

High-Level Conference: European Pillar of Social Rights

La Hulpe, 15-16 April





Breakout Session 6

Investing in childcare

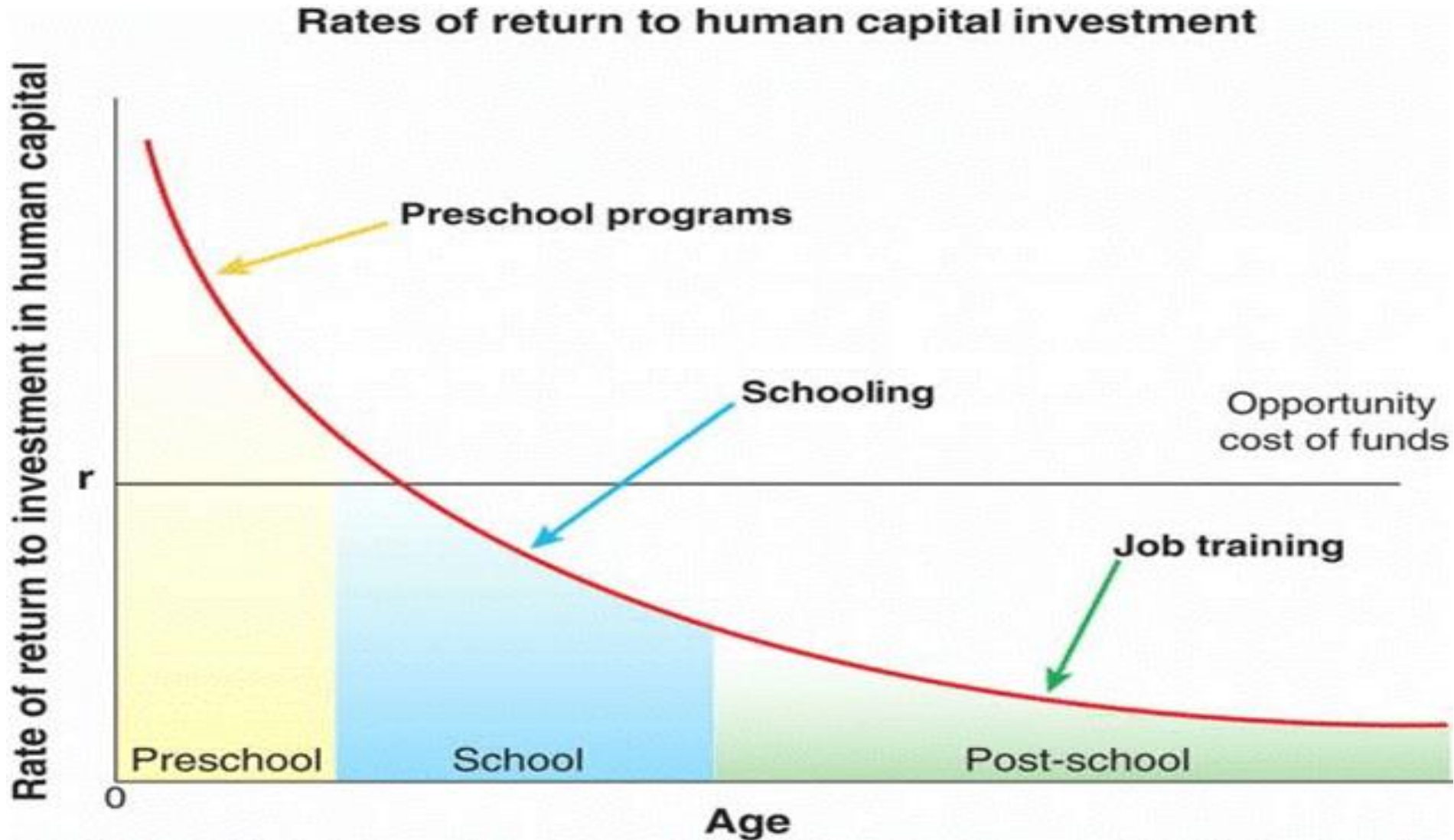


EARLY CHILDHOOD EDUCATION AND CARE: Investing in children, for high social, education and economic returns

Setting the Scene

- Daniel Molinuevo, Research Manager (Eurofound)
- Christian Morabito, Independent Expert

