

COMPARING CARE REGIMES IN EUROPE

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ABSTRACT

Throughout Europe, the family is still an important provider of care, but welfare state policies of individual countries may support and/or supplement the family in different ways, generating different social and economic outcomes. This article compares and categorizes care strategies for children and elderly persons in different member states of the European Union, while also taking into account the varied modalities for providing care, like leave arrangements, financial provisions, and social services. In EU countries, care regimes function as “social joins” ensuring complementarity between economic and demographic institutions and processes. As these processes and institutions change, they provide impetus for care regimes to change as well. However, because ideas and ideals about care are at the core of individual national identities, care regimes also act as independent incentive structures that impinge on patterns of women’s labor market participation and fertility.

KEYWORDS

Families, Europe, social policy, childcare, elderly care

JEL Codes: I38, J13, J16

INTRODUCTION

Comparative research on national differences in care strategies is relatively scarce. In this article, we categorize and compare care strategies for both children and elderly persons in different EU member states, while taking into account the various modalities of care provisions, like leave arrangements, financial provisions, and social services. The central aim is to identify models of care and to investigate the different social and economic consequences of each one.

Most comparative research on welfare states has focused on social transfers. Major topics have included social security systems, the structure of entitlements, the risks covered, and the effects of these programs on income redistribution (e.g., Gosta Esping-Andersen 1990; Mary Daly 1997). Given these subjects, scholars have emphasized relationships between the market and the state, and the social problems that may arise from nonparticipation in the labor market. Relationships between the state and the family, and the social problems connected to specific life situations, have been much less studied. In particular, scholars have paid little attention to situations of dependency and how care provisions might

reduce the social and economic costs of dependency (e.g., Jens Alber 1995; Anneli Anttonen and Jorma Sipilä 1996). The diversification of family forms, demographic change, and rising employment rates among women necessitate a change in the research agenda, however. All European countries are currently trying to redefine and restructure the division of care responsibilities, seeking to establish a new balance among providers of care: the family, the market, and the state. While the family is still an important provider of care, welfare state policies may support and/or supplement the family's efforts in different ways, generating different social and economic outcomes.

In order to encompass the actual welfare mix, we decided to chart existing care provisions as fully as possible, taking into account both informal and formal care. Informal care refers to all unregulated, mostly unpaid, activities on behalf of children, elderly relatives, or others. Formal provisions of care can be defined as provisions regulated by law or other contractual arrangement. In principle, these provisions are targeted either to persons who need care (care receivers) or to persons who provide care (care providers or carers). Writing about care is not an easy task, however. All writers in the field stress that research is severely hampered by differences in institutional and legal frameworks, conceptual difficulties, and lack of comparable data. Our experiences were no different. We found that data were often missing or deficient and that we would have to neglect several important issues related to care. For example, the focus of this paper on national strategies obscures the roles played by smaller, but important, care providers such as churches, private charities, or companies. It also proved difficult to maintain high standards of conceptual rigidity. The broad focus on care, together with the fact that care is an area that changes very fast, forced us to take a rather flexible approach, given the lack of statistical standardization and/or comparable data. Institutional detail – on the character of entitlements, for example – is therefore largely omitted. We do not presume to have integrated the latest developments in all countries, either. The availability of data and/or comparative studies implies that the main focus is on the state of the art at the turn of the century, though it is only because information over the last couple of years is limited that the focus is on the late 1990s.

Despite these caveats, we believe the picture that emerges from our research offers an overall, if preliminary, view of this intricate and complex field.

PROVISION OF INFORMAL CARE

European countries differ widely in the extent to which they rely on informal care services. Presumably, these differences are related to differences in cultural and political history. The organization of childcare,

for example, is closely related to general cultural attitudes about the family. Some countries pursue a highly restrictive policy on this issue because children are seen above all as the private responsibility of parents. Parents may be supported financially through childcare allowances and/or fiscal arrangements for care of their children; the actual choice or provision of care, however, remains with the parents. In other countries policies may be less restricted, focusing more on providing substitutes for family care than on supporting it (e.g., Janet Gornick, Marcia Meyers, and Katherine Ross 1997). Care of the elderly may also be organized in either public or private ways. Although data are scanty, the information available suggest large national differences exist in the domestic assistance and/or housing services provided for elderly persons, indicating differences in the informal involvement of families in elderly care.

The extent of informal care services can be fairly well approximated by time budget data. Recently, the European Community Household Panel (ECHP) has made available microdata on the volume, character, and intra-household distribution of informal care provisions (see Appendix A for more details). In this section we present a few salient indicators derived from these data. Although the quality of some of these data is not as high as we would have liked, they nevertheless provide a first approximation of the provision of informal care. First, we have estimated the overall level of informal care on the basis of two indicators:

- (a) number of adults devoting at least two hours per day to caring for children (younger than 16) or other sick, elderly, or disabled persons ("carers" henceforth), divided by the number of dependents, namely children under the age of 16 and elderly above the age of 74;
- (b) share of households, out of all households with children, that do not pay for regular childcare (provided by someone other than a parent or guardian).

Indicator (a) ranks countries on the involvement of adults in care activities, taking into account demographic differences between countries, such as the number of children and the number of elderly persons. Indicator (b) ranks the countries in terms of the number of households in which care providers are unpaid (and are presumably family members) and those in which children receive care from someone other than their parents.¹ In order to obtain a comprehensive and relatively robust measure we have combined indicators (a) and (b) into a single index, which is labeled "index of informal care intensity." We created this index in two steps. First, each indicator was standardized. We achieved this by subtracting the lowest country value from all national values, subsequently setting the highest country value to 100 and expressing the remaining country values as

percentages of the top value. Second, the two standardized values for each country were averaged, thus obtaining an index that also ranges from 0 to 100.

Figure 1 ranks European countries on the basis of the intensity in informal care, while the separate values for indicators (a) and (b) are reported in Appendix B. Although the ranking in Figure 1 should be considered indicative rather than precise, it nevertheless provides evidence that does not entirely conform to received stereotypes. Mediterranean countries – Greece, Italy, Spain – and Ireland are among those that most intensively resort to informal care, which is not unexpected given the cohesion and importance that the family still retains there. However, the Netherlands and the UK also depend heavily on informal care, which is more surprising. Conversely, Finland and Denmark fit the expectations of being relatively “light” users of informal care, but the finding that “light” users also include France and Portugal would have been more difficult to anticipate. Unfortunately, data for Sweden are missing because it is not included in the ECHP data we have used (see Appendix A).

It is interesting to go beyond the overall level of the informal care index in order to get more information about who actually provides care. Countries may, for example, differ among themselves in terms of their capacity to redistribute care work across generations. Thus we have

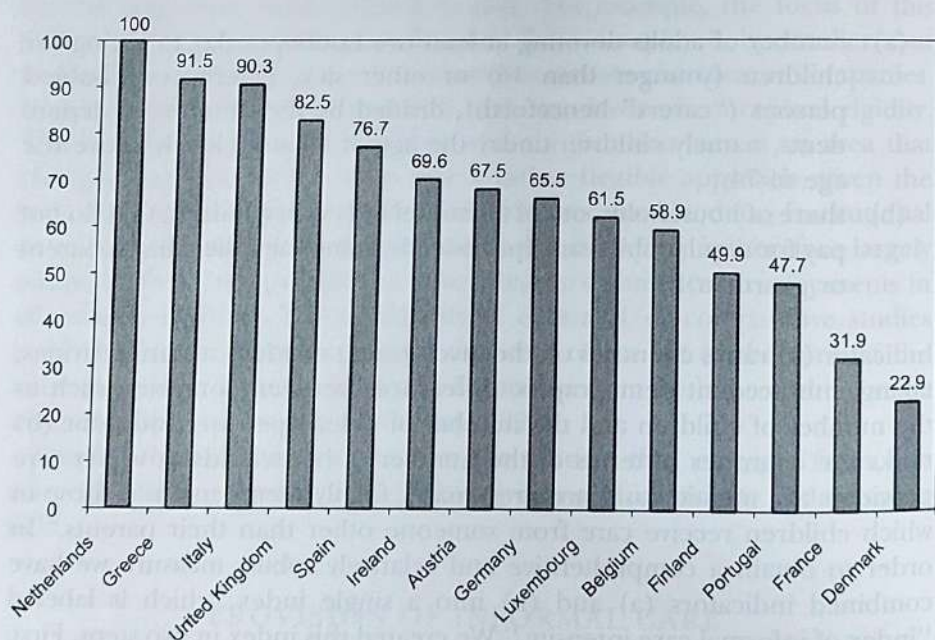


Figure 1 Index of intensity in informal care, 1996.

