Restructuring of the Welfare State and the Dual Breadwinner Model – Childcare in Sweden in the 1990s

1 Introduction

Public childcare of high quality constitutes one of the key areas of Swedish welfare policy. An analysis of public childcare therefore says a good deal about the Swedish welfare model. Childcare has at different points of time been seen as a political tool to increase employment, gender and class equality and at the same time the goal of the activity has been to give the children care, security and pedagogical stimulation. Childcare policy is therefore found in the intersection of several different policy areas such as labour market, gender equality, education, family and social policy. Public childcare can contribute to fulfilling more overall societal political goals as well as goals directly related to childcare in itself (Leira 1993; Szebehely 1998; Bergqvist 1999; Nyberg 2000). In spite of this the child care sector and childcare policy has often been overlooked in research about different welfare states.

Childcare together with separate taxation and parental allowance are regarded as the three political foundations of gender equality and the dual breadwinner model (Sainsbury 1996; Bergqvist 2001). Policies laying the foundations of this model emerged in the course of the 1960s and 1970s in Sweden. A new approach of gender equality both as far as employment and responsibility for children and family became acknowledged in the law and in policies, if not always in practice. In the dual breadwinner model the individual rather than the family or the married couple is the basic unit. An important principle in the Swedish welfare model is that all adults should have the possibility of supporting themselves through

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wage work. Public childcare constitute a very important part of the social infrastructure which should make this possible. Many researchers believe that the Swedish welfare state has been successful in pursuing the dual breadwinner model (e.g. Lewis 1993, 1997; Walby 1994; Siaroff 1994; Duncan 1996; Sainsbury 1994, 1996, 1999; Singh 1998).

However, in the beginning of the 1990s there was a sharp economic downturn. The employment rate fell dramatically and unemployment soared to levels unthinkable since the 1930s. The situation began to improve only as the decade came to an end. The employment crisis, in turn, produced an accelerating public sector deficit, with revenues plummeting and public expenditures shooting up. In addition to the economic crisis, there were also other factors that might constitute a challenge to the stability of the traditional Swedish welfare model and the dual breadwinner model. First, the Social Democratic Party lost its historically dominant position, which opened the way for neo-liberal ideas of marketization and privatization. The internationalization of capital markets and financial transactions, plus Sweden’s participation in the European integration project also posed new challenges. On top of this there was also “mini baby boom” around 1990, which meant that many more children needed, first, a place in pre-school, and towards the end of the decade, a place in a leisure center.

Given the unemployment situation, the financial strains, globalization, and the spread of neo-liberal ideas, it is reasonable to assume that serious attempts to transform the Swedish welfare state might have been undertaken and the dual breadwinner model being undermined. In order to assess this the development of publicly financed childcare in the 1990s is taken as a point of departure since a main characteristic of the dual breadwinner model is the existence of accessible, high quality public childcare (e.g. Borchorst 1989; Lewis & Ostner 1991; Hobson 1994; Siim 2000). Did public expenditures on childcare become less generous? Did the number of children in publicly financed childcare decrease? Did the quality of public childcare deteriorate? Did the scope for privately run childcare increase? Did publicly financed childcare become less egalitarian? If so it could be seen as indicators of a faltering commitment to the dual breadwinner model and full employment for all women and mother’s in particular.

2 The unemployment rate was 1.6 in 1990, 8.2 in 1993 and 4.7 in 2000 (AKU).
3 In 1990 the central government budget showed a surplus of almost 19 billion SEK. In 1993 the deficit amounted to almost 210 billion and in 1994 close 200 billions SEK. In 1998 there was again a surplus. This time of slightly more than 20 billions SEK (SOU 2000:3:40).
2. **What is included in the Swedish childcare system?**

There is a certain confusion over concepts when discussing different types of childcare. This article therefore starts with a short account of the different terms. The terminology has been changed over time. Previously the terms *day-care centres* and *part-time group* were used to refer to two different organisational types of pre-school. Children attended the part-time groups for a limited period per day, usually three hours, while the day-care centres offered full-time care. The part-time groups consisted mostly of six-year-olds who received the 525 hours’ pre-school that they were legally entitled to. When the pre-school class was introduced on 1 January 1998, the terms day-care centres and part-time group were removed from the Education Act, leaving the uniform term pre-school. The introduction of pre-school class in 1998 has entailed that the pre-school nowadays receives children aged between 1 and 5, instead of 1-6 as before and that an increasing number of six-year olds attend leisure-time centres. From 1998, the figures on the pre-school are not therefore always directly comparable with figures from earlier years on day-care homes and part-time groups. Some caution should also be observed in making comparisons with previous years for leisure-time centres as well.

