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Free Childcare – A fix to the family and paid work conflict?

**Peer Review on 'Making Work Pay for Mothers'
St Julian's (Malta), 18-19 May, 2015**



EUROPEAN COMMISSION

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1 Quick summary

On the 1st of April, 2014 a free childcare scheme for children under the age of three was introduced in Malta in order to incentivise more parents (but especially mothers) to return or to remain in the formal labour market (MEDE, 2015). In a national context of low female employment rates (51 %), the free childcare scheme is specifically targeted at parents (defined as both parents/guardian or single mother/father/guardian) who are employed and paying social security contributions. It is also open to parents who are studying (defined as those in education leading to a recognised diploma or degree). Only parents who fall into these specific categories are allowed to send their children to a childcare centre of their choice, free of charge. Hence, the scheme is not universal but stems from neo-liberal values which first and foremost reward work effort and discourage dependency.

According to government, the number of children enrolled in childcare centres went up from 1800 to 2917 between April and December 2014 as a result of this scheme, thus pushing the percentage of children under the age of three in childcare to 21 %. During the same period, an additional 200 mothers are estimated to have entered the workforce in low-to-medium skill jobs (of these, two-thirds work part-time). It is also calculated that mothers who benefitted from the free childcare scheme entered the workforce 130 days before mothers who did not make use of it. This has led to a 10.7 % aggregate increase in working hours and an estimated EUR 1.9 million contribution to the economy from direct and indirect tax contributions. Additionally, during the first nine months of the scheme, 50 new child carers were employed in this sector (MEDE, 2015).

Overall, the scheme has been received positively by working parents, service providers and the public in general. Nearly all childcare centres in Malta (97.5 %) have joined the scheme which is run through a Public Private Partnership (PPP) agreement. On the other hand the scheme, which was marketed under the banner of free 'Child Care for All', fails in the social cohesion aspect in that the parents of the most at-risk and deprived children are unlikely to be eligible to use the scheme. Educationalists also critiqued the scheme because it focuses on the economic element rather than on the educational and the developmental aspect of children. Furthermore, since the scheme was implemented in a very short time, there were some shortcomings which, amongst other things, have affected the availability of qualified child carers.

No studies have been made in order to assess the impact that the scheme has had on the quality of childcare or on the working conditions of the child carers. Likewise there are no clear indicators on how many of the newly enrolled children are at risk of poverty or social exclusion and hence, stand to benefit most from childcare. However, qualitative interviews carried out for this research indicate that working parents and the service providers have benefitted directly from the scheme in terms of saved costs for parents and a sustained, regular income for the providers.

2 The labour market situation in Malta

2.1 Structural and ideological barriers that hamper work and family balance

The Maltese labour market is characterised by low female employment rates (51.1 %) which are below the EU-28 average (60 %) and high male employment rates (75.5 %) which are above the EU-28 average (70.9 %) (Eurostat, 2015). Malta also has one of the lowest fertility rates in Europe at 1.43 which is below the EU-28 average of 1.58 (Eurostat, 2015). The employment gap between Maltese men and women is significant and stands at an average 24.4 percentage points (NSO, 2015). This varies between different age groups and is negligible in the 15-24 cohort but increases with age (See Table 1 below). The small gap noted between employment rates of males and females aged 15-24 may in part be attributed to the fact that the majority of women during this early stage of their life-course would still be childless.

Age Group	Sex		Total (%)
	Males (%)	Females (%)	
15-24	48.7	48.0	48.5
25-54	90.5	61.7	76.4
55-64	55.7	23.3	39.5
Total	75.5	51.1	63.5

Table 1 Distribution of employed persons by sex and age group over July-September 2014.

In fact, when looking at the female employment rates in Malta in more detail, a substantial difference of approximately 18 percentage points can be noted between females with and without children (Mills et al., 2014). Theorists argue that the combination of low female employment rates and low fertility rates are indicative of a low compatibility between women's paid work and childbearing (Bettio & Villa, 1998; Esping-Andersen, 2001; Del Boca, 2002). This incompatibility can be due to various ideological and structural factors that render family and paid work particularly difficult for mothers.