Economic returns of investments in ECEC



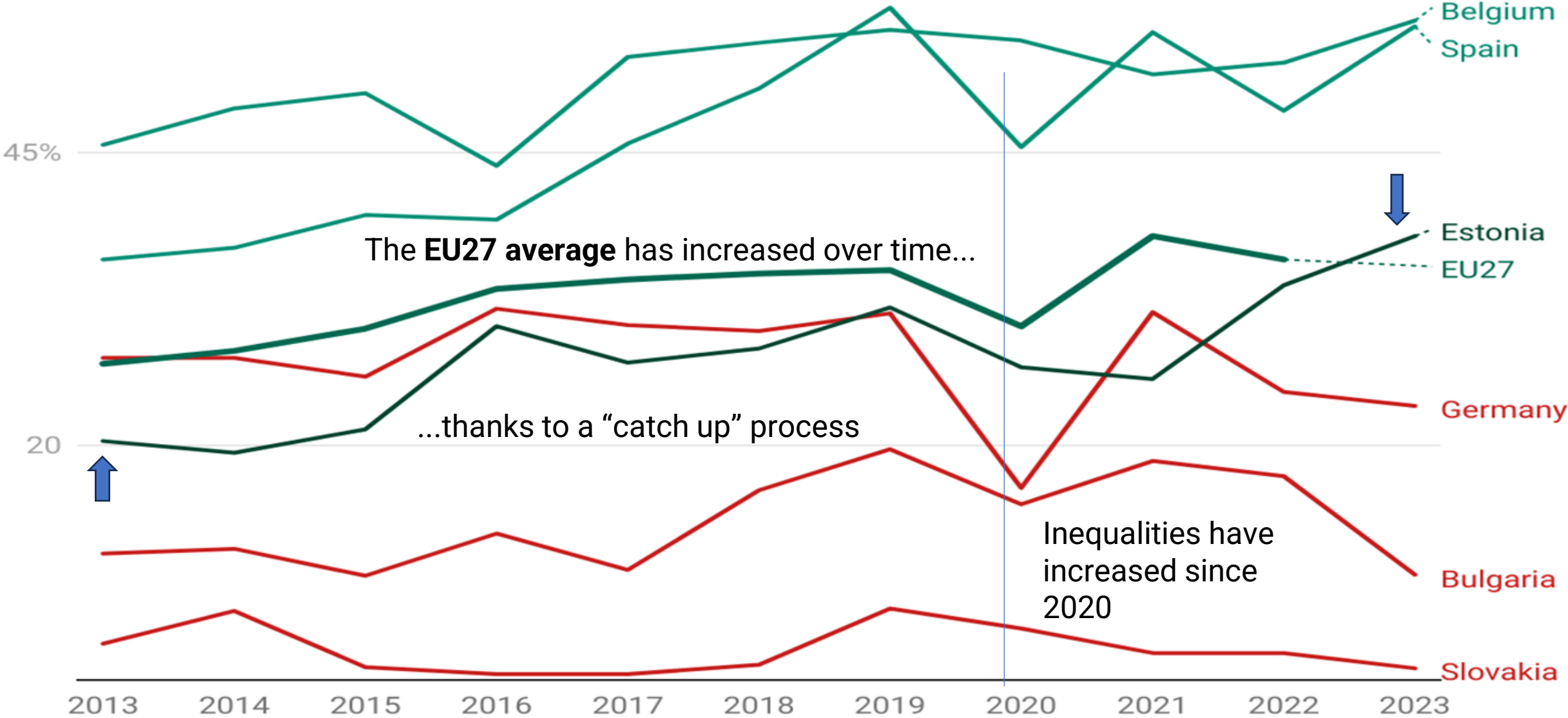
Effects on fiscal adjustments

The effects on fiscal adjustment needs of a formal childcare programme (value of the structural primary balance at the end of adjustment period and cumulative fiscal effects)

	Care share, under 3 years old	Policy induced change in 2029 GDP	Baseline SPB target				Policy SPB target				Effect on SPB target				Cumulative effect	
			(stochastic)		(all criteria)		(stochastic)		(all criteria)		(stochastic)		(all criteria)		(all criteria)	
			4-year adj.	7-year adj.	4-year adj.	7-year adj.	4-year adj.	7-year adj.	4-year adj.	7-year adj.	4-year adj.	7-year adj.	4-year adj.	7-year adj.	4-year adj.	7-year adj.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	
Austria	20%	0.16%	1.1	1.3	1.2	1.3	1.1	1.3	1.2	1.3	-0.01	-0.01	0.00	0.00	-0.01	-0.05
Estonia	26%	0.28%	-4.3	-3.7	-2.0	-1.9	-4.3	-3.7	-2.0	-1.9	-0.01	0.00	0.00	0.00	-0.02	-0.02
Finland	37%	0.19%	0.2	0.0	0.2	0.3	0.1	0.0	0.2	0.3	-0.01	0.00	0.00	-0.01	-0.02	-0.08
Hungary	5%	0.32%	2.7	3.1	2.7	3.1	2.7	3.1	2.7	3.1	-0.01	-0.02	-0.01	-0.03	-0.13	-0.33
Ireland	18%	0.52%	-2.0	-1.9	-0.3	-0.3	-2.0	-1.9	-0.3	-0.3	-0.02	-0.02	0.00	0.00	-0.04	-0.04
Portugal	40%	0.09%	2.5	2.3	2.5	2.3	2.5	2.3	2.4	2.3	0.00	-0.01	-0.04	-0.01	-0.54	-0.11