It should also be pointed out that in January 1995 new legislation came into force, which specified the obligations of the municipalities to supply pre-school activities and childcare. In earlier legislation, the municipalities were obliged in their expansion plans to satisfy the need for childcare. Now, however, the municipalities were obliged to provide childcare, without unreasonable delay for children aged 1-12 years, whose parents were working or studying or if the child had a special need for childcare.

Compulsory school begins at the age of seven but prior to that almost all six-year-olds attend voluntary pre-school classes designed to prepare them for the first grade. Children who have yet to start school or pre-school classes for six-year-olds can attend regular pre-schools, family day-care homes and open pre-schools.

- The *pre-school* provides educational groups activity for the children enrolled whose parents are working or studying or if the child is in need of the activity. Opening hours vary depending on the parent’s working hours.
- In the *family day-care home*, a family childminder looks after children that are enrolled usually in the family child minder’s home, while the parents are working or studying. The opening hours are adapted to the parents’ working hours.
- The *open pre-school* is intended for parents at home with their children. Together with the staff, parents are given an opportunity to develop educational group activity for children.
The children are not enrolled. At many places, the family day-care homes have access to the activity of the open pre-school.

**Figure 1** *The Swedish childcare system*

<table>
<thead>
<tr>
<th>Pre-school activity</th>
<th>School child care</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-school (day-care centre)</td>
<td>Family day-care home</td>
</tr>
<tr>
<td>Open pre-school</td>
<td>Leisure-time centre</td>
</tr>
<tr>
<td>Family day-care home</td>
<td>Family day-care home</td>
</tr>
<tr>
<td>Open leisure-time activity</td>
<td>Open leisure-time activity</td>
</tr>
</tbody>
</table>

School child care is intended for children who attend school and is carried out in the form of *leisure-time centre*, *family day-care home* and *open leisure-time activity*.

- The *leisure-time centre* is an educational group activity during the school-free part of the day and year for schoolchildren up to twelve years of age. It can be carried out as a completely independent activity but is often integrated with school to a varying extent.
- The *family day-care home* also receives schoolchildren (see above).
- *Open leisure-time activity* is an alternative to activity that requires enrolment primarily for children aged between 10 and 12. It also serves as a complement for the schoolchildren who are in the family day-care homes. The children are not enrolled.

Open pre-schools and open leisure-time activity will not be discussed in this article.

3 **Did public expenditure on childcare become less generous?**

One criterion to distinguish types of welfare states is the level of expenditure on social services. In Sweden, it is usually presumed that a large proportion of national income is devoted to the goal of provision of high quality services for all (Esping-Andersen & Korpi 1987; Esping-Andersen 1990; 1999; Pierson 1996; Sainsbury 1999). In terms of childcare, the provision of accessible, high-quality childcare services is understood to contribute to a good start in life for children from all social backgrounds, as well as supporting parents, especially mothers, in managing the tension between paid work and care-giving responsibilities. The proportion of public resources spent on childcare can thus be seen as an indication of the extent of the state’s commitment to the dual breadwinner model and to equal opportunities for parents and children from different backgrounds.

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4 In public childcare is here included publicly regulated, financed and provisioned childcare, but also publicly regulated and financed, but privately provisioned, childcare centers.
It should be pointed out that in 1993, program-specific state grants to the municipalities for childcare were replaced by block grants (Oberhuemer & Ulich 1997; Ministry of Education and Science 1999; SOU 2000:3). The municipalities thus have a higher autonomy today as to how these funds should be expended and how childcare should be run and organized. At the same time, the municipalities are required to provide childcare “without unreasonable delay.”

A common way of measuring the extensiveness of the public sector is the cost of social services as a share of GNP. In this respect, public childcare has become an increasingly important sector in the Swedish economy. The contribution of public childcare to GNP increased from 0.2 percent around 1970, to 1.68 percent in 1980 and 2.4 percent in 1990. This contribution is larger than that of agriculture and comparable in size to the chemical industry (Kjulin 1995 III:2; Edebalk et.al. 1998:134; SCB 2000). This reflects the high priority attached to public support for childcare, at least until the beginning of the 1990s when Sweden entered a severe economic crisis.

Given the state of the economy, the unemployment level, the increasing social expenditure and worsening of the public finances one might have expected calls for cost cuttings and retrenchments in public childcare. Instead the costs of childcare as a share of GNP increased in the very early 1990s and then dropped (see Figure 2). However, this measurement is affected both by changes in GNP and in changes in resources devoted to childcare. The major reason for the growing share in the beginning of the decade was that GNP decreased. Later GNP expanded again and the proportion devoted to childcare decreased.