Malta has a number of shortcomings that make it rather difficult for both parents to be engaged in full-time work when their children are young. For example, when it comes to school opening hours, Malta has one of the shortest school days in the EU (Chetcuti, 2011), and some church schools finish as early as 1.00pm. Schools are also closed for very long periods during the summer holidays (three months) which cause problems for working parents (Borg & Debono, 2009). The provision of before-and-after school services and free childcare is in its early stages and is neither mandatory nor available in all schools. Furthermore, when it comes to family related leaves, these are limited especially for those who work in the private sector. For example, mothers are entitled to 18 weeks maternity leave and parents can have up to four months parental leave which is unpaid and is hardly ever used by the father. These structural barriers create problems for parents but especially for mothers. In fact, when looking at the work pattern of women in the Maltese labour market between 2000 and 2009, nearly half (49 %) of Maltese mothers did not have a continuous work patterns like the fathers typically did and instead, were drifting in-and-out of the labour market following the birth of their children. A large majority of Maltese mothers (79.7 %) actually gave up work before giving birth (Caruana, Borg & Debono, 2011).

Apart from real structural barriers, cultural norms in Malta are still highly gendered and the Maltese are more likely than their European counterparts to believe that women should stay at home to look after children rather than join the labour market, especially

when the children are still young (Special Eurobarometer, 2010). Such choices are typically linked to ideological factors around the notion of intensive mothering (Lewis & Humbert, 2010; Herman & Lewis, 2012; Hays, 1996). This often means that the mother assumes that she must put the children before paid work in order to provide ideal child rearing herself. In Malta, this can be noted in the larger share of unpaid work and care that women do (Eurofound, 2014) which in turn results in fewer paid working hours when compared to men (NSO, 2014b).

The majority of Maltese women are employed in the private sector but over a third (36.4 %) work in the public sector, compared to 20.8 % of men (NSO, 2014c). The conditions of work in the public sector are far more generous than in the private sector when it comes to work-life measures. For example, workers in the public service can enjoy a twelve-month career break, a one-off five year career break, an option to work on a reduced time table until the child reaches 16 years of age and the possibility to work from home through telework (Family Friendly Report, 2012). Research shows that because of better work-life policies in the Maltese public service, mothers working in the sector are able to keep their jobs in larger numbers and have more children overall (Caruana et al., 2011).

In summary, both structural and ideological factors must be taken into consideration when trying to increase female employment rates. In order to do so, in the next section, I will give a more detailed look at some of the factors that may be helping or inhibiting Maltese women from reconciling paid work with family care and will be highlighting in which situations the provision of free childcare can most make a difference.

2.2 Factors that impact on the reconciliation of paid work with family in Malta and the importance of childcare

Several factors can impact positively or negatively on the ability of mothers to reconcile paid work with family life. These include: a) **sector specific issues**, b) the **educational attainment and the income of the mother** and c) the **availability or lack of availability of childcare and other care services**. When discussing sector specific challenges, differences can be noted between mothers in different occupations and their ability to reconcile the care of children with paid work. For example, Maltese mothers working in the hotel and restaurant, manufacturing, and in the wholesale and retail trade, seem to encounter more difficulties than those who work office hours (Caruana et al., 2011). The job status of the mother also makes a difference. For example, mothers work more days if they are employed in technical, professional or managerial jobs than those employed in blue collar occupations. In fact, following birth, mothers in 'low-to-medium' skill oriented occupations worked less than 25 % of the potential working days (Caruana et al., 2011). This discrepancy may in part be attributed to childcare costs, in that 40 hours of childcare per week can amount to over 50 % of disposable income of 'low-to-medium' skill oriented occupations (MEDE, 2015). This appears to be a common challenge throughout Europe (EHRC, 2010; Eurofound, 2013a) in that lack of affordable childcare may be affecting the employment rates of mothers in lower paid jobs more negatively (EHRC, 2010).

Data from across the EU confirms that there is a correlation between parents who make use of childcare facilities and parents with a high income, as seen in Figure 1 below (Mills et al., 2014). The plot clearly indicates that across the EU, those with an income in the lowest quintile make the lowest use of childcare and for example in 2010, those in the poorest Maltese households hardly used it.

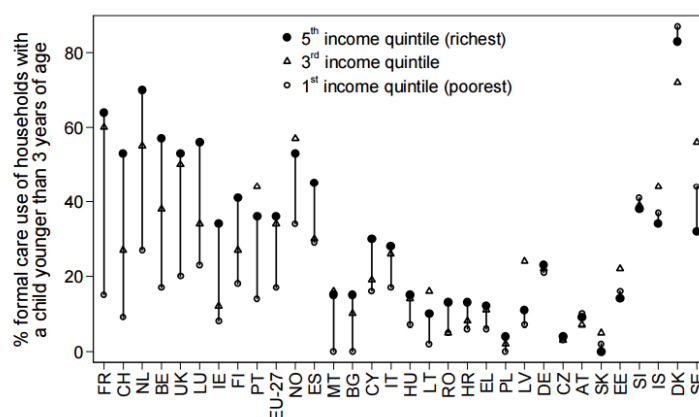


Figure 1 Formal care use by income quintile of household with a child below three years of age, 2010.