Source: Our calculations using microdata from the ECHP 3rd wave; see text for methodology.

calculated an indicator for the intergenerational sharing of unpaid care, indicator (c), which is in fact based on the data of indicator (a). Indicator (c) calculates the share of adults older than 50 out of all adults who devote at least two hours per day to looking after children or other persons (Figure 2). In most cases, the findings match the expectation that intergenerational sharing of care is higher where family cohesion is stronger – southern Europe, with Italy in top position – and lower where cohesion is weaker, as it is in the Nordic countries. Continental Europe sits more or less in the middle (see also Francesca Bettio and Paola Villa 1998). However, the exceptions deserve to be mentioned. Belgium, for example, is a continental country where “grannies” appear to be as active caregivers as they are in Portugal and Spain; in Germany, by contrast, intergenerational sharing of care is at the low levels of the Nordic countries.

Finally, Figure 3 gives information about the gender gap in care provisioning, indicator (d), which is again based on the data of indicator (a). Indicator (d) calculates the share of women out of all adults who devote at least two hours per day to looking after children. On the basis of Figure 3 it appears that the gender gap is particularly high in Portugal and Greece. Denmark and Finland are more gender equal, in line with their tendencies to score low on the other indicators. But the most striking outcome of Figure 3 is not that countries score differently on this indicator;

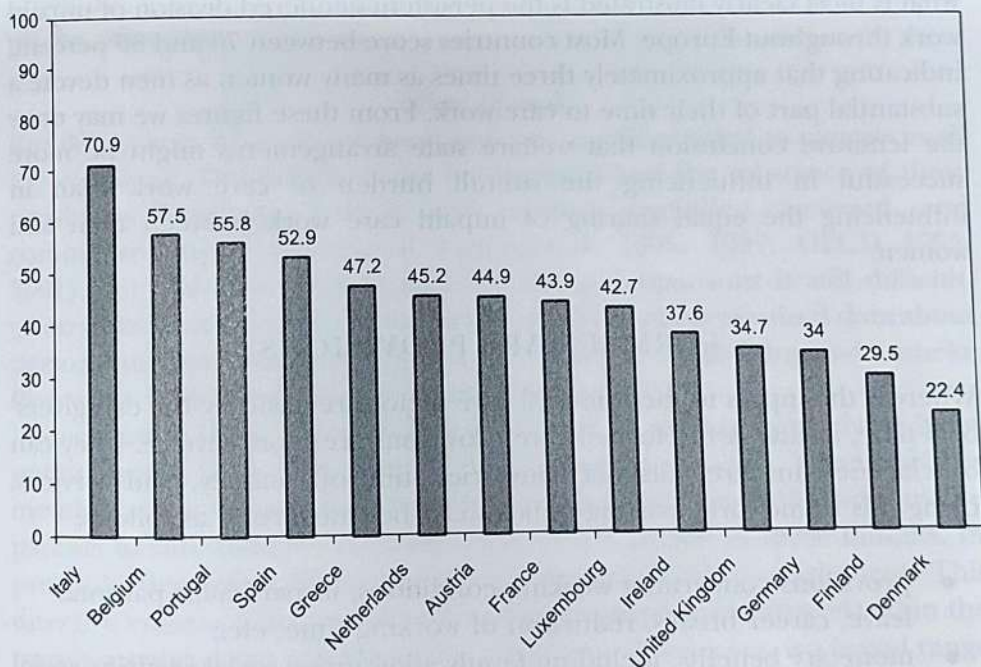


Figure 2 Share of 50+ among total number of carers, 1996.

Source: Our calculations, using microdata from the ECHP 3rd wave; see text for the definition of carers.

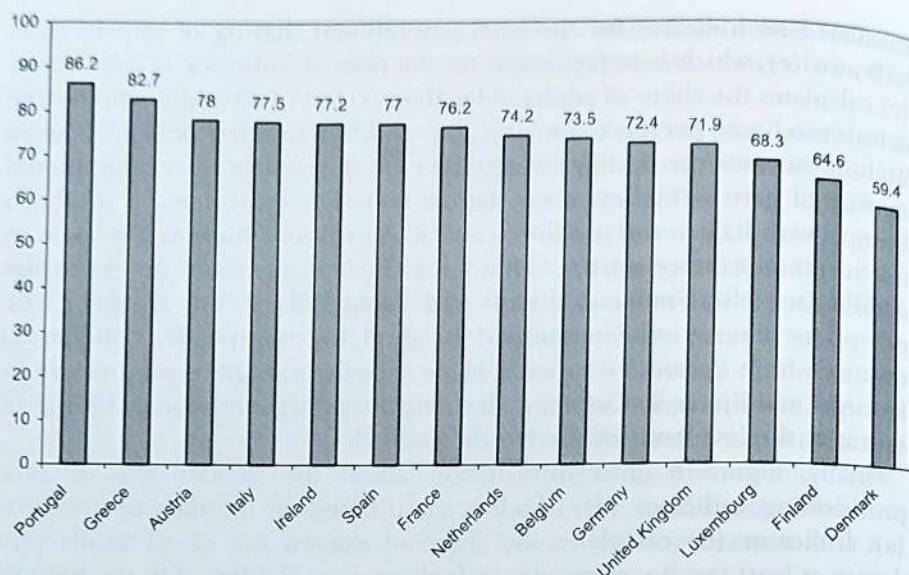


Figure 3 Share of women among total number of carers, 1996.

Source: Our calculations, using microdata from the ECHP 3rd wave; see text for the definition of carers.

what is most clearly illustrated is the persistent gendered division of unpaid work throughout Europe. Most countries score between 70 and 80 percent, indicating that approximately three times as many women as men devote a substantial part of their time to care work. From these figures we may draw the tentative conclusion that welfare state arrangements might be more successful in influencing the overall burden of care work than in influencing the equal sharing of unpaid care work between men and women.

FORMAL CARE PROVISIONS

Whereas the inputs to the informal care sector are basically the caregivers' own time, inputs in the formal care provisions are more diverse. They can be classified in three distinct categories: time-off, money, and services. Using this framework, existing policies can be categorized as follows:

- provisions concerning working conditions, in particular parental leave, career breaks, reduction of working time, etc.;
- monetary benefits, including family allowances, social security, social assistance and tax allowances, subsidization of domestic services;
- benefits or services provided in kind (e.g., home care services for older people, nursery places for small children).

In practice, policies are often mixed. In paid parental leave, for example, money and time are combined; money and services are combined in the case of fiscal subsidies aimed at reducing the cost of childcare services. Yet we will use this framework in order to chart the existing formal care provisions as fully as possible, taking into account the various modalities and the two target groups – children and the elderly.