If we instead look at the development of total gross costs in fixed prices, we find that the amount was the same in 1997 and in 1991, with a dip in between. Data from 1998 and later are not comparable with data from earlier years because pre-school classes for six year olds are not included these years. The resources excluding pre-school classes did increase in 1998, 1999 and 2000. This suggests that public childcare remained a high priority.

When we take the number of children in all different forms of public childcare into consideration, we get a somewhat different picture. Between 1990 and 1997 the number of children grow with around 191,000 and then declined somewhat until year 2000 (see table 1 below). Since gross costs were about the same 1990 and 1997, this means fewer resources per child.

5 Unfortunately it is not possible to follow the development share of GNP for the whole of the 1990s since pre-school classes is excluded from childcare and included in education from 1998.
In Figure 2 the development of the number of children in day care centers/pre-school is also shown together with *the cost per full-time child*. There seems to be a correlation between the two developments. In the beginning of the decade there was a strong expansion in the number of children, at the same time costs decreased. Around the middle of the decade the number of children and the costs are relatively invariable; and towards the end the number of children dropped and the resources per child expanded. This increase should, however, be seen against the background of the substantial savings in the beginning of the decade. The level of expenditure per full-time child in pre-school was in 2000 98 percent of the level in 1991.

**Figure 2**  
*Costs of public childcare as a share of GNP, gross costs for public childcare, number of children in public childcare. Index 1990=100. Cost per full-time child in pre-school and number of children in pre-school. Index 1991 = 100.*

*Notice that all data, except the number of children in pre-school and the cost per full-time child in pre-school, apply to all publicly financed childcare, i.e. pre-school, family childcare and leisure centers, open pre-school and open leisure centers for 10-12 year olds. Until 1997 pre-school covered 1-6 year olds, in 1998 1-5 year olds.


It does not emerge from Figure 2 but the development is not the same in pre-school as in leisure centers for schoolchildren. While the costs in pre-school on the whole have been
restored, this is not the case with leisure centers.\textsuperscript{6} Leisure centers have been the subject of savings during the whole decade (Skolverket 2000b:19ff). Simultaneously leisure centers and schools have been integrated. Today it is hard to tell whether costs should be assigned to the leisure center or the school and in which proportions. It also seems reasonable to expect costs per child in leisure centers to decrease through the integration of buildings and personnel. Even if this is taken into consideration, it is probable that resources per child in leisure centers have decreased.

Moreover, parents have been contributing a rising share of the costs. In 1990 parents paid 10 percent of the total gross costs of childcare in direct childcare fees. By 2000 this proportion had increased to 19 percent (Skolverket 2001b p. 25). The extent of charge financing is highest at the leisure-time centres. Parental charges there account for almost 25 percent of the gross expenditures, compared with 16 per cent at pre-school. As the total gross costs for public childcare remained the same, the total amount, as well as the amount per child, of “public” money spent on childcare has diminished.

A majority of the municipalities have raised the parental fees during the 1990s and many have introduced time- and income related fees. However, in 2002 a maximum parental fee is being introduced.\textsuperscript{7} This means that a ceiling will be set on the fees payable by parents for their children. For the municipalities, the introduction of the maximum fee is voluntary. Those municipalities adopting the new system will receive compensation for loss of income and they will also receive funds for the introduction of measures to ensure that there is no drop in overall quality.

Of the different measurements, available to us to investigate whether the public finances of childcare was more or less generous in the end of the 1990s than in the beginning, the most informative is cost per full-time child in pre-school. Measured in this way the generosity in public financing of pre-school dwindled in the beginning of the 1990s, then stayed relatively constant and then increased during the later part of the decade. In 2000 the cost per full-time child in pre-school was 98 percent of the costs in 1991. To this should be added that parents paid a bigger share of the costs in the end of decade than in the beginning, and that the cost-cuttings, which have come to an end in pre-school, continued in leisure

\textsuperscript{6} The cost per enrolled child (i.e. not full-time child as in Figure 1) in fixed prices in pre-school increased with 12 percent, in family day care with 8 percent, but decreased in leisure centers with 3 percent between 1997 and 1999 (Skolverket 2000b:Tabell 10 converted into fixed prices)

\textsuperscript{7} The maximum fee means that the costs will be lowered especially for parents with high incomes. It means that no one should pay more than three percent of the income before taxes as a fee for one child. For a second child the fee should be maximum two percent and for a third child one percent. There is, however, also a ceiling. Nobody, irrespective of income, pays more than 1,140 SEK (around $114) per months for the first child, for the second child 760 SEK and 380 SEK for the third (Pressmeddelande 17 november 2000).
centers at least until 2000. All in all it means that as far as childcare is concerned the Swedish welfare state was less generous at the end of the 1990s than in the beginning.