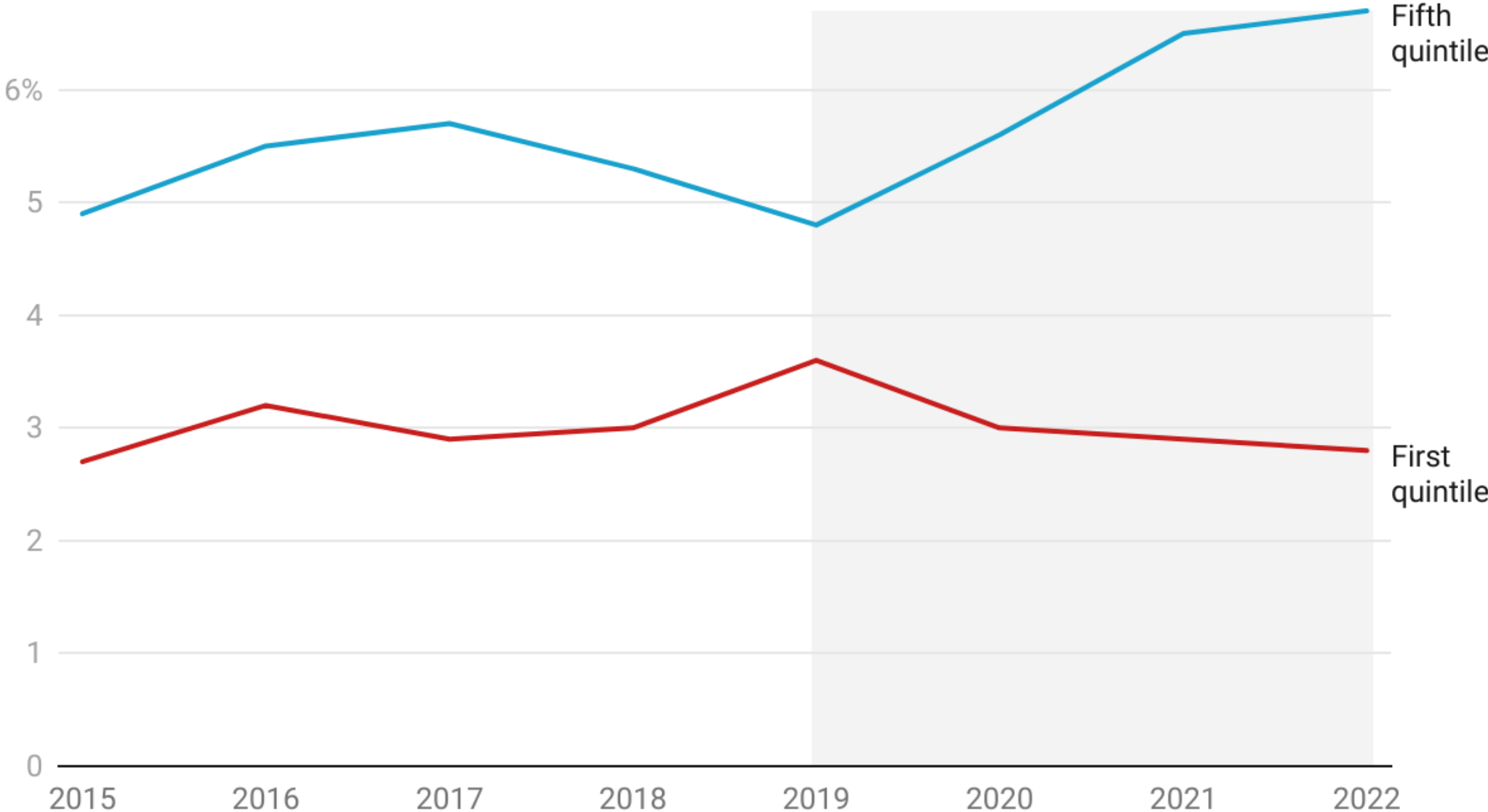
Source: Bruegel based on European Commission November 2023 forecasts, Bloomberg, ECB, Narazani *et al* (2022) and Eurostat