Care strategies towards children

Within the European Union, there is growing awareness of the importance of formal care strategies for children, especially from a work/family point of view. Women's increasing rate of participation in the labor force, changing family forms, and the demographic pressure from an aging population have made the reconciliation of work and family one of the major topics of the European social agenda. Yet there is no common European policy in this respect. A review of available literature seems to indicate that national provisions are often fragmented, occasionally inconsistent, and highly diverse, ranging from tax deductions and free transport to leave facilities and childcare services (Tine Rostgaard and Torben Fridberg 1998; OECD 2001). It also appears that provisions of childcare are specific, i.e., expressly devoted to children, plentiful in legal terms, and yet inadequate in most countries (Francesca Bettio and Sacha Prechal 1998). In each country provisions have piled up over the years, making it necessary to concentrate on the most salient features.

Time off work

Entitlements to time-related provisions are usually granted to parents in all EU countries. The details of the entitlements and the substance of these provisions have been widely and variously compiled, analyzed, and commented upon (European Commission 1995, 1997; OECD 1995, 2001). Yet this is an area in which making comparisons is still difficult, given differences in institutional details and lack of harmonized data about persons on leave, duration of leaves, etc. (Gwennaele Bruning and Janneke Plantenga 1999; Peter Moss and Fred Deven 1999).

Since June 1996, national policies for leave arrangements have been underpinned by a directive of the European Council, which obliges member states to introduce legislation on parental leave that will enable parents to care full-time for their child over a period of three months. In principle this refers to an individual, nontransferable entitlement. This directive ensures that a certain minimum standard is guaranteed within the member states. Over and above this requirement, however, is a broad range of national regulation, with countries differing on payments, duration, flexibility, and entitlement. In order to provide some comprehensive information about the availability of this care provision, the first columns of

on income level, type of family, and the number and ages of the children. Of course, these factors complicate considerably the calculation of comparative family benefit packages. Some standardized evidence has nevertheless been made available by Jonathan Bradshaw, John Ditch, Hilary Holmes, and Peter Whiteford (1993). Figure 4 provides an overview, focusing on the value of tax concessions for children and child benefits. The estimates are calculated as the differences between the tax income liabilities of a couple without children and the corresponding liabilities of couples with children. The figures are calculated for cases in which only one adult is employed and is earning average male earnings. In addition, the relative size of the universal and income-related family allowance is taken into account, calculated as a percentage of average gross earnings.

On the basis of these data, it appears that tax concessions and family allowances are most generous in Belgium and Luxembourg, while Greece, Spain, Ireland, and Italy provide the lowest levels of income support. Of course, it has to be taken into account that the information is partial (focusing only on one-earner families) and perhaps somewhat outdated. Yet the overall conclusion seems to be confirmed by more recent yet less elaborated research. For example, data on child benefits as a percentage of mean income also suggest that Belgium and France (together with Finland) perform above average, whereas the benefits levels are consistently below average in the southern European countries (e.g., Gosta Esping-Andersen

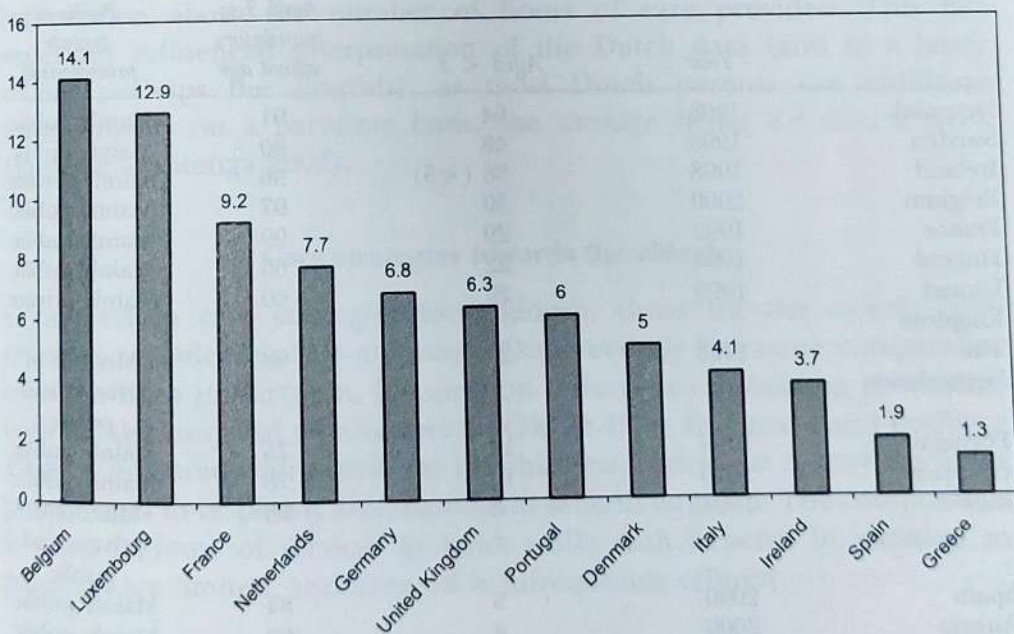


Figure 4 Value of tax concessions for children and child benefits, for a couple with two children, in percentages of average male earnings, 1992.

Source: Bradshaw *et al.* 1993

Table 1 Parental leave indicators

	Duration of maternity leave (1)	Duration of parental leave (1)	Maternity benefits (% of average wages) (2)	Parental leave benefits* (3)	Average payment per week of leave	"practical relevance"
Finland	52	112	70	66	67.27	high
Spain	16	148	100	0	9.76	low
France	16	146	100	39	45.02	medium
Germany	14	148	100	24	30.57	medium
Portugal	24	104	100	0	18.75	low
Austria	16	96	100	31	40.86	medium
Sweden	64	21	63	80	67.20	high
Denmark	30	52	100	63	76.54	high
Luxembourg	16	52	100	63	71.71	high
Netherlands	16	52	100	0	23.53	low
Belgium	15	52	77	37	45.96	medium
Italy	22	42	80	30	47.19	medium
UK	18	26	44	0	18.00	low
Ireland	14	28	70	0	23.33	low
Greece	16	26	50	0	19.05	low

(1) OECD 2001 (2) OECD 2001 (3) Gauthier 2000

*In some countries, the benefits are paid as flat-rate benefits. They were converted into percentages using data on the female average wages in manufacturing (from the ILO *Yearbook of Labor Statistics*). When the wages for 1998 were not available, they were estimated using the latest data available and data on the consumer price index.

Table 1 list the consecutive weeks (paid or unpaid) of maternity plus parental leave available by law to families in different countries.

European countries differ considerably in the amount and kind of leave they provide. Leave provisions range from between 164 and 162 weeks in Finland, Spain, Germany, and France, down to 42 weeks in Greece and Ireland. Yet these figures may overestimate the differences, as formal regulations say little about the actual impact of such leaves on families. This calls for information on the quality of the measures, especially the pay ratios of maternity and parental leave. By weighting the duration of the leave by the level of pay, and dividing that number by the total number of weeks in the leave, one can compute a score that indicates the quality of the leave provisions, and can be interpreted as the average pay per week of leave. A country such as Spain, which has a long, but unpaid parental leave program, will then score low on the practical relevance indicator. By contrast, the practical relevance of leave is high in the Nordic countries and Luxembourg. France, Belgium, Germany, Austria, and Italy have medium scores, while the other countries score low.

Money

Child-related tax allowances and family allowances exist in practically every country, yet there is a good deal of variation in the relative level, depending

1999: 72). In addition, Anne Gauthier (2000) illustrates that total cash expenditures for families with children have, on average, been relatively constant since the early 1980s as most countries show either a stable or even a declining trend since 1980. In terms of cross-national differences, as of 1996, the last year of observation, the highest cash expenditures were noted in Finland, France, Luxembourg, and Sweden, while the four Mediterranean countries scored lowest on this indicator. Again, these conclusions correspond rather closely with the main findings from the Bradshaw report.