The income of the mother is likely to be correlated to her educational level. The higher the income the higher the opportunity cost for this category of mothers to give up paid work. A discrepancy can be noted between the percentage of employed women according to their level of education. In 2013, 82.7 % of Maltese women with a tertiary education were employed, compared to 60.9 % of women with a maximum upper secondary or post-secondary education. The rate of female employment plummets to just 28.6 % for those with the lowest level of education. This indicates a lower opportunity cost to give up paid work for this category of mothers especially if high childcare costs are added to the negative equation of low pay.

A similar trend is noted in the EU-28 female employment rates for the same levels of education. It is interesting to note that the employment rate for Maltese women with a tertiary level of education is higher than the EU-28 average for females with a tertiary level of education (+ 4.3 percentage points) and lower for those with the lowest level of education (-7.7 percentage points). As of 2011 (NSO, 2014), 60.1 % of the Maltese female population aged 15-69 had a maximum education level at lower secondary, primary or lower. This means that the largest female cohort of an employable age (in terms of education level) also had the lowest employment rate. This indicates that one of the main challenges for Malta lies in increasing employment rates for young women with low skills and low educational levels who are likely to find low paid jobs and for whom free childcare can make a difference between employment and inactivity. Free childcare can also be helpful to raise the employment rates of some of the older women in this category who might otherwise be constrained to offer informal care to their grandchildren in the absence of a free service. Note that in Malta, only 0.02 % of the GDP was spent on childcare before the scheme was implemented, in spite of recommendation to spend at least 1 % of the GDP on early education and care (Adamson, 2008; MEDE, 2013).

The percentage of children under three years of age enrolled in formal childcare (21 %) in Malta is below the EU-28 average of 27 %. This also remains well below the Barcelona Target to provide childcare for at least 33 % of children under the age of three. In 2010, Malta was classified as having reached none of the Barcelona Targets in that a negligible percentage of children were attending formal childcare centres (Mills et al., 2014). Prior to the introduction of this scheme in 2014, childcare was perceived to be of high quality in Malta but access was deemed to be relatively difficult (European Commission, 2013b). In fact, for example during 2012, children between ages 0 and 12 spent more than twice the time in informal childcare arrangements than formal care (NSO, 2014b):

	Number of children using service	Number of hours per week	Average number of hours per child using service
Childcare at centre-based services/ day-care centres	12 403	71 537	6
Childcare by grandparents, other household members, other relatives, friends or neighbours	12 056	207 804	17

Table 2 Differences between formal and informal childcare arrangements in Malta, in terms of number of children using service, number of hours per week in which they avail of service and the average number of hours per child using the service, 2012.

The low number of children in formal childcare centres may in part be attributed to prohibitive childcare costs, especially for low earning mothers who may not deem it worth their while to work if a large part of their income goes towards childcare fees. 78 % of Maltese childcare users have expressed dissatisfaction and difficulties with childcare costs (Eurofound, 2013a).

Figure 2 below (Mills et al., 2014) shows the percentage of mothers employed full-time across the EU in relation to the rate of children under three years of age in 30 hours plus of formal childcare arrangements. The plot shows that there is a weak correlation between full-time employment rates and the use of full-time childcare services. This points a complex scenario and set of conditions relating to high female employment rates. This implies that the free childcare scheme in Malta needs to be coupled with other schemes which, amongst other things, acknowledge the complexity of the socio-economic situation such as cultural norms, the role of informal childcare arrangements, the gendered role of parents within the households and how parents judge childcare to be affordable or not in terms of both financial and quality issues.

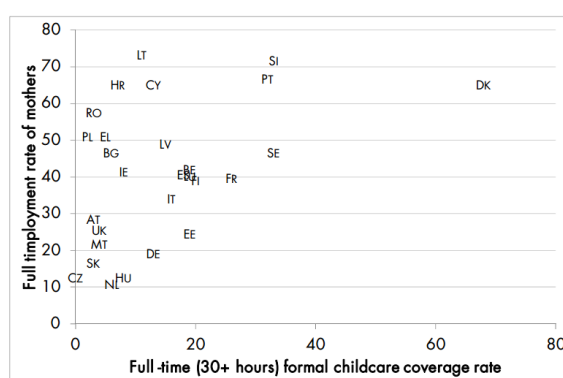


Figure 2 Full-time employment rate of mothers and full-time formal childcare arrangements for children up to three years old, 2010.

