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**STRUCTURAL FUNDING AND CHILDCARE  
CURRENT FUNDING APPLICATION  
AND POLICY IMPLICATIONS**

**European Commission Childcare Network**

**BRONWEN COHEN**

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Commission of the European Communities

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## SUMMARY AND RECOMMENDATIONS

### Summary

1. The findings of the European Childcare Network (established by the Equal Opportunities Bureau under the European Community's Second Equal Opportunities Action Programme) have significant implications for Community policies both in relation to equality of opportunity and the economy, particularly in the context of the completion of the internal market. General inadequacies in provision particularly in the areas of care for children under three and school-age children out of school hours, combined with varying levels of provision in services and employment, entitlements contribute to:
  - continuing inequality between women and men.
  - barriers to participation by women with children in employment, education and training.
  - job segregation and skill shortages.
  - barriers to mobility of labour between member states.
  - high levels of family poverty in a number of countries through effect on the ability of parents to provide adequately for their children.
2. Employment participatio rates of mothers of under-fives in three countries are lower than 30% - substantially lower than the United States and Canada. Current demographic heads are highlighting in many countries the need to increase women's participation in the workforce. Available labour force projections indicate an anticipated increase in women's labour force participation in 6 countries of between 3% - 7%. This projected increase will require a substantial expansion of childcare facilities and adequate protective policies and regulatory mechanisms if Europe's children are not to pay the price of the Community's economic success.
3. Financial support for the development of childcare services can assist in meeting Structural Funding objectives through:
  - establishing infrastructure essential in maximising and developing local skill resources in areas which are less developed or affected by industrial decline.
  - facilitating women's access to education and training.
  - assisting women's integration into employment and the desegregation of the labour market and offsetting current and projected skill shortages in all countries.
  - stimulating rural development and the diversification of the rural economy through facilitating a more substantial economic role for women within rural areas..

4. Funding Opportunities Under Current Programme

Current funding possibilities include:

Objective\_1

In addition to expenditure in respect of other objectives (with the possibility of higher levels of support and greater flexibility) the development of nurseries and out of school schemes where these can be demonstrated to either contribute to increasing the economic potential, development and structural adjustment of areas or as health and education facilities contributing to the structural adjustment of these areas.

Objective\_2

In addition to ESF expenditure, funding to support the construction of an industrial site or business centre which incorporates the physical infra-structure for childcare facilities and services Small and Medium Sized enterprises (SME's).

Objectives\_3\_and\_4

Development of operations combining several types of intervention in order that training should be a real factor in promoting occupational and social integration.

Innovatory projects and accompanying measures to support those providing access for training.

Other possibilities in relation to maximising local employment development potential and measures for young people.

Objective\_5B

The funding of childcare including establishment of nurseries and provision of running costs for at least two years where relevant to rural development and diversification of the rural economy.

5. Some existing Social Fund schemes have been concerned at the impact of a number of the proposed changes. Measures are currently under discussion to protect childcare provision. These include continuing to allow rent for childcare provision and flexibility for member states to allow funding of nurseries at 50%.

6. It is important that applications in relation to childcare should be encouraged. The standard clause now included within Community Support Frameworks is likely to assist considerably in this.

## 7. Policy Issues for Future Funding

Childcare is a key issue for the Community both in ensuring its availability, if the economy is not to experience serious skill and labour market shortages, and its quality, to ensure that it provides a positive experience for Europe's children. To date the issue has been approached tangentially and in a piecemeal way within structural funding policies and this is still largely the case for current funding applications identified in this paper. A systematic approach would involve addressing the issue of continuity within employment i.e. diminishing the need to facilitate the "return" to employment, and assist continuity between education, training and employment.