More childcare for under 3s...but more inequalities across the EU



...And more inequality in participation by income group

Percentage of children under 3 attending ECEC 25 hours or over by income quintile, EU 27



Poor working conditions

Training opportunities paid by employer, in 2021, EU27 (%)

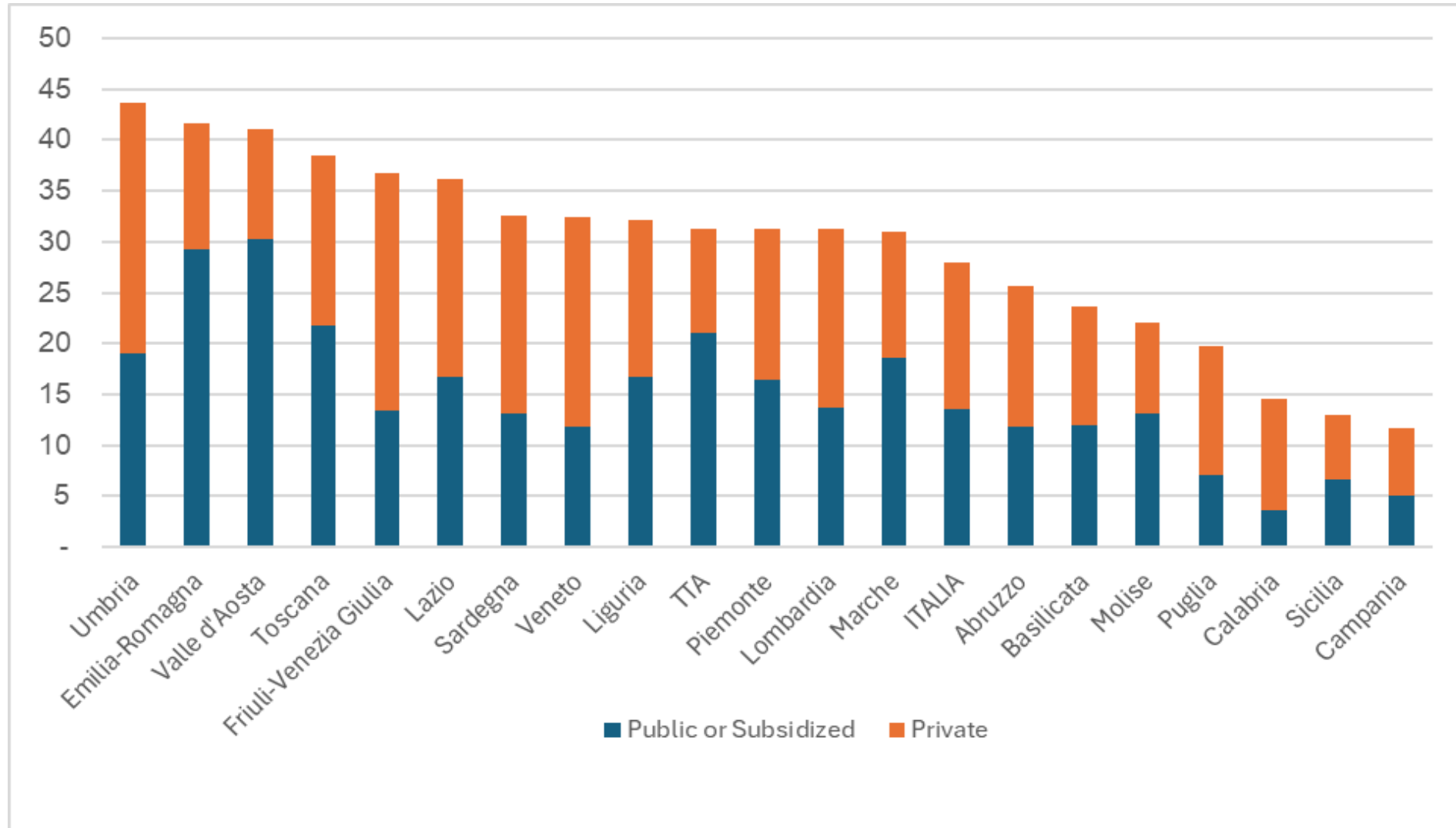
Pre-primary education	44
Primary education	58
Educational support activities	55

Source: European Working Conditions Survey Preprimary education corresponds to NACE code 88.5