So whilst noting the interlinking factors that affect paid work and motherhood in the Maltese context, in the next section, I will give a description of the policy measure in relation to free childcare.

3 Policy measure for making work pay - Increasing female employment through the provision of free childcare

The free childcare scheme for children under three was introduced in Malta on the 1st of April 2014, a year after the new Labour government took office in March 2013. The scheme was listed on the electoral manifesto of the Labour Party as part of a wider package of investments aimed at increasing the female employment rate (Electoral Manifesto, 2013). The scheme is often portrayed in the media as one of the success stories of the newly elected government and has also been well received by various independent political commentators and by the public in general.

The free childcare scheme entails a number of terms and conditions addressed at parents and childcare providers, with the latter partaking in the scheme by entering into a Public Private Partnership (PPP) agreement with the government. 97.5 % of childcare providers have joined the scheme and since its launch, six new child care centres were opened, one of which is operated by FES in Gzira. Prior to the launching of the scheme most of the childcare centres had unutilised capacity and some were even considering closing down due to their dire financial situation which was unsustainable. However, since the scheme was launched, demand has increased and this has helped centres to thrive and flourish. Additionally, during the first nine months of the scheme, 50 new child carers were employed in this sector (MEDE, 2015).

At present there are 79 registered childcare centres participating in the scheme. These include 13 childcare centres run by the Foundation for Educational Services (FES) which is a government entity. The centres are spread over the island of Malta and there are two centres operating from the sister island of Gozo. The geographical and sectorial scope of the location of the centres offering free childcare is limited in that there are areas like St Julians, Sliema, Gzira and San Gwann, which are well served and have multiple centres (12 in total). On the other hand, in the capital city Valletta, which is an important hub with a high concentration of office and government workers, there are none.

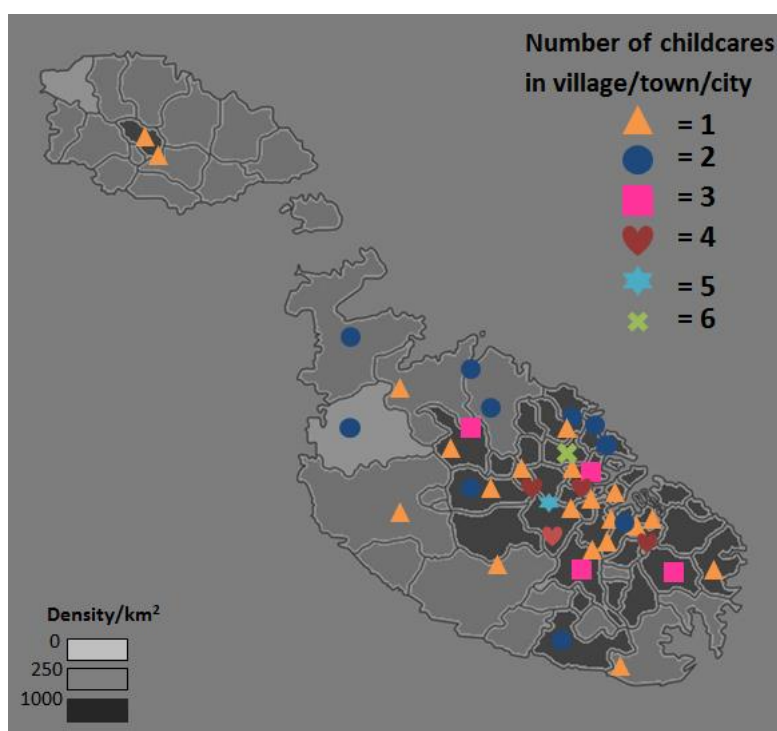


Figure 3 Map of Malta highlighted by population density per square kilometre, showing the number of childcares in the different localities throughout the island.

As indicated earlier, the scheme is open to children from the age of three months to three years whose parents (single or both parents/guardians in the case of dual earner families) are working and paying social security contributions. The scheme is also open to parents in education but only if this leads to a recognised diploma or degree. Once children reach the age of three they are no longer entitled to free childcare and instead are provided with national free kindergarten, which is attended by 97.8 % of Maltese children.