8. European funding should be used in a way which addresses the problems of the availability and quality of provision and associated with this the pay and conditions of the childcare workers involved. Preference should be given to direct service provision rather than allowances and to projects which integrate employer needs within wider community programmes.
9. The European Childcare Network's report recognised the need for support to be given to national programmes with some countries requiring greater levels of assistance than others and this in general reflects the targeting of the current structural programme which potentially offers a number of opportunities to provide in a very small way some of the necessary support. Evaluation of the support will reveal whether in future funding programmes a separate Childcare Fund would provide a more satisfactory approach. A more systematic approach and substantially greater levels of funding will be required if any significant impact is to be made on the problem.

## Recommendations

### Current Funding Applications

1. Community Support Frameworks will now include a standard clause drawing attention to the existence of, and the need to take account of, equality legislation and policy and to give consideration to training and infrastructure requirements which facilitate labour force participation by women with children. This clause should be used to actively encourage applications in relation to childcare provision. In addition, further examination should be given to current possibilities of application and priority given to projects which include recognition of childcare requirements.
2. Adequate levels of support should be given to projects for the establishment and running of appropriate childcare facilities as a preferred alternative to direct financial assistance to parents. Funding support should allow for the provision of high quality care, supporting adequate training, pay and conditions for the childcare workers involved.

3. Encouragement should be given to projects adopting an integrative approach to provision, facilitating transition between education, training and employment.
4. Funding of childcare projects should be evaluated in the context of childcare as well as employment policies.
5. Information on projects should be centrally available and readily retrievable.

#### Policy implications

6. Funding strategies should address the need for provision which supports women's continuity of employment, education and training as well as providing opportunities for women returners.
7. Funding strategies should provide for the development of provision meeting economic and social needs of the Community on a basis which ensures compatibility in access to, and standards of, care across the Community.
8. European Structural Funding should be used to provide for development of provision in all countries but special assistance should be given to areas currently receiving greater levels of support: Objective 1, 2 and 5b areas.
9. Funding strategies should address the need for quality of care, and improvements in the pay, conditions and training of Europe's childcare workers.

INTRODUCTION

1. In June 1988 the Council of Ministers unanimously adopted a Regulation(1) reforming the existing structural funds : the European Social Fund (ESF), the European Regional Development Fund (ERDF) and the European Agricultural Guidance and Guarantee Fund, Guidance Section (EAGGF). The reforms arose from concern to ensure that integrative developments within the European Community, with the completion of the internal market, are accompanied by balanced social and economic development, reducing regional differences in prosperity and addressing the needs of groups with particular need of assistance, in particular the long-term unemployed and young people. Broadly, the reforms aimed to clarify, further prioritise, and more effectively co-ordinate the fund objectives, providing for example for "horizontal" co-ordination and management of the three funds.(2) The five major objectives given to the funds were

Objective 1: promoting the development and structural adjustment of the less-developed regions.

Objective 2: converting the regions seriously affected by industrial decline.

Objective 3: combating long-term unemployment.

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(1) Council Regulations (EEC) No. 2052/88

(2) Regulation COM (89) 500 final



Objective 4: encouraging the integration of young people into employment.

Objective 5a: speeding up the adjustment of agricultural structures.

b: promoting the development of rural areas.

In addition, the budget for the funds has been substantially increased, reaching 12.9 bn ecu in 1992, doubling the value in real terms.

2. At about the same time that the reforms of structural funding were being concluded, the European Commission published the findings and recommendations of the European Childcare Network. The Network was set up by the Equal Opportunities Bureau within DG V under the Community's Second Equal Opportunities Action Programme. It was asked to examine childcare provision and policies, particularly as they affect womens' employment, to consult with relevant organisations within member states and make recommendations on ways the situation can be improved. The Network reported Summer 1988(1). It found that across the Community, the level of services, combined with inadequacy in employment provisions such as access to family leave and flexibility in working hours, were significantly affecting women's access to the labour market: affecting both the participation of mothers of dependant children and the categories and hours of their work.

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(1) P. Moss Childcare and Equality of Opportunity. Consolidated Report of the European Childcare Network CEC 1988.

Together with the finding of general inadequacies in levels of provision, the Network found considerable variations in the levels of provisions between and within member states, suggesting significant impediments to the mobility of parents, in particular mothers, and identified the need for substantial improvements in the quality of care, including better training, pay and conditions for many childcare workers.

