

# 1. Introduction

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Do you think the state should pay mothers for taking care of their children at home? No doubt many of us disagree on this – we can hardly find a social benefit issue that raises more differences in opinions than paying cash-for-childcare.

There is a long tradition of discussing possible means to support mothers of young children (e.g., the debates on mothers' wages). This issue recently became much more topical when several developed welfare states introduced cash-for-care schemes as new means for subsidizing childcare. A new social benefit has emerged besides maternity and paternal allowances, but the arguments for its introduction have been and continue to be ambiguous.

Cash-for-childcare (CFC) schemes are related to the necessities of life; they are inextricably linked to employment, care, subsistence and gender relations. As such, the schemes cannot avoid having a number of complex functions and implications. All this makes CFC an eminently suitable object for social research. It compels us to ask what the fundamental reasons are for the existence of social policy benefits, and how the formulation of social policies influences both the use of benefits and their effects on everyday life, provision of care, employment and other social policies.

CFC benefits may be used for different purposes, but in this book we concentrate on those benefits intended to support maternal childcare at home. We ask what these benefits mean for the mothers and what their short- and long-term consequences are for the recipients. Our analysis focuses on the European context in which a mother uses CFC to support children's care at home instead of putting them into subsidized daycare.

Obviously, fathers also use CFC benefits, but this has remained marginal. The big issues around CFC as a principle are distinctly connected to women's overwhelming use of the benefit. If men were rapidly increasing their use of the benefit we would certainly have changed the focus of our research.

A particular feature attracting our attention in the subject is that the discussants seem to be talking at cross-purposes. What is it that they

actually disagree about? Politicians take issue with CFC as a principle, the more so when they are considering whether or not to introduce a scheme. Some researchers, however, eschew such a lively debate, perhaps because they are quite unanimously opposed to the principle. But what does such a consensus mean? Does it indicate that there is a lack of rational arguments for CFC, or is it that the topic only interests a narrow section of researchers? Be that as it may, if there are rational arguments for CFC it is curious that we rarely see them in the media, but see instead a plethora of emotional arguments. Finnish mothers at home, at least, speak passionately in favour of the benefit.

In this book our aim is to examine cash-for-childcare in all its diversity: we want to contemplate different schemes and from different angles. We try to present to the reader the kind of phenomenon cash-for-childcare actually is. To achieve this we will consider three options. The first option is that it is a reactionary phenomenon:

- a compensatory benefit that people who neither need nor want to use daycare for their children, such as country people who live far away from daycare centres and affluent families, have achieved by exerting pressure on governments in rich countries;
- a poor social investment wasting public money without any particular social outcomes;
- a downright protest against women's emancipation;
- a trap that repressed and reactionary women enter voluntarily;
- a device that women can use to stay out of employment.

But if the first option were the only one and CFC only a sign of less rational social policies, why have CFC schemes become more common, particularly in the Nordic countries with the highest female employment rate and easiest access to daycare?

The second option is that there are also rational reasons for CFC:

- Social policy discourses may generally overestimate the value and underestimate the strain of wage work and the double working day in families with small children.
- The benefit may seem like a lifeline supporting the family against the insecurities of contemporary working life, particularly in a situation in which the husband has sold himself to one employer, and another employer is making hard and fast demands on women, without trying to reconcile work and family.
- Introducing CFC may also be seen as a sign of a cultural change reflecting the growing value of maternity, care and children.

Our third option is to look at the whole issue in a less contentious context? Perhaps CFC is:

- a decent way for women living on the shadow side of the female labour market to make ends meet: a respectable alternative to unemployment benefit;
- a poverty trap, the alternative being not sufficient subsistence but poverty anyway;
- parental allowance, making possible a care leave that is somewhat longer than usual;
- sometimes just money to purchase care in a society that does not subsidize children's daycare.

We do not present all the arguments for and against CFC here, but the options in general may show the variety of ways used to describe the essence of cash-for-childcare. On the one hand, the schemes have been welcomed as offering families the right and alternatives to arrange care in their own way, to grant informal care the value it deserves and to give governments affordable, flexible and easily administrable ways to organize care. Conversely, these schemes have been criticized for reinforcing gendered division of labour, decreasing the female employment rate and leaving children without the education they need and deserve.

