individual leave rights in line with mothers' and ensuring that -both parents can take advantage of parental leave policies equally.
3. Leave should be inclusive and granted not only to full-time employees but also those in non-standard forms of employment or training (e.g., part-time, self-employed, informal workers, students) and support the costs related to birth and parental care during infancy for those in other life circumstances (such as the uninsured or under-insured, the unemployed, recent migrants).
4. Align the end of parental leave with availability of childcare to ensure there are no gaps in the provision of support for infant care as parents look to return to work.
5. Make accessible, flexible and affordable quality childcare available to all parents. Such access will allow families to realize their preference between earning, using informal childcare and using organized childcare.
6. Publicly provided and regulated childcare can facilitate access for low-income families, as well as ensure standards in provision. Fee systems, ranging from free to a nominal charge for wealthier parents, will allow public providers to recoup some costs of provision, as well as limit unintended effects on earnings inequality.
7. Invest in the childcare workforce, their qualifications and their working conditions, to encourage the highest possible standards. Low children-to-staff ratio should enhance quality by ensuring that each child gets enough attention from qualified personnel. Implement National Quality Frameworks for Childcare services to regulate and maintain standards.
8. Encourage employers to support working parents through inclusive and gender-sensitive paid leave entitlements, flexible work arrangements (e.g., flexible hours, compressed, reduced overall and staggered time) and childcare support systems. All measures should be based on regular consultations with working parents, with special attention paid to single parents and those most in need (see, for example, UNICEF, ILO and UN Women, 2020).
9. Provide leave policies and childcare services with family policies, such as universal child benefits, to strengthen the child policy portfolio and reduce the risk of social inequalities being replicated in public childcare settings.