3. The Network drew the attention of the European Commission's Bureau and Advisory Committee on Equal Opportunities to the significance of these findings in the context of the Community programme for the completion of the internal market, and recommended that the Commission should seek ways of allocating resources to poorer regions. The Network's concern was reiterated in the conclusions of the conference held by the European Commission in Toledo in April 1989 to evaluate the Second Equal Opportunities Action Programme and discuss the context and objectives for the Third Programme. The Toledo conclusions emphasise the need for a better understanding of the likely impact of the single market on women and highlighted the importance of using structural funding to provide more positive support to labour force participation of women with children.
4. This paper has been prepared on behalf of the European Childcare Network for the European Commission's Equal Opportunities Bureau. It examines:-

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- (a) the relationship of childcare provision to the objectives of the Community's structural funding programme.
- (b) examples of childcare funding under previous programmes.
- (c) funding opportunities under the programme currently being established.
- (d) policy issues in relation to future developments in the structural funding programme.

(a) CHILDCARE AND THE OBJECTIVES OF THE COMMUNITY'S  
STRUCTURAL FUNDING PROGRAMME

5. General inadequacies in childcare provision - particularly in the areas of care for children under three and school age children out of school hours - limit the effectiveness of European legislation and policies on equality of opportunity. The Network's report concluded:

"The essential point to be restated and emphasised is that the conditions under which men and women supply their labour to the labour market are not equal; and that this inequality is neither inherent or inevitable but is socially determined. Wage rates and occupational positions are not determined purely by market forces but by the social costs of reproduction which are unequally distributed".

This unequal distribution creates a number of significant structural inequalities within the European Community. It is a major determinant of women's lower pay and retirement income and contributes to their disadvantaged situation within the European economy and society. Through its effects on women's working lives it contributes in a number of countries to unacceptably high levels of family poverty by affecting the ability of parents to provide adequately for their children. The impact of inadequate levels of provision on women's employment has considerable implications for the Community's economy. In varying degrees throughout the Community the lack of suitable affordable childcare poses an insurmountable barrier to women's full participation in employment, education and training.

Employment participation rates of mothers of under-fives in three countries - the Netherlands, Ireland and the UK - are lower than 30% and are among the lowest rates in the industrialised world - substantially lower, for example, than in the US or Canada. Childcare affects the hours women are able to work and the nature of their employment, and the constraints it places upon women's work and the assumptions which become associated with women's work reinforce gender divisions within the labour market - a contributory factor to skill shortages.

6. Current demographic trends, with a substantial fall in the number of school leavers entering the labour market throughout the Community, have highlighted in many countries the need to increase women's participation in the workforce. Available labour force projections indicate an anticipated increase in the labour force participation of women in 6 countries ranging from 3% to 7% (1). Women with dependant children represent one of the most significant areas of potential expansion but the projected increases will require a substantial expansion of childcare facilities and adequate protective policies and regulatory mechanisms if Europe's children are not to pay the price of the Community's economic success.

7. The Community's structural funding programme aims to ensure that the completion of the internal market is accompanied by 'balanced economic and social development, reducing regional

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(1) Moss op\_cit

differences and addressing the needs of groups with particular need of assistance'. Levels of Community childcare provision do not totally mirror the areas identified in the programme as requiring special assistance because some countries with lower levels of national income have attached greater priority to provision than some with considerably higher levels. However, there are significant areas of overlap in relation to childcare requirements.