Each family which qualifies for the free childcare scheme is entitled to a number of childcare hours equivalent to the number of hours worked by the parent with the lower paid work load, plus one hour daily to account for commuting. Children can start attending the centre for free after one month following enrolment. Parents need to book monthly hours in advance and are entitled to 15 % absence over a year. Whilst government encourages flexibility on the part of the service providers, parents can only change the number of hours, days or the time they send their children if they give prior notice of at least a month ahead. In order to prevent over-booking, if parents use less than 90 % of the booked hours the unused hours are automatically deducted from the allowed absence time and once these are exhausted, parents are required to pay the difference. Since the scheme was always marketed as being free of charge, this raised concern amongst some of the parents who only became aware of this 'penalty' at the end of the year. An administrator in a private childcare centre disclosed that around 75 % of parents were affected by this penalty clause. Legal procedures apply if providers are found guilty of fraud or attempt of fraud.

Government pays private childcare centres at a fixed rate of EUR 3.00 per hour for every enrolled child (this will increase to EUR 3.05 in 2016). The uniform rate paid is intended to cover staff related costs and other consumables including stationery. However, it excludes individual child-related costs such as nappies, food, wipes and travel costs which have to be borne by the parent/s or guardian/s. The due costs to the centres are settled by government via a direct debit within seven working days after the end of the month. In order to avoid cash problems, a one-time initial cash injection is made to each centre.

The scheme is implemented through the School Resources Department within the Directorate for Education Services in the Ministry of Education and Employment (MEDE). Government funding also comes through the MEDE and was set at EUR 3.8 million in 2014 (which was exceeded) and EUR 8 million in 2015. The scheme is run with a limited number of staff and there is only one dedicated person who works full-time, whilst two other members of staff dedicate half their time to the running of the scheme. This creates stress and strain on staff, especially in the absence of an electronic system to register attendance, amongst other things. However, plans are under way to digitalise the system and in the near future ten centres will pilot a scheme where parents will use an electronic key fob to register attendance. This should make things easier for the administrators, the service providers and the parents.

The Department for Social Welfare Standards (DSWS) is the legal entity responsible for the regulation and quality of childcare services. To date, the regulation of childcare services (under three years of age) is not regulated through an act of law but through a set of regulations known as the National Standards for Child Day Care Facilities (DSWS, 2006).

Prior to the launching of the scheme, existing service providers were consulted in order to understand their prevailing situation in terms of demand and problems being incurred. Hence, when planning the scheme there was both a top-down and a bottom-up approach and the childcare centres themselves provided important feedback on how the scheme could be implemented successfully. Government has made a three year commitment with private providers to operate this scheme and because of its success it is unlikely that this will be stopped. Following the implementation of the scheme, the

number of children under age three in formal childcare settings increased from 13 % (1800) in 2013 to 21 % (2917) in 2014 (MEDE, 2015), thus pushing the percentage closer to the EU average of 27 %. Childcare service users are highest in Denmark (42.2 %) and Sweden (30.5 %) and lowest in Bulgaria (5 %) (European Commission, 2013b).

It is estimated that 200 mothers have entered the work-force in low-to-medium skill jobs in the first nine months after the introduction of the scheme. Two thirds of these were not working full-time, but on a part-time basis. It is also estimated that mothers who made use of the scheme managed to return to the labour market 130 days earlier than mothers who did not make use of it. Overall, this has led to a 10.7 % aggregate increase in working hours and to an estimated EUR 1.9 million contribution to the economy from direct and indirect tax contributions (MEDE, 2015).

The free childcare scheme has been part of a larger package of schemes which have been implemented over the past two budgets. This includes the Breakfast Club initiative which also opened in April 2014, wherein schools open at 07.00 (instead of 08.00-08.30) to children of working parents and offer breakfast and supervision free-of-charge until lessons start (Government of Malta, 2014b). Over 700 students attended the Breakfast Club during its first month (Government of Malta (2014b). In the 2014 Budget, government also extended the tax rebate for parents in employment from EUR 9300 to EUR 9800 and the Parent Rates tax computations were extended to parents with children up to 23 years who are still under their parents' custody. Similarly, social benefit schemes for single parents were extended until children are 23 years of age, instead of 18 (PwC, 2014). Finally, parents who make use of paid childcare services are allowed a tax deduction of EUR 2000 instead of EUR 1300 (PwC, 2013).