Services

As a rule, care providers are not entitled to support in the form of services.² Enforceable entitlements to childcare facilities, for instance, do not exist. A rare exception is Finland, where parents may receive compensation for damages if there is no daycare place available for their child, and Sweden, where, under the Social Services Act, children are entitled to childcare services. In Germany, children older than 3 are now legally entitled to a place in a public center, but the entitlement actually guarantees a place in a relatively costly part-time care center offering five hours of care per day and no lunch (Friederike Maier and Barbara Schwarz 1998).

Table 2 Proportion of young children in formal child-care arrangements

	<i>Year</i>	<i>Aged < 3</i>	<i>Aged 3 to mandatory school age</i>	<i>Public or private provisioning</i>
Denmark	1998	64	91	Mainly public
Sweden	1998	48	80	Mainly public
Ireland	1998	38 (<5)	56	Mainly private
Belgium	2000	30	97	Mainly public
France	1998	29	99	Mainly public
Finland	1998	22	66	Mainly public
United Kingdom	1999	20	60	Mainly private
The Netherlands	1998	20	98	Mixture of private and public
Portugal	1999	12	75	Mainly public
Germany	2000	10	78	Mainly public
Italy	1998	6	95	Mixture of private and public
Spain	2000	5	84	Mainly public
Austria	2000	4	68	Mainly public
Greece	2000	3	46	n.a.
Luxembourg	n.a.	n.a.	n.a.	n.a.

Source: OECD 2001, with the exceptions of UK and the Netherlands: Gauthier 2000

Services for children younger than 3 years old are especially important for working parents. Table 2 provides some data on the proportion of young children using formal childcare arrangements, with "formal" in this case being the equivalent of "paid." Evidently, the data take into account public as well as private, market-oriented childcare services. The figures indicate that eight countries provide 20 percent or more of formal nursery places for children in this age group; they are Denmark, Finland, Sweden, Ireland, the UK, the Netherlands, Belgium, and France. Service provisions are consistently low in the southern countries, as well as in Austria and Germany. Note, however, that the figures do not distinguish between public and private facilities. This influences especially the assessment of the situation in Ireland and the UK. In Ireland, for example, of the 38 percent of children in paid childcare, 14 percent are being cared for by a paid childminder in the home of the childminder and 4 percent in the parents' homes, with many of these activities taking place in the informal, unregulated economy. An additional 3 percent were being cared for by a paid relative, and 17 percent were in privately owned, profit-oriented crèches and nurseries (Partnership 2000 Expert Working Group on Childcare 1999). Public provision only occurs within geographical areas designated as disadvantaged and covers only 2–3 percent of childcare places. As a result, the high score of Ireland for children younger than 3 should not be interpreted as indicating an active public policy, but rather, because of the lack of public provisioning, a developed private market, both formal and informal. Also important is that enrollment rates give no information about the number of hours of care provided. This fact especially influenced interpretation of the Dutch data (and to a lesser extent perhaps the English), as most Dutch parents use childcare arrangements on a part-time basis, the average being 2.8 days a week (Janneke Plantenga 2002).

Care strategies towards the elderly

Compared to care strategies for children, those for the elderly have received considerably less attention. Only recently has some comparative research been undertaken, focusing on differences in existing provisions, national debates, and developments (OECD 1996; Rostgaard and Fridberg 1998). Compared with provisions for children, provisions to care for older people tend to be poorly articulated and seldom targeted. The composition is tilted in favor of services in kind, while cash benefits in addition to pensions are limited, and time off is infrequently offered.

Time off work

Time-related provisions for older people are relatively scarce. Whereas the importance of leave and other time-related provisions for children have

been generally accepted, the need for working sons, daughters, relatives, or friends to spend time with their older relatives or friends is generally recognized only if the latter are severely ill, and for very short periods. Evidence seems to suggest that the majority of countries (Germany, Austria, Denmark, Portugal, Spain, Sweden, Norway, Greece, and the Netherlands) provide general leave to care for sick adult relatives, with Denmark and Sweden granting the longest leaves in cases of severe illness: sixty days in Sweden and three months as a rule in Denmark (Bettio and Prechal 1998: 32–3). Furthermore, in Finland and Belgium, longer periods of time, designated to care for older people, can be taken out of multi-purpose career break schemes. In several other countries, collective agreements envisage the possibility of taking leave on grounds of adult care, among others (Bettio and Prechal 1998: 32–3). There is, however, little evidence of programs targeted specifically toward elderly persons.

Money

An important element of the care strategy for older people is the amount of pensions granted. Good or even adequate financial resources enhance the

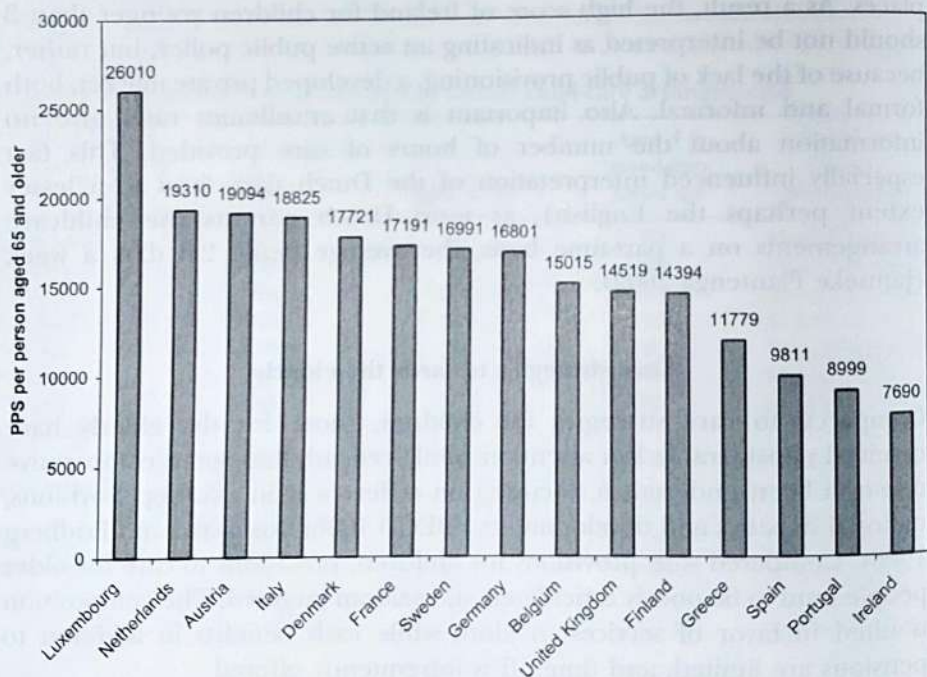


Figure 5 Public spending on pensions, per person of 65 years and older, in PPS, 1998. Source: Our calculations are based on Eurostat figures for expenditure on old age and survivors pensions in 1998 (New Cronos/Population and Social Conditions/Social Protection) and Council of Europe population figures.

autonomy of the elderly and make them less dependent on services in kind and/or care provided by family members. Unfortunately, harmonized information on pension schemes is difficult to get, because of the different institutional characteristics of pension schemes throughout Europe. Some details on the financial effort by member states are nevertheless offered by Figure 5. This figure ranks the European countries on the basis of the amount of expenditures for old-age and survivors' pensions in PPS, divided by the number of persons older than 65 years of age. The data for pensions are taken from *Esspros* figures published by Eurostat, which include partial, early retirement, and anticipated pensions as well as cash benefits like the care allowances and some minor benefits in kind.³ On average, however, the share of benefits other than pensions in the overall aggregate is small (13 percent on average in 1999) and the distinction between "proper" pensions and related benefits is often conventional rather than substantive, thus justifying the use of these data for our purposes.