8. In countries with low levels of public provision, and in particular where childcare policies emphasise the responsibility of parents themselves or employers for making childcare arrangements, economic pressures stimulating the development of childcare facilities leads to lower levels of provision in disadvantaged areas, potentially creating or exacerbating a gap in nursery infrastructure. The effects of this on the labour supply are qualitative as well as quantitative, posing a barrier to not only employment participation by skilled women unable to find suitable childcare or affected by the negative attitudes towards maternal employment associated with areas where services are poor, but also to women wanting to undertake further education or training. Although less developed regions and those affected by industrial decline (targetted by Objectives 1 and 2) may in some cases be characterised by an over-supply rather than an under-supply of labour, shortages of skilled labour or those willing to retrain frequently impede local economic development and deter industries from relocating to such areas. Conversely, the provision of childcare can

facilitate in such areas the expansion of the skilled labour force. In one childcare project initiated in an Objective 2 area within the UK it has been estimated that approximately 4000 women with children under five would undertake further education if suitable, affordable childcare (and appropriate education facilities) were available.(1) The provision of childcare in this project not only offers the possibility of offsetting the projected reduction in the labour supply in this particular area but of expanding the pool of skilled labour and potential trainees.

9. In all areas, policies facilitating access to training and education for women with children are relevant to Objectives 3 and 4 : combating long-term unemployment and encouraging the integration of young people into employment. In a number of countries the impact of inadequate childcare upon maternal participation rates in education and training can be inferred from lower levels of participation by women within the central childbearing age group. In the UK for example studies have shown a drop in the proportion of women students aged 20-30 in comparison with the level of participation of those under 20 or over 30 (2). The barrier imposed by inadequate childcare to access to education and training can represent a significant impediment to the integration of young women into the workforce and is a particular problem for "teenage

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(1) EC Childcare Action Project being undertaken jointly by the Scottish Development Agency and Strathclyde Regional Council in the area of Glasgow City and Strathclyde North.

(2) Equal Opportunities Commission and National Union of Students (1980) Women in Colleges and Universities EOC Manchester.

mothers". Problems of access to education and training, combined with the problem of discontinuity in women's working lives and the pattern and hours of their employment comprise both the major childcare effects on women's employment and a principal determinant of the higher levels of female than male unemployment throughout most of the European Community.

10. The European Childcare Network found the lowest levels of childcare services in rural areas reflecting greater problems in its provision and in some cases the lower priority attached to its provision. It is often assumed that there are also lower levels of demand but a recent Scottish survey of women's demands and preferences for provision found little difference between expressed demand for childcare to facilitate employment, education or training between women in rural and urban areas, (1) and this is supported by research by the Arkleton Trust which has found a significant increase in the economic activity rates of farming women. (2)

11. Facilitating a more active role for women in the rural economy is one way of addressing the Community's objective of rural development through the diversification of the rural economy and there is growing evidence to support the value of this approach. In a rural community development project in South Armagh, Northern Ireland, (financed under the European

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(1) Strathclyde Family Survey, Strathclyde Regional Council, 1989.

(2) Arkleton Trust: Rural Change in Europe. Research Programme on Farm Structures and Pluriactivity



Commission's Second Poverty Programme) the project co-ordinator has found women more willing than men to undertake training and, in an area in which a family's failure (as in many rural areas) can be remembered and even perpetuated in nicknames through several generations, the women, she comments, are in general less pre-occupied with the fear of failure.(1) A project in Crete - the Lasithi Plateau Adult School for Appropriate New Technology - partially funded through the European Commission's Comett Programme offers similar lessons.

12. This suggests that a policy of directly addressing women's childcare needs in rural areas through the provision of flexible services adapted to rural requirements and supporting and enabling both training and employment should not just be seen as a social need but as pre-requisite to economic development : helping to stem the spiral of economic decline accompanied in some areas by high rates of male migration and assisting in economic diversification.

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(1) Avila Kilmurray Project Co-ordinator Rural Action Project Workers Ireland

(b) EUROPEAN CHILDCARE FUNDING UNDER PREVIOUS PROGRAMME

13. Childcare funding has previously, in general, been limited to the European Social Fund, involving facilitating access to vocational training for women returners and occupations in which women are under-represented. Information on projects is not easily retrievable centrally but one of the earliest projects appears to have been in the United Kingdom, involving the establishment of a nursery at the South Glamorgan Women's Workshop. This nursery, established to facilitate access to women in areas of new technology, including electronics and computing, has received 50% of its running costs for six years from the European Social Fund. It was also an early example of an integrated funding approach. The conversion of the nursery premises together with the training premises - received a 50% grant under the ERDF non-quota steel restructuring programme in 1983. Matching funding has been provided by South Glamorgan County Council.