Additionally, in order to encourage persons on benefits to enter the labour market, government introduced a system where benefits are not cut abruptly when a person finds a job. Instead they are tapered off gradually over a period of time. This means that from January 2015, persons on unemployment benefits who find employment will receive 65 % of their benefits during the first year of employment, 45 % of the benefits in the second year of employment and 25 % of the benefits in the third year. The employers will also receive 25 % of the unemployment benefit for the duration of the first three years of employment (PwC, 2014). Likewise, In-work benefits were introduced for those with a low income in order to supplement their wage and make it more worthwhile to stay in paid work than switch to social benefits. Via the In-work benefit scheme, lower-income families receive a EUR 1000 annual allowance per child under 23 years of age (Government of Malta, 2014a) if they are working. Single-working parents earning between EUR 6600 and EUR 15 000 will receive EUR 1200 per child under 24 years of age annually (PWC, 2014).

All these incentives, coupled with the free childcare scheme, are part of a multifaceted package that aims to make work pay in Malta (European Commission, 2013a).

4 Difficulties and constraints

In order to capture both the successful elements and the difficulties that emerged since the launch of this campaign, I carried out ten in-depth qualitative interviews with key persons who could provide information on the issue. These include two persons from the government side who are responsible for managing and regulating the scheme, four service providers (two have multiple centres), three mothers who use the free childcare services and the child carers' union representative from the United Workers Union, UHM. I also used articles from the local media to supplement my data. This allowed me to gain a holistic overview of the situation since the launch of the scheme in relation to affordability, quality, accessibility and flexibility, amongst other things.

4.1 Affordability and social cohesion

With the introduction of the new scheme, the issue of cost and affordability has been resolved since the service is being provided mainly free of charge to working parents. This allows them a better choice of childcare, independent of their income, and in ways has created more social cohesion amongst eligible parents. However, there is a negative flipside in that children coming from the most deprived or disadvantaged households, such as families afflicted with mental health, drug abuse or other social problems, risk being left out of the system. In such households, it is more difficult to have both parents (or the single parent) in the formal labour market or following educational courses at diploma or degree level. Hence, there is a high risk that they would not be able to meet the eligible criteria if they are afflicted with such problems.

This raises immediate concerns of social cohesion, for it is a known fact that apart from increasing maternal employment rates, quality childcare can mitigate social inequalities in early life. Moreover, the children most likely to benefit from quality childcare are those from low socioeconomic backgrounds (Van Lancker, 2013; Mills et al., 2014; European Commission, 2013a; European Commission, 2013c). Childcare can provide a protective role for children and helps to address in part the children's living conditions in at-risk households (European Commission, 2013a) with outcomes felt at later stages by minimising the number of early school leavers and facilitating social mobility (European Commission, 2013c). Childcare centres can also play a role in flagging up neglect and abuse of children from disadvantaged backgrounds (Eurofound, 2013a). Hence as it stands, the eligibility criteria of the free childcare scheme in Malta may be excluding the most vulnerable children. The only chance for such children whose parents do not meet the eligibility criteria is to be placed in one of the childcare centres run by FES around the island. However, since these are sparse (there are 13 in all) and are not available in each locality, accessibility for the most vulnerable remains an issue.

This is especially worrying for Malta, since statistics show that the percentage of households with very low work intensities and with dependent children has increased in the aftermath of the economic recession (Eurostat, 2015), as per Table 3 below. Whilst government may have tried to address this trend via the free childcare scheme, in the process it may have actually excluded such households from being able to partake in the scheme.

	Year		
	2005	2009	2013
Work intensity			
Low work intensity	4.2 %	5.8 %	5.0 %
Very low work intensity	5.7 %	5.0 %	5.7 %

Table 3 Distribution of population by work intensity of the household (population aged 0 to 59 years) by year

4.2 Accessibility

As indicated earlier, childcare centres are still limited in number and are not spread evenly across the island. This increases commuting time and stress for parents before and after work. Furthermore, parents who do not have their own transport may find it more difficult to take their children to childcare centres if these are distant from their work place or the locality they live in. Hopefully, more centres will open as the demand for the service continues to increase and government continues to sustain the sector. It must be noted that opening hours of the centres are not consistent and it is up to each centre to decide when to open and close the service. This can create an incompatibility with the typical eight hour work day and can push parents to work part-time or to find alternative childcare arrangements elsewhere to cover the hours until they return from work.

On a different note, at present, one carer is allowed to be responsible for a maximum of six children (including a baby under one year of age). In the case of children under one year, the ratio goes down to one carer for every three babies. Because the payment rate for babies and older children is the same, some centres are not accepting babies under one because it will reduce their income. This is causing some concern to parents who are finding it more difficult to place their babies in childcare centres.