When analysing reasons for the diffusion and popularity of CFC schemes and the consequences of these schemes, a particular challenge is posed by the fact that the systems are still young and variable. They are latecomers in the world of social policies. Thus, there are differences in the conditions and consequences of the schemes and it also seems that the most recent systems have avoided some of the problems inherent in older systems. We need international research to know more about the differences in the applications in order to understand the extent to which it is possible to reduce the obvious problems involved in these schemes. Are there realistic options for creating such a CFC scheme so that a majority of researchers would accept it, or will they always decry these schemes?

## CONTENT OF THE BOOK

In the second chapter Sheila B. Kamerman and Shirley Gatenio Gabel study the relationship between cash benefits (money) and care (services) and how they constitute alternative policy strategies for achieving the same or different goals. Sometimes different policies may be enacted to achieve the same goals and sometimes the same policy may be enacted to

achieve different goals. Little data is available on the efficacy of either cash or care as a strategy for chosen policy goals. Ultimately, choices regarding cash or care tend to be based on political preferences more than sound empirical evidence; and ironically, choosing either cash or care can achieve the same policy goal.

The third chapter is also theoretical. Jorma Sipilä, Katja Repo, Tapio Rissanen and Niina Viitasalo first discuss the conditions for introducing CFC as a principle of social policy, including the moral threshold that cash-for-care policies must exceed. They continue by examining the daily life perspective of parents, especially in relation to the issues of care, work and economy that preoccupy individual parents when they consider accepting cash-for-childcare. Finally, the authors analyse how the principle relates to existing social policy systems and the ideas behind them, for example, universalism, gender equality, public economy and the need to reduce poverty. Both individual and political choices are made in cultural contexts between which family values and normative attitudes vary enormously.

Katja Repo considers the meaning of the schemes from the perspective of everyday life in the fourth chapter, examining in particular the users' work-life choice. Her chapter describes how the recipients of the benefit perceive care at home and the choice it has provided. From the daily life perspective the allowance is commonly assessed in a positive tone. It contributes to solving problems associated with reconciling work and family. It works as a kind of extension to the parental leave, thereby ensuring that families have more time with their children. The benefits, ideologies and practices work together and affect each other. Cash-for-care schemes give a choice of home care and produce a space in which to talk about care in a more familistic tone and familistic behaviour gives more legitimacy for continuing or expanding the schemes.

In the fifth chapter Anita Nyberg makes an interesting case for Swedish cash-for-childcare politics. Right-centre governments have introduced a CFC scheme twice, even though the schemes of 1994 and 2008 were quite different. The aim of the chapter is to present the historical background of the schemes in Sweden as well as the political arguments and consequences inherent in them. The emphasis of the chapter is on the latest scheme, political differences in its implementation, the numbers of users in the first phase and the public debate accompanying the reform.

In the sixth chapter Marit Rønsen and Ragni Hege Kitterød review existing evidence of the impacts of the Norwegian cash-for-care scheme on mothers' behaviour, focusing especially on changes in mothers' labour market participation and working hours. They report that the employment probability of mothers of 1- to 2-year-olds has been significantly reduced,

and if employed, the 'at-work' probability has declined even more substantially. The reform has achieved one of its goals: to enable parents to spend more time with their children. On the other hand, the extra parental time is mainly provided by mothers, as fathers' labour supply has only been very modestly affected. The reform has thus had a negative effect on another stated political goal: greater gender equality.

The fact that CFC policies go against the core ideas of a gender egalitarian childcare policy that has been strong in the Nordic countries raises interesting questions for policy analyses. In Chapter 7, Minna Rantalaiho compares CFC policies in Finland, Norway and Sweden, examining both the policy models and the political framing of CFC in the context of the policy-making process. In two empirical sections, she first examines the CFC entitlements asking '*what is offered, to whom and on which premises*' and second, the political framing of the entitlements: '*what is CFC needed for*'. Rantalaiho finds that the CFC policies have slightly different aims, and the political framing varies from country to country – and also over time. It is no surprise that the outcomes are also very different.

The last chapter examines cash-for-childcare as a new social policy mode. What should the policy-makers and the parents making childcare choices think about the contradictory character of CFC: strong positive and negative features at the same time? In this chapter Repo, Rissanen, Sipilä and Viitasalo discuss this paradox, taking into account the comments and ideas developed by the authors in this book. They begin with an overview of the advantages and disadvantages of cash-for-care schemes and then continue to consider how the schemes could be implemented so that their major negative features might be overcome.