14. In the UK, South Glamorgan Women's Workshop is one of thirty three women's training schemes developed with ESF funding and in all of which assistance with childcare has been seen as essential. The assistance takes the form of either the provision of a nursery - as in the South Glamorgan Workshop - or the provision of an allowance to finance a private arrangement. In some areas it can be difficult to make private arrangements and South Glamorgan believes the provision of its nursery has been a key element in its success. In 1988 a sum of 28,13 million ecu was allocated from the ESF to

the UK for operations "involving creation of training, recruitment and setting up additional jobs for women in occupations in which they are under-represented (1). It is not clear what proportion of this was allocated to childcare.

15. In Ireland a wider range of courses have been offered including new technology, basic skills and opportunities for travelling women. Assistance with childcare has, in general, taken the form of allowances.

16. With the exception of a number of isolated examples such as the contribution from the ERDF non-quota steel restructuring programme to the South Glamorgan nursery, there appears to have been very little funding of childcare other than that provided by the European Social Fund - mainly in the form of allowances - to facilitate training.

17. Outside the main Community Funding Programmes, a very small number of projects have been funded through the European Childcare National Action Programmes and somewhat more extensively under the Second EC Poverty Programme. Projects funded under the Poverty programme include out of school childcare for schoolage children in a Greek project addressing the needs of the Pontian and Gypsy population in Acharnes, a poor municipality on the outskirts of Athens; a day nursery in a Spanish project seeking to integrate marginalised groups

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(1) European Parliament Written Questions No. 1/7/88, 10/11/88

in Cueto-Santander and in a UK project, a creche for Bangladeshi children in the Spitalfields area of London.(1)

(c) FUNDING OPPORTUNITIES UNDER REFORMED STRUCTURAL FUNDS

18. The three funds : the European Social Fund (ESF); the European Regional Development Fund (ERDF) and the European Agricultural and Guidance and Guarantee Fund Guidance Section (EAGGF) contribute to the five principal objectives as follows:

Table 1 Contribution of Structural Funding to Priority Objectives

<u>Objective</u>	<u>Contributing Funds</u>
Objective 1 (Promoting development and structural adjustment of less-developed regions)	ERDF, ESF, EAGGF Guidance Section
Objective 2 (converting regions seriously affected by industrial decline)	ERDF, ESF
Objective 3 (combating long-term unemployment)	ESF
Objective 4 (encouraging integration of young people into employment)	ESF
Objective 5a (Speeding up adjustment of agricultural structures)	EAGGF, (Guidance Section)
Objective 5b (Promoting development of rural areas)	EAGGF, ESF, ERDF (Guidance Section)

19. Three of the Priority Objectives are geographically restricted in scope.

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(1) The Second EC Programme to Combat Poverty ISG Cologne 1988.

Table 2 outlines the areas covered by Objective 1.

Table 2 Regions covered by Objective 1

Spain	Andalusia, Asturias, Castilla y Leon, Castilla-La Mancha, Ceuta-Melilla, Valencia, Extremadura, Galicia, Canary Islands, Murcia
France	French overseas developments, Corsica
Greece	The entire country
Ireland	The entire country
Italy	Abruzzi, Basilicata, Calabria, Campania, Molise, Apulia, Sardinia, Sicily
Portugal	The entire country
United Kingdom	Northern Ireland

A specific industrial development programme (PEDIP) has also been agreed for Portugal involving additional resources amounting to an average of 100 million ECU per annum for the financial years 1988-1992.

20. Objective 2 covers within each member state much smaller areas which are affected by industrial decline. The general criteria are:

- (1) that the average rate of unemployment reached over the last three years has been above the Community average.
- (2) the percentage share of industrial employment within total employment must have equalled or exceeded the Community average in any reference year from 1975 onwards.