Luxembourg, Austria, the Netherlands, and Italy appear to score rather favorably in respect to adequacy of financial resources for the elderly, with Spain, Portugal, and Ireland at the lower end. Italy scores surprisingly high – at least somewhat out of line with the other southern countries. Yet the high score is consistent with the fact that the Italian welfare state has been piecemeal, with a heavy emphasis on cash benefits to the "male breadwinner" during his working life as well as during retirement. In fact, more than 60 percent of all social benefits in Italy are paid as pensions (Gérard Abramovici 2002). The pension system has also been used to redistribute income to the South and to smooth the effects of restructuring, e.g., with generous early retirement schemes.

Besides public spending on pensions, it is rather uncommon to find financial provisions that specifically target older people. In some countries additional benefits are provided to older people and others who have a high degree of dependency. This extra income support is based on the need to offset the additional costs people incur because of their dependency. In some cases, it is specifically intended to be a payment for the main carer (Jozef Pacolet, Ria Bouten, Hilde Lanoye, and Katia Versieck 1999: 53). Related to these additional allowances is the idea of providing substantial support for the informal carer. Several countries have taken the initiative in payment-for-care schemes. An interesting example is offered by Germany, which in 1995 introduced the Care Insurance Act. Since the introduction of this scheme, elderly and handicapped people in Germany have been entitled to receive either benefits in kind to some extent proportional to their care needs, or a cash benefit if care is ensured through the family of the person involved. Particularly significant is the improvement of the old-age protection for those caregivers who provide a substantial amount of care to a person in his or her own environment (Maier and Schwarz 1998; EU Missoc 1999: 11). Yet the evidence on

financial subsidies to the elderly who need care is too aggregated to be used in sophisticated research, and it is still incomplete. There is some evidence that cash benefits are becoming more popular, both as a way to increase the efficiency with which care is delivered and as a means of accommodating specific preferences of persons in need of care. At the same time, no systematic indicator takes into account and weights different packages of financial provision. Presumably, this deficiency illustrates that targeted cash benefits are indeed rather limited, and also shows that the highly diverse nature of these cash benefits inhibits a careful categorization.

Services

Institutional care and home help services are the most important care services targeted to elderly persons; Figure 6 assembles some figures regarding these services. Relatively good providers of care in institutions also tend to be good providers of home care. The general picture is therefore one of supplementing residential and community care instead of a clear substitution for it (Pacolet *et al.* 1999: 22). Nevertheless, the ratio between the two types of care varies considerably across countries. If, out of the fifteen countries for which data are available, we take the top four providers, they include Denmark, the UK, the Netherlands, and Sweden. The lowest public providers of either institutional or home-based care are the four southern European countries (e.g., Alber 1995).

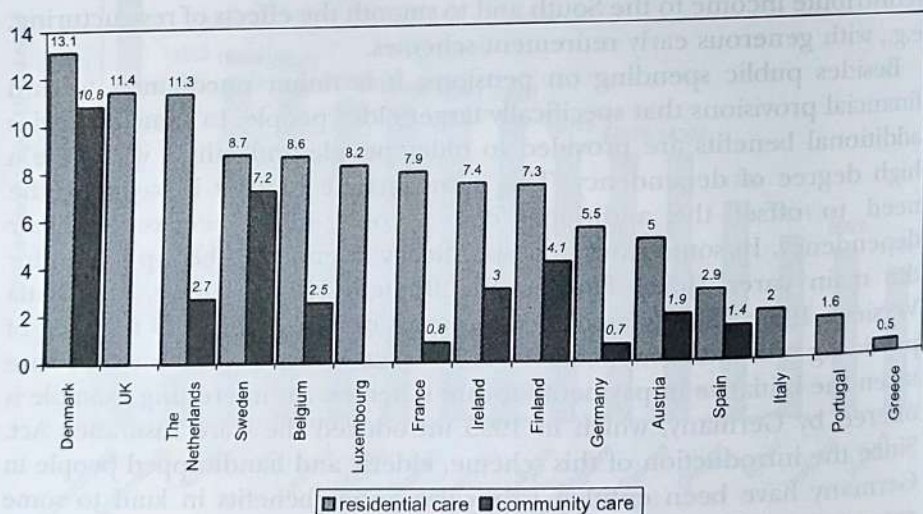


Figure 6 Residential and community services for elderly people.

Source: Pacolet *et al.* 1999, table A3.1.

Percentages of residential care are calculated in number of places per 100/65+. Percentages of community care are calculated in number of personnel (FT) per 100/65+.

However, issues of comparability exacerbate the gap between the southern group of countries and the rest of Europe. In Italy, for example, prior to the recent reform of the healthcare system, which places the responsibility for their costs on each single healthcare unit, hospitals used to be especially "generous" towards the elderly. Old people with mild disabilities or illnesses were hospitalized for long periods in order to give their families respite; for example, the number of hospitalized elderly people increased dramatically during holidays. Hospitalization is not the best approach to the care of elderly people, but the example clarifies that more elderly may receive "institutional care" in southern countries than the available figures seem to show.

IDENTIFYING CARE MODELS

Does the mix of care provisions in each country add up to a certain strategy? Is it indeed possible to identify models of care? Anttonen and Sipilä (1996), focusing only on social care services, found that to some extent it is legitimate to speak of social care regimes. They distinguished between two distinct models of social care services: a Scandinavian model of public services and a southern European family care model. Two or possibly three other models, referring to those of the UK and central Europe, remained more tentative. Esping-Andersen (1999), focusing on the role of the families in the provision of welfare, argues that the differences between southern Europe and the rest of continental Europe are not large enough to distinguish a separate Mediterranean regime. South European countries are very "familialistic" in their lack of public provisions for children and the elderly, but they are less "familialistic" with regard to the disincentives in the tax system for women to seek paid employment. The question now arises: which patterns emerge if we extend the analysis beyond the level of social care services and also include leave arrangements and financial provisions? Table 3 gives a preliminary grouping of the different countries, based on their scores in regard to the indicators of informal and formal care. The scores of high, medium, or low are calculated on the basis of the average value, plus or minus half of the standard deviation. No indicator of time provisions targeted to older people is included, because these provisions in most countries are minimal. Also, Luxembourg is excluded from the table, for reasons of comparability as well as reliability of data.⁴

The first cluster includes countries that appear to delegate all the management of care to the family; Italy, Greece, and Spain are the most typical cases in this respect. These countries score high on the index of informal care, whereas formal care arrangements for children and/or elderly persons are underdeveloped (with the exception of the public pension schemes in Italy). The families in these cases operate as "social clearinghouses," with many intense and diversified exchanges within the

Table 3 Identifying care strategies in Europe

	Care strategies for children				Care strategies for the elderly		
	Informal care	Index of leave facilities	Index of financial provisions	Public services for children 0-3	Index of public pension schemes	Residential care	Community care
Italy	High	Medium	Low	Low	High	Low	Low
Greece	High	Low	Low	Low	Low	Low	Low
Spain	High	Low	Low	Low	Low	Low	Low
Portugal	Low	Low	Medium	Low	Low	Low	Low
Ireland	Medium	Low	Low	Low	Low	Medium	Medium
UK	High	Low	Medium	Low	Medium	High	-
Netherlands	High	Low	Medium	Low/Medium	High	High	Medium
Austria	Medium	Medium	n.a.	Low	High	Medium	Low
Germany	Medium	Medium	Medium	Low	Medium	Medium	Low
Belgium	Medium	Medium	High	Medium	Medium	Medium	Low
France	Low	Medium	High	Medium	Medium	Medium	Low
Denmark	Low	High	Medium	High	Medium	High	High
Finland	Low	High	n.a.	Medium	Medium	Medium	Medium
Sweden	n.a.	High	n.a.	High	Medium	Medium	High

Source: See Figures 1, 4, 5, and 6, and Tables 1 and 2.

family network. This outcome is consistent with the well-known fact that in the southern welfare states, social transfers have been more frequently granted to older people, in the form of pensions, and consistently given priority over the provisions of services (Maurizio Ferrera 1996). Atypical cases within this cluster are Portugal and Ireland. Portugal shares all the relevant features with regard to the formal care arrangements (except for the index of financial provisions), but has a surprisingly low score on the informal care indicator. It is tempting to conclude that Portugal stands apart from the other Mediterranean countries owing to a peculiar mix of very high female participation in the labor force, which dates to colonial times, when women replaced men away in the colonies, and a family structure that resembles closely that of other Mediterranean countries (Bettio and Villa 1998). However, the scores we get on our indicators for Portugal are somewhat contradictory; for example, one would expect formal care resources to be higher when informal ones are so low. Hence, we cannot exclude the possibility that data are less reliable or not entirely comparable in the Portuguese case. Ireland seems an atypical case because of its medium scores on the services provided for elderly people. In this respect, Ireland could be interpreted as a stepping-stone, with care provisions falling between the services provided by countries of the first cluster and those furnished by the United Kingdom or the Netherlands in the second cluster.