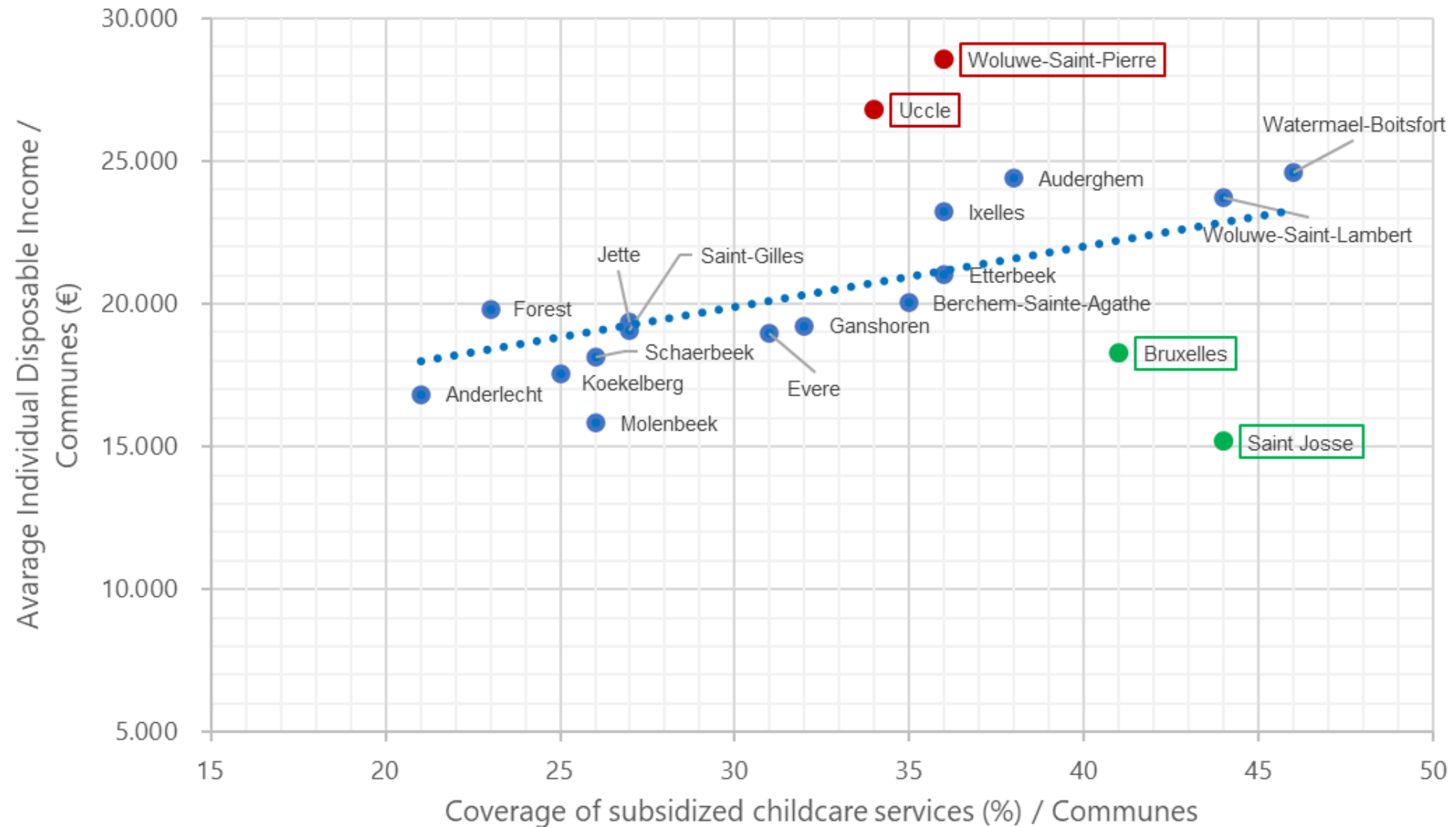
- The 2024 European Working Conditions Survey is currently underway, results will be available in early 2025

<https://www.eurofound.europa.eu/en/surveys/european-working-conditions-surveys/european-working-conditions-survey-2024>

Persistent territorial inequalities. Italy



Persistent territorial inequalities. Bruxelles



Conclusions

- Childcare key policy for social cohesion, and economic growth
- Child Guarantee help MS to expand childcare
- The new Barcelona targets not yet reach in most MS
- Inequalities are high: territorial, based on income
- Quality very often low
- Poor working conditions
- Untargeted transfers and often limited capacities of local authorities.
- Difficulty to plan, and for EU to monitor, due to lack or unstructured data.

**THANK YOU FOR
YOUR ATTENTION**



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