- (3) there must have been an observable fall in industrial employment compared with the reference years.

In the UK (excluding Northern Ireland) 83 such areas or part areas have been recognised.

21. Objective 5b covers areas in which:

- 1) agricultural employment forms a high proportion of total employment.
- 2) Low level of agricultural income.
- 3) Low level of socio-economic development assessed on the basis of gross domestic product per inhabitant.

Outside Objective 1, the areas established for Objective 5b funding are listed in Appendix 1.

22. The geographical targetting directs additional funds and higher levels of support to specific areas. Seventy-five per cent of all the funds are to be allocated to Objective 1 areas which will benefit from infrastructure investment contributing to "increasing economic potential, development and structural adjustment" of those areas and "where the need is demonstrated, for certain facilities contributing to the structural adjustment of these areas, particularly health and educational facilities". Funding in Objective 1 areas involves a maximum of 75% of total cost and "as a general rule" at least 50% of public expenditure compared with a maximum of 50% of total cost and "as a general rule" at least 25% of public expenditure in other regions. Management of the allocation

of funds is through partnership at local, national, regional and Community level with member states submitting plans linked to priority objectives and Community Support Frameworks (currently under discussion) reflecting the priorities attached at the Community level to the schemes prepared by the Member States. As outlined in Section (a), the provision of adequate childcare facilities of a quality which parents and children require and at a price which they can afford is relevant in varying degrees to the achievement of virtually all the priority objectives with the exception of 5a. Specific areas where assistance with childcare in some form appears to be a legitimate use of structural funding include:

23. Objective\_1\_areas

Expenditure in respect of other objectives identified below but with possibility of higher levels of support and greater flexibility. In addition development of nurseries and out of school schemes where these can be demonstrated to either contribute to increasing economic potential or as health and education facilities contributing to the structural adjustment of these areas.

24. Objective\_2\_areas

In addition to expenditure relating to ESF objectives, funding to support the construction of an industrial site or business centre which incorporates the physical infrastructure for childcare facilities and services small and medium sized enterprises (SME's).



25. Objectives 3 and 4

Continuing possibilities relating to training opportunities for women returners and in areas where women are substantially under-represented. The "training and occupational integration for women who wish to return to the labour market after a long break" is one specific priority measure in relation to objective 3 (combating long-term unemployment) and the "integration of women in occupations where they are substantially under-represented, where operations are carried out for them in connection with initiatives by public and private bodies supplementing general operations carried out by the Member States in the context of the national vocational training system" is a condition for preferential treatment applicable to both Objectives 3 and 4 (encouraging the integration of young people into employment). It is not clear whether the addition of the word "substantially" constitutes a narrower application of its use than under the current programme, but fears have been expressed that it might be more tightly defined. Childcare has been funded in the previous programme in respect of training fulfilling these specific conditions. As previously noted the funding has sometimes taken the form of direct funding of the running costs of nursery places and sometimes allowances. The findings of the European Commission's Childcare Network indicated the difficulties parents experience in making arrangements themselves, and highlights the importance of direct funding of places which is essential in many areas with a low level of services.

26. In addition to the specific references to the training needs of women, there are other conditions attached to the Social Fund objectives to which facilitating access to training through the provision of childcare may be seen as relevant. Commission staff have indicated its possible relevance to such conditions as making the most of local employment development potential (Objective 3) and measures for young people who leave school without acquiring the basic knowledge to enable them to follow vocational training (Objective 4). The Objective 3 condition in relation to the "development of operations combining several types of intervention in order that training should be a real factor in promoting occupational and social integration" could involve the inclusion of Social Fund financed training places within a nursery servicing a business park, or in combination with a rural development project.

There are also possibilities for funding of innovatory projects, and actions accompanying measures to support those providing access for training.

27. Objective 5b areas

This form of funding does not cover objective 1 areas (which are however covered by the ERDF and apparently have the flexibility to encompass this objective with higher levels of support). Funding of childcare is seen as relevant to rural development and the diversification of the rural economy and could include the establishment of a nursery and the provision

of running costs for at least two years. Projects within the 5b Objective could be combined with Objectives 3 and 4. Objective 5b funding is currently seen as having greater flexibility but may be at a lower rate than ESF funding.