4.3 Quality of care

Because of the huge success of the free childcare scheme, providers are admitting as many children as possible to generate more income. The increased number of children in each centre is causing an element of cramming, leaving children with less physical space to navigate in. When the ratios are not strictly adhered to, the quality of care is reduced. In addition, it was reported in the press that in the government run centres 'whenever a child carer is ill or absent, their work has to be taken over by the other carers, resulting in unmanageable ratios' (Mizzi, 2015). Thirdly, because government is squarely behind this successful scheme and there has been a steep increase in demand, it is more difficult to challenge providers or to close them down if they do not adhere strictly to the ratios and the childcare regulations.

4.4 Lack of availability of trained child carers

When interviewing service providers and others involved in the running of the free childcare scheme, it was consistently pointed out that due to the increased demand for childcare and the relatively short time in which it was implemented in, it is rather difficult to find qualified and experienced child carers. Private childcare providers also reported that qualified child carers seem to prefer to work in the centres run by FES since they assume that being a government entity, it offers more stability and better working conditions. This is causing an amount of instability to privately owned childcare centres, especially in view of the shortage of carers at present. In some cases, providers have to resort to staff that is not qualified or not yet qualified to resolve the problem temporarily.

4.5 The working conditions of child carers

The work of child carers can be stressful and demanding and carries a lot of responsibility. On top of this, wages within the sector are low and start at around EUR 5 per hour going up to EUR 5.75 per hour. Child carers also operate in atypical conditions which when combined with low payment rates can cause a high turnover rate. Qualified child carers are rarely employed on a full-time basis and even those employed with FES are only engaged for 30 hours (Full-time basis with reduced hours). The union representative from UHM remarked that this can create problems and for example, it is difficult for such workers to obtain a bank loan since their work is not full time. These bad conditions have led the union representing the child carers at FES to order industrial measures in the 13 state run childcare centres in March 2015 (Mizzi, 2015; The Malta Independent, 2015) The union claimed that the planned industrial action (which was eventually blocked by court) was because of lack of health and safety

measures, inferior working conditions and an impasse in negotiations over a new collective agreement which had elapsed in December 2014, amongst other things.

4.6 Lack of flexibility in the scheme

With very young children, it is rather difficult to plan a month ahead. Young children are prone to get sick easily and asking parents to book their time and dates so much ahead may reduce the flexibility of working parents. Some parents commented that because they are prudent and do not send their children to childcare when they are sick, they end up paying for the difference between booked and used hours. Because of this penalty, there is a potential risk that parents who cannot afford to pay for their unused hours may choose to send their children to the childcare centre even if they are sick.

On a different note, at present there are two intakes a year for kindergarten, namely in October and February. Many childcare providers commented that if a child attending a centre becomes eligible for the February intake of the year in question, the child will be removed from the scheme as it will be assumed that the child can start attending free kindergarten instead. Some parents prefer to keep their children in childcare until the following September when school starts and so they decide to pay for the service themselves. However, if parents cannot afford to do so, they have to take out their child and send them to a government run kindergarten between February and the end of the scholastic year in June. This may cause instability to both the child and the parents, especially if the child has to change school again in September if, for example, they secure a place in a church school. Too many transitions in such a short time can have a detrimental effect on the children.

In summary, in the above section I have highlighted challenges within the childcare scheme due to issues pertaining to affordability and social cohesion, accessibility, quality of care, the availability and working conditions of child carers and the lack of flexibility around the scheme. In the next section I discuss the success and the transferability factors that emerged from the scheme.

5 Success factors and transferability - Discussion and learning

Having been operational for just over a year, the free childcare scheme is still in its early stages. As with all projects, it has strengths and flaws which have been discussed above. However, overall this scheme has been a step in the right direction in that it has mobilised more mothers to re-enter the labour market whilst increasing the number of children under three attending formal care. Financially, families who use the free childcare services are now better off and, for example, an employed mother who uses childcare for 35 hours on a weekly basis indicated that she saves over EUR 300 monthly. The scheme also brought financial stability to the private childcare providers and has given them a much needed boost to survive and thrive financially.