In the UK and the Netherlands, informal care is again important. The specific element of this care regime, however, is the major difference in the policy approach toward children and that toward elderly people. Whereas the care for children is to a large extent privatized, there is a much larger collective interference in services for elderly persons. In the Netherlands, in fact, the family is considered the "natural" provider for children, while the state is thought to be the steward for the elderly. This situation is partially true in the UK with respect to the elderly, since the local British government is a provider of last resort for residential care; for instance, in cases where care is not available from other areas.

A third cluster includes Austria and Germany. As in the first two clusters, both countries are characterized by a largely private, or informal, care strategy. However, the costs of this strategy – in terms of forgone income – are partly compensated by collective arrangements. Both countries score in the medium range on the leave and financial provisions indicator. Both countries are also medium providers with regard to institutional care for older people. The pattern that emerges could therefore be described as a publicly facilitated, private care model. Whereas there is a systematic reliance on the family for the provision of care work and services, based on the principle of subsidiarity, the family is actively encouraged to perform this role through receiving state support rather than direct interventions. Parents of small children in particular receive support to take care of their

children by themselves, with the state willing to share part of the financial burden.

In Belgium and especially France, formal care strategies for both children and elderly people are rather well developed. Traditionally, in both countries priority is given to services for young children and financial resources, whereas time-off arrangements are relatively underdeveloped. However, leave facilities have improved. The introduction of the Allocation Parental d'Education in France, for example, granted to all working parents on the birth of a second child, means that the balance in formal care provisions is slowly changing (Jeanne Fagnani 1999). If the time-off strategy gains more popularity, France and Belgium will seem to move into the direction of multiple options providers, albeit on a somewhat lower level than the Scandinavian countries.

The last cluster includes the Nordic countries, which provide moderate to high levels of all formal care resources. An important characteristic of this care model is its universalist approach; there is a broad range of public care provisions, covering a large segment of the population (Diane Sainsbury 1996; Gauthier 2000). The private family plays only a modest role as a care provider, with the state substituting for rather than supporting the family in its caring tasks.

A word of caution is in order. Such clustering as we have obtained may not be highly "robust," because it is based on a limited, if important, set of indicators. Also, it should be noted that the current level and mix of provisions are frequently the results of piecemeal, ad hoc efforts influenced by prevailing cultural beliefs in a particular country. Nevertheless, a clustering helps to focus on some important aspects and to identify similarities and differences. The inclusion of time and money also illustrates that care provisions come in certain packages and that social services are only one element of the total care strategy. Including time and money, for example, makes it possible to differentiate between the care strategies of the southern European countries and Ireland, Austria and Germany, and the UK and the Netherlands; all countries that are relatively poor in childcare services. A richer perspective on national care strategies is also important because it helps to chart more meaningfully the social and economic consequences of these strategies.

SOCIAL AND ECONOMIC EFFECTS

Different care strategies may result in different social and economic outcomes. An obvious example, well examined in a great number of studies, is the impact of childcare services on the employment status and opportunities of women (Marianne Sundstrom and Frank Stafford 1991; Jill Rubery, Colette Fagan, and Mark Smith 1994; Anttonen and Sipilä 1996; Gornick, Meyers, and Ross 1997). Countries of the first cluster, which rely

heavily on informal family care, run a particular risk of inhibiting female participation. Since childcare services are not available or are unaffordable, women with less education might find it more profitable to quit employment if they cannot rely on grandparents, neighbors, or other informal, cheap care arrangements. On the demand side, unpaid family care obviously retains with the family care services that would otherwise create jobs in the public or in the private sector. In contrast, public provisions of nurseries, kindergartens, etc., have two well-known advantages over the options of mothers taking time-off or of relying on relatives: they increase the demand for care workers and are more compatible with continuous, full-time patterns of participation. This is the comparative advantage of countries in the last cluster.

The strong link between the care system and female labor market behavior is illustrated in Figure 7. If we assume that having access only to informal care is an important constraint on paid work, it will produce a strong reliance on "nonactivity" – that is full-time involvement in unpaid care activities – or a high demand for part-time work. Thus, we have ranked the European countries on two indicators, namely the share of the female population (25–59) that is not active on the labor market because of care

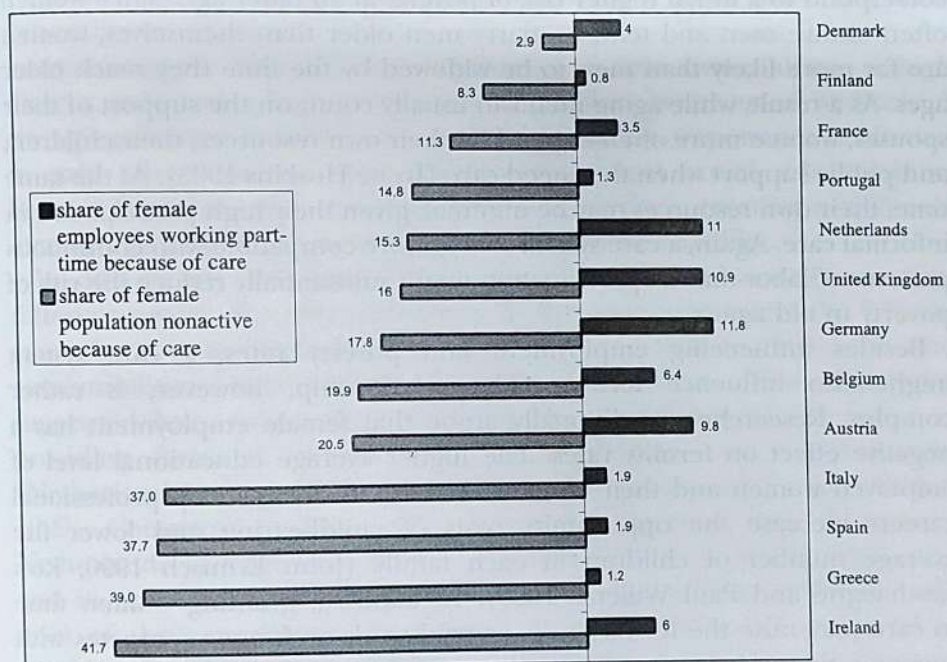


Figure 7 Share of women working part-time or "nonactive" because of care responsibilities (age 25–59), 1996.