28. The above provides an outline of possible use of structural funding for childcare services and allowances to facilitate women's training and employment. The range of possibilities appears to be much wider than under the previous programmes but considerable importance attaches to final decisions on what costs will be viewed as eligible, what levels of support will be given, and what priority will be attached to projects. A number of existing training schemes for women which provide or assist with childcare have been extremely concerned at the impact of a number of proposed changes, including the exclusion of rent as an eligible cost. There is concern that unit costs per trainee hour should be sufficient to cover good quality childcare provision and allow for regional variations in rent, rates and salaries and that women's training should continue to receive the full intervention rate as it relates to the different areas. Measures are currently under discussion to protect childcare provision from the changes. These include continuing to allow rent for childcare provision and flexibility for member states to allow funding of nurseries at 50%.

29. With increasing possibility of support for childcare within the Structural Funding Programme, it is important that

applications in this area should be encouraged. The standard clause which is now to be included within the Community Support Frameworks is likely to assist considerably in this. It stipulates:

"The actions and measures taken in the framework of this Community Support framework must conform with, and where appropriate contribute to the impact of Community policy and legislation relating to equality of opportunity between women and men. In particular consideration must be given to training and infrastructure requirements which facilitate labour force participation by women with children".

This clause provides an important signal to applicants, governments and managing agencies that childcare is now a recognised area of funding.

(d)

POLICY ISSUES FOR FUTURE FUNDING

30. The reform and increase of the structural funds address structural inequalities which threaten the balanced development to the Community. One of the factors which undermines balanced development within the Community is that of the inequality between women and men and in particular the obstacles which impede participation of women in education , training and employment. Inadequate provision for childcare, with low levels of services (particularly in relation to children under three and of school age) throughout most of the Community, contributes significantly to the serious under-utilisation of the skills - and labour - of mothers with dependent children. Childcare is therefore a key issue for the Community both in ensuring its availability throughout the Community if the economy is not to experience serious skill and labour market shortages and its quality to ensure that it provides a positive experience for Europe's children.
31. To date, the issue has been approached somewhat tangentially and in a piecemeal way within structural funding policies, and this is still largely the case for the possible funding applications identified in this paper. Facilitating the return of women to the workforce, as in a number of current projects, and the possibility of developing nurseries within business parks are valuable uses of funding. However, a more systematic approach would involve addressing the issue of continuity within employment i.e. diminishing the need to

facilitate a 'return' to employment, and assisting continuity between education, training and employment.

32. A further illustration of the 'tangential' approach to the issue is that of the form of financial assistance given to childcare. The most common form in relation to ESF funding has been the financing of parents themselves. Although this can offer some additional flexibility in some cases, it begs the question of the availability of provision, its quality, and, associated with this, the pay and conditions of the childcare workers involved. A major finding of the European Childcare Network related to the inadequate training, pay and conditions of many childcare workers. It is important that European funding should be used in a way which addresses these problems, with preference given to direct service provision rather than allowances and to projects which integrate employer needs within wider community programmes.

33. Childcare provision serves a number of different functions within the Community. It is important for parents and for the labour market that parents have access to services providing care. It is important for children themselves to be given the opportunity to meet play and learn in a safe environment. And for these reasons it is vital for communities - and the Community - for the economic and social functions it serves. Current inadequacies in provision are badly affecting these functions. The European Childcare

Network recommended a legislative framework within which member states can together address the improvements which are required but recognised the need for support to be given to national programmes. Some countries require greater levels of assistance than others and this in general reflects the targetting of the current structural programme, which potentially offers a number of opportunities to provide, in a very small way, some of the necessary support. Evaluation of this support will reveal whether in future funding programmes a separate Childcare Fund would provide a more satisfactory approach. Certainly a more systematic approach and substantially greater levels of funding will be required if any significant impact is to be made on the problem.