There are various factors which have led to the success of this scheme. Prominent among these is the fact that the scheme received a lot of media attention since it was in the political manifesto of the party in government during the election campaign of 2013. Being a topical issue, the free childcare scheme received a lot of publicity and, hence, awareness amongst potential users. In contrast, research carried out among inactive women in Malta a few years earlier (2012) had shown that only 4 % of females aged between 15 and 34 were aware of the tax rebate of EUR 1000 which was available to those who used childcare centres. Likewise only 13 % of inactive women in the same age group were aware of the tax rebate of EUR 2000 which was available to mothers returning to paid work (NCPE, 2012). This shows the importance of raising awareness and making sure that the target audience (mainly parents, but especially mothers) and the general public (including grandparents) are made aware of schemes that can make a difference as to whether mothers opt to stay or leave the formal labour market.

Before the implementation of the scheme childcare providers were consulted by government to provide constructive feedback on the proposed scheme. This made government aware of the challenges that providers were facing and was extremely useful in that it allowed government to offer a favourable financial package which led a high percentage (97.5 %) of private childcare providers joining the scheme.

On a positive note, it can be argued that the free childcare scheme was implemented in a relatively short time following the election, thus showing the government's commitment to honour the pledge made in the electoral manifesto. However, this meant that the government overlooked the fact that the supply of qualified carers was insufficient to meet the increased demand. The under supply of qualified carers should not have been overlooked and more could have been done to prevent this situation before the scheme was launched. Likewise little, if anything, was done to improve working conditions of child carers. This is reflected in their high turnover rates and comments made by their union on sub-par working conditions. The long term success of the scheme cannot be guaranteed if these important stake holders are neglected. An important policy document called 'Early childhood Education and Care in Malta: The Way Forward', issued by the MEDE (2013) recommends the revision of staff training and qualifications of those involved in the early years setting. It is also being suggested that at least half of the staff working in such settings should have relevant tertiary qualifications. If qualifications are raised, the need for improved working conditions, including a better pay packet, will need to be resolved *a priori*. It was also noted that the scheme should operate within the parameters of law which is missing as of yet. Moreover, constant assessments are needed to ensure that the quality of service is maintained throughout.

The scheme was criticised for its lack of flexibility by both parents and providers in that parents have to book childcare hours in advance. For example, any change in use or new bookings for the month of May had to be made by the 10th of April. Whilst it is understandable that government is doing this to curb abuse and waste, this is resulting in a lot of administrative work for childcare providers. Moreover, parents have no means of checking the number of booked and used hours on a daily basis. Hence, it would be

best if this clause is revised and simplified for the benefit of both users and providers. Discussions with parents and providers could yield important suggestions on how this issue can be resolved. Furthermore, government should ideally have had an electronic attendance recording system in place before the launch of the scheme to make it easier for both parents and providers to monitor attendance. This should be implemented without further delays.

Some service providers suggested that government should engage an additional pool of qualified roving child carers who can replace staff at short notice when the need arises due to, for example, sickness. This will ensure that ratios are maintained and that quality does not suffer. It is also important to ensure that courses to train new child carers are on-going, whilst refresher courses should be offered on a regular basis to established child carers.

Malta can learn from countries such as Denmark, Sweden, Iceland, the Netherlands and France who are ahead of the curve when it comes to reaching the Barcelona Targets (Mills et al., 2014). Malta needs to acknowledge that working patterns are becoming increasingly diverse (European Commission, 2013b), that fertility rates are decreasing and childbirth is being postponed (Eurofound, 2013b). In the meantime, it must also be noted that as the retirement age keeps increasing, parents will be able to depend less on grandparents for informal childcare arrangements.

Esping-Andersen (2001) argues that the changing 'life cycle patterns' have led to young people and families with young children being particularly at risk of not reaching their full potential due to increasing burdens. Whilst the scheme has alleviated the burdens on families at work with young children through free childcare, it is less clear whether this has been useful in protecting at-poverty risk children.

In spite of multiple EU-level documents emphasising the importance of childcare services in helping at-poverty risk children and families, improving employment rates and reducing gender inequality, there is as yet no common policy on childcare in Europe to ensure this (Eurofound, 2012). However, the Commission, in its document on 'Investing in children: breaking the cycle of disadvantage (2013a), is making clear recommendations and arguing that preventing the transmission of disadvantage across generation through affordable and quality childcare, has the potential of leading to inclusive and sustainable growth which can bring long-term benefits 'to children, the economy and society as a whole'.

Hence, whilst acknowledging that free childcare is an important move to fix to the paid work-family challenge, the time may be right to ask how the scheme can be improved to ensure wider accessibility and inclusivity to those who need it most. Furthermore, government must address the other structural and ideological barriers that are still hampering the integration of care with paid work for Maltese families.

6 References

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