Source: Our calculations based on microdata from ECHP, 3rd wave.

work and the share of the female working population (25–59) employed on a part-time basis for reasons of care. It appears that the countries from the first cluster of Table 3 (with the usual exception of Portugal) feature at the bottom of the ranking. In these countries, options for reconciling work and women's care tasks are relatively scarce, costly, or perceived as offering inferior-quality care, with the result that many women take responsibility for housework and/or care work instead of seeking paid work. At the other end of the spectrum, Portugal, France, Finland, and Denmark score relatively low with regard to women choosing nonactivity and part-time work for reasons of care. These scores match the previous finding that these countries are relatively "light" users of informal care, overall. The medium category is comprised of Austria, Belgium, Germany, the Netherlands, and the UK. All these countries combine a medium score on "nonactivity" with an above-average score on part-time work, suggesting that, in their cases, the care regime is complemented by a working-time regime geared toward individual arrangements.

Care systems not only interfere with patterns of labor-market behavior; care systems can also influence patterns of poverty. Data in this respect are scarce, but it can be presumed that barriers in women's employment might increase the risk of families falling into poverty, especially if the marriage breaks up. In addition, a low level of economic activity is likely to correspond to a much higher risk of poverty at an older age. Since women often outlive men and tend to marry men older than themselves, women are far more likely than men to be widowed by the time they reach older ages. As a result, while aging men can usually count on the support of their spouses, women more often depend on their own resources, their children, and public support when they need care (Irene Hoskins 1993). At the same time, their own resources may be minimal, given their high participation in informal care. Again, a care system that is more compatible with continuous patterns of labor-market participation might substantially reduce the risk of poverty in old age.

Besides influencing employment and poverty rates, a care system might also influence fertility. The relationship, however, is rather complex. Researchers traditionally argue that female employment has a negative effect on fertility rates. The higher average educational level of employed women and their concomitant desires to build up professional careers increase the opportunity costs of childbearing and lower the average number of children in each family (John Ermisch 1990; Ron Lesthaeghe and Paul Willems 1999). In contrast, granting women time to care may raise the fertility rate, as paid work no longer competes with women's time. However, recent patterns of fertility and participation in Europe question the traditional wisdom (Bettio and Villa 1998) and may be better understood, we argue, by also making reference to national systems of care.

For countries in the first cluster, for example, a low employment–low fertility outcome may arise whenever participation in paid work and fertility are simultaneously pursued but the perceived or actual substitutability of women's own time for external services is low. Southern countries like Italy typify this model. Here, a very cohesive family system has survived "modernization." Female participation is pursued, at least on a temporary basis, because women's pay is necessary to achieve the lowest income threshold – or minimum income target – deemed acceptable by the family or because of prevailing social values about women's role, or both. At the same time, few married couples voluntarily choose to go without children, while many limit the choice to one child because of the heavy demands on women's own time. In cohesive families, in fact, large flows of informal care between generations prolong the perception that external care services are poor substitutes. One particularly telling example of this attitude is the so-called long family in Italy, in which children often live with their parents well past their 20s, and female children are then expected to pass on to their own offspring the same standard of care, as well as returning some of the care they have received from their own parents (Bettio and Villa 1998). Relatively low demand for own care substitutes thus fails to encourage supply of private or public provisions, and limited supply fails in turn to encourage substitutability.

In contrast, the northern family is less typified by active inter- and intra-generational relations. Instead, the family has become largely de-institutionalized, with a large number of people living alone, a high divorce rate, and a high proportion of children born out of wedlock. A strong egalitarian belief system, combined with the importance attributed to paid labor, has increased the perceived and actual substitutability between women's own time and external services, creating a different incentive structure with regard to participation and fertility.

In other cases, the care system is based upon and contributes to a different model of family economics. In the Netherlands and the UK, for example, as in southern Europe, there is a reluctance to externalize care responsibilities, especially in the case of children. This strategy is supported by a strong rhetoric about the importance of the father in providing financial security (UK) or in sharing care responsibilities (Netherlands) (Janneke Plantenga, Joop Schippers, and Jacques Siegers 1999). Compared to the southern countries, however, the UK and the Netherlands provide more state involvement (both in terms of finances and in terms of services) in dependency situations that go beyond the level of the core family. As a result, it is less difficult for women to combine fertility and labor-market participation. Yet female employment is heavily concentrated in part-time jobs, as full-time participation is incompatible with the heavy demands on women's own time by the private family.

A somewhat different explanation is compatible with the experience of Austria and Germany, countries in the second cluster, where the intensive use of women's own time is subsidized and structured by long paid leaves or a combination of long leaves and financial benefits. If anything, one should expect fertility to be favored over employment by this care strategy. Yet Austria and Germany exhibit levels of fertility that rank among the lowest in Europe while showing moderate to high levels of employment. A closer look at fertility patterns in Germany may throw light on this puzzle. Low fertility in Germany is an average finding that conceals a sharp division between an important group of childless women, presumably highly educated and with strong labor-force attachment, and a second group of relatively fertile women, presumably the main recipients of leave provisions. Given the well-known difficulties of returning to a full-time, well-paid position after a period of long leave, it is tempting to speculate that a strategy based on time off from work favors an all-or-nothing choice regarding childbearing. The "nothing" option obviously appeals to women who give priority to employment, for whom the costs of children in terms of forgone earnings and employment conditions may simply be too high.

We must underline the speculative nature of the arguments put forward in this section. The interest of this exercise is that sufficient evidence has emerged to encourage further investigation into the impact of care systems on key economic outcomes. Indeed, it will otherwise prove difficult to make sense of the emergence of a low fertility-low employment equilibrium like that displayed by some southern European countries. We do not suggest, however, that the relationships are entirely straightforward or correspond to simple variations of more or fewer services or financial provisions. Nor do we suggest that differences in female employment and/or fertility rates can be explained simply by referring to differences in the national care systems.

Moreover, we underline that care systems as such should not be regarded as independent, unchanging variables. Different systems of care have been shaped over time by a complex array of historical, cultural, social, and economic factors. Many of these factors are not directly part of care systems but nonetheless have important implications for different caring regimes. Fertility and employment rates, for example, are not only affected by care systems but also are examples of factors that influence care systems. Perhaps the greatest challenge to sustaining care systems is demographic changes. The combination of the baby boom in the early postwar period, the subsequent fall in fertility rates from the end of the 1960s, and increasing life expectancy is leading to a progressive aging of the population in virtually all European countries. This is already affecting public finances and will do so increasingly in the future, which in turn will have an unavoidable effect on the organization of care. Not only will the working-age population (20 to 64 years of age) fall in most countries, but the ratio of the elderly (individuals 65+) to the working-age population will

on average nearly double between 2000 and mid-century (the old-age dependency ratio). In contrast, a small decline in the ratio of youth (individuals younger than 20) to the working-age population can also be expected (Thai Than Dang, Pablo Antolin, and Howard Oxley 2001).

Although the last factor might lead to minor offsetting declines in spending on children, old-age pension spending will rise considerably in the next decades, if with considerable cross-country variation. Increasing employment ratios, achieved as a result of assumed higher female participation rates, will boost output and partly offset the cost of pension systems taken as a share of GDP. This effect will be stronger in countries with currently low female participation rates and/or high unemployment rates, such as Italy and Spain. Yet in these countries especially, childcare facilities are underdeveloped. From Table 1, for example, it can be concluded that in Spain only 5 percent of children younger than 3 are in formal childcare arrangements. An adequate infrastructure that anticipates increased female participation on the labor market is therefore lacking. The attempt to raise female participation in order to ease the financing of pensions has additional implications that go largely unnoticed in the macroeconomic debate because of the "invisibility" of the care economy. Postponement of retirement, in particular, is likely to reduce the unpaid contribution of middle-aged and older women to elderly care. This reduction will boost even further the demand for formal home care and long care provisions, a demand already projected to increase at a worrying pace for purely demographic reasons.

From the foregoing, we conclude that changing demographic and economic factors such as fertility rates, an aging population, and increased female employment will have an important effect on the organization of the care of elderly and children. In our view, care regimes function as "social joins," ensuring complementarity between economic and demographic institutions and processes. As these processes and institutions change, they provide impetus for care regimes to change as well. However, because ideas and ideals about care are at the core of individual national identities, care regimes also act as independent incentive structures that impinge on patterns of labor-market participation and fertility.

CONCLUSIONS

In this article, we have focused on care provisions in Europe, taking into account both formal and informal arrangements. Traditionally, research on care provisioning has focused strongly on the caring capacities of families. Scholars have shown keen interest in the quality of care provided by the family, the risks that families might fall into poverty, and the most effective policy measures supporting the family in its caring role. Lately, under the influence of growing labor-force participation of

women and related demographic changes, the research agenda has shifted toward defining functional equivalents of family care. As families become increasingly overburdened, governments may need to rearrange the institutional mix of care provisions and to invest in public, or formal, arrangements.

In this article, we have shifted the focus toward identifying different models of care and investigating their varying socio-economic causes and consequences. Although comparative research on care provisions is a complicated affair, some clear patterns of care provisioning nevertheless appeared, which took into account both the relative reliance on informal and formal care, and the different modalities of formal care provisions, like leave arrangements, financial provisions, and social services. A second conclusion is that different care strategies transform into different incentive structures for the organization of work and care; these structures therefore impinge on patterns of participation and fertility. In this respect, care regimes contribute to defining a multiplicity of models of economic organization for the family. Differences in the economic character and role of the family have made, in turn, a major impact on the prevailing care regimes, and have led to outcomes with important social-economic variables that have not yet been fully accounted for within current economic theorizing on the family.

It is tempting to speculate whether or not the different models will survive in the near future. Empirical evidence to date is not very decisive, but seems to indicate some level of convergence. For example, countries that have poor records in providing public childcare services are taking steps to increase supply. In Germany, the Netherlands, the UK, and Spain, the availability of public nurseries and preschools for small children is slowly increasing or is set to increase.

As for leave arrangements, the inter-country differences seem to be diminishing, partly as a result of the EU directive on parental care (96/34/EC), which obliges member states to introduce legislation in this area. A common element in the care provisions for elderly persons is the evident shift in favor of home or domestic care services and away from institutionalization (OECD 1996). Convergence may also be the result of the Lisbon summit of EU member states (March 2000), where delegates set an objective to increase the female employment rate to 60 percent in 2010. More recently, at the EU Barcelona summit, held in March of 2002, important European standards were established regarding formal childcare arrangements. The presidential conclusions state that member states should remove disincentives for female labor-force participation and strive, in line with national patterns of provision, to provide childcare by 2010 to at least 33 percent of children under 3 years of age and at least 90 percent of children between 3 and the mandatory school age.

Despite these steps, it seems unlikely that all differences in national care strategies will disappear. One argument against convergence is that care strategies – insofar as explicit policies are pursued – are very closely related to the national identity of a given country; care strategies thus transmit important signals about what is considered the most desirable organization of society (Alber 1995). At the same time, it should be kept in mind that all too often care strategies are a residual policy variable. Especially when the belief is strong that care is a private affair, actual policy may be more the result of a complex interplay between established interests and party-political compromises than of explicit and well-focused considerations.

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NOTES

- ¹ Unpaid “external” care measured by indicator (b) lumps together unpaid care by, say, relatives, and free public care services. This is unsatisfactory. However, the underlying idea is that the more care services are “outsourced,” the higher the chance that families must pay for them, even if the public sector provides some free care. Evidence that countries like France and Denmark, where public provisions are well developed, also record a relatively high incidence of paid external care is consistent with this idea (see Appendix A for figures).
- ² Obviously, there is no neat dividing line between policies that focus on money and those that provide services only. Parents, for example, may receive subsidies to purchase childcare services. In this case we presume that money paid by the state, whether to private childcare providers or to parents, should be considered support in form of services. Such support should result in a higher proportion of children using formal childcare arrangements.
- ³ A more precise definition is obtainable from Eurostat *Esspross Manual 1996*. Luxembourg: Office for Official Publications of the European Community.
- ⁴ In the case of macro, or aggregate, data, we often found that indicators for Luxembourg took on extreme values. For example, the per-child social expenditure on families and children based on Eurostat published figures is 2.4 times higher than the average for the remaining fourteen European countries, while the expenditure on pensions per citizen older than 65 is 1.8 higher than the EU14 average (see Figures 4 and 5). These data suggest that a city-state like Luxembourg may not be entirely comparable to larger and more diversified countries. In the case of microdata like those on hours of unpaid care, we have already lamented the poor quality of the data that forced us to make a very “risk-averse” use of them. Such data problems are exacerbated when the number of answers in the relevant cells is low, and this is bound to happen more frequently with a small country (and sample) like Luxembourg.

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APPENDIX A. THE EUROPEAN COMMUNITY HOUSEHOLD PANEL AND RELATED INDICATORS

The European Community Household Panel (ECHP) is an annual longitudinal survey of a representative panel of households launched in 1994. The survey is based on a standardized questionnaire covering a wide range of topics: income, including the various social benefits, health, education, housing, socio-demographic characteristics including employment, etc.

ECHP data are collected by "National Data Collection Units" – either National Statistical Institutes or research centers depending on the country. In the first wave (in 1994) a sample of some 60,500 nationally representative households – i.e., approximately 130,000 adults aged 16 years and over – were interviewed in the then twelve member states (Belgium, France, Denmark, Luxembourg, Germany, Great Britain, Greece, Ireland, Italy, the Netherlands, Portugal, and Spain). Austria (in 1995) and Finland (1996) have joined the project since then, Sweden remaining the only exception. In the second wave, EU13 samples totaled some 60,000 households and 129,000 adults.

The information collected is checked by the National Data Collection Units and by Eurostat. Data from three waves were available when data analysis started for this paper, respectively 1994, 1995, and 1996. The fourth and fifth waves (1997 and 1998) have been made available around September 2001, and March 1998, respectively.

For a detailed description of the ECHP methodology and questionnaires, see *The European Community Household Panel (ECHP): Volume 1 – Survey Methodology and Implementation* and *The European Community Household Panel (ECHP): Volume 1 – Survey Questionnaires: Waves 1–3 – Theme 3, Series E*, Eurostat: Luxembourg, 1996. Technical information on this survey is reported regularly in the series Doc.Pan.xxx (where xxx stands for the document number) issued by the Directorate E/Unit E2 of Eurostat.

APPENDIX B. SUPPLEMENTARY TABLE

Table A1 Standardized values for indicators (a) and (b)

	Indicator (a)	Indicator (b)
Germany	69.1	61.9
Denmark	59.4	0.0
Netherlands	100.0	100.0
Belgium	39.2	78.6
Luxembourg	48.6	74.4
France	0.0	63.8
UK	87.3	77.5
Ireland	62.3	76.9
Italy	96.1	84.5
Greece	85.3	97.6
Spain	68.7	84.6
Portugal	21.6	73.8
Austria	67.0	67.9
Finland	30.2	69.7

Source: ECHP (1996); see text for definition of indicators.

KEYWORDS

time allocation, household targeting, household labor supply, child labor, farm household

INTRODUCTION

Around the world, the role of women and children in agriculture has been one that researchers and policymakers have been slow to recognize. Their crucial role in developing countries is gaining acknowledgment (George Marpos 1992; Haiman Jacoby 1993; Carmen Diana Deere 1993; Peter Jensen and Helena Nielsen 1997; Sarah Sachman 2000), but the role of women and children in developed countries, particularly the US, goes unrecognized. This is especially ironic given that US agricultural policy is justified as a means of supporting family farms, yet there are no US government publications or statistics on the role of women and children on US farms. In addition, there are no regulations or even guidelines about children working on their family farms in the US.

In this paper we examine how members of US family farm households allocate their time between work and leisure in order to identify the differences between men's, women's, and children's labor. The work time