4 Did the number of children in publicly financed childcare decrease?

Social rights and transfers are usually categorized into universal, labor market related or income/need tested. Strictly universalism means that all citizens or individuals in a specific category (for example age group) have the same benefits and rights without any restrictions based on need or labor market participation. Child allowance for all children up to the age of 15 is a genuinely universal transfer; while nine-year compulsory school can be seen as a universal social right to a publicly financed service.

In a comparative perspective the Swedish social security system is often described as universal and public financed services is often understood as being universal, but in practice many social benefits are based on labor market participation (Anttonen & Sipiälä 1996; Clayton & Pontusson 1998). The right to childcare has never been universal in Sweden in the same sense as education. Except for some hours of pre-school for six-year-olds, the right to public childcare has in practice been restricted to children whose parents are in paid work (or studying) or to children with special needs. That is, labor market participation or need have formed the basis for eligibility to publicly financed childcare. Moreover, supply has never matched demand so even employed parents have been unable to find the childcare they need (Nyberg 2000).

In times of cuts in public spending one might expect a tightening of eligibility rules as one way to save money. This has not, however, been the route taken in Sweden. In fact more children than ever have access to childcare institutions during the 1990s (see table 1).

Table 1  Number of children in pre-school, leisure centers and family day care, 1990-2000

<table>
<thead>
<tr>
<th>Year</th>
<th>Pre-school</th>
<th>Leisure centers</th>
<th>Family day care</th>
<th>Sum</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>267 471</td>
<td>108 593</td>
<td>155 891</td>
<td>531 955</td>
</tr>
<tr>
<td>1991</td>
<td>295 080</td>
<td>116 517</td>
<td>145 353</td>
<td>556 950</td>
</tr>
<tr>
<td>1992</td>
<td>315 550</td>
<td>127 146</td>
<td>134 750</td>
<td>577 446</td>
</tr>
<tr>
<td>1993</td>
<td>322 147</td>
<td>132 746</td>
<td>128 167</td>
<td>583 060</td>
</tr>
<tr>
<td>1994</td>
<td>337 622</td>
<td>178 430</td>
<td>129 430</td>
<td>645 582</td>
</tr>
<tr>
<td>1995</td>
<td>360 666</td>
<td>209 985</td>
<td>123 295</td>
<td>693 946</td>
</tr>
<tr>
<td>1996</td>
<td>365 828</td>
<td>239 439</td>
<td>110 196</td>
<td>715 463</td>
</tr>
<tr>
<td>1997</td>
<td>362 920</td>
<td>263 954</td>
<td>95 876</td>
<td>722 750</td>
</tr>
<tr>
<td>1998</td>
<td>338 002</td>
<td>301 065</td>
<td>81 987</td>
<td>721 054</td>
</tr>
<tr>
<td>1999</td>
<td>318 660</td>
<td>332 168</td>
<td>69 300</td>
<td>720 128</td>
</tr>
<tr>
<td>2000</td>
<td>315 916</td>
<td>332 469</td>
<td>57 792</td>
<td>706 177</td>
</tr>
</tbody>
</table>

In 1990 44 percent of all 1-2 year-olds were in publicly financed childcare, 64 percent of 3-6 year-olds, 49 percent of 7-9 year-olds (see Table 2). In all these categories the share and the number of children have grown in the 1990s. The supply of childcare for children aged 1-9 with working or studying parents is today close to demand. Most parents can have a place in a pre-school, a leisure center or family day care without undue delay. In 1998 95 percent of the municipalities could offer a place to pre-school children within 3-4 months (Skolverket 2000b:17).

Amongst 10-12 year-olds the share is, however, about the same 1999 as in 1990. This in spite of the fact that the leisure centers have expanded most (see Table 1). The expansion was especially strong towards the end of the 1990s. This has do to with the baby boom around 1990 and that ever more six-year-olds are enrolled in leisure centers, which is a result of the establishment of pre-school classes. In 1990 the six-year-olds where in pre-school today they are in pre-school classes and leisure centers.

**Table 2**  
*Proportion of enrolled children, percent of the population in the age group in pre-school, leisure centers and family day care*

<table>
<thead>
<tr>
<th>Age</th>
<th>1990 Proportion</th>
<th>1990 Number</th>
<th>1999 Proportion</th>
<th>1999 Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-2 year*</td>
<td>44</td>
<td>103 391</td>
<td>60</td>
<td>107 806</td>
</tr>
<tr>
<td>3-6 year</td>
<td>64</td>
<td>263 314</td>
<td>82</td>
<td>350 327</td>
</tr>
<tr>
<td>7-9 year</td>
<td>49</td>
<td>143 310</td>
<td>63</td>
<td>237 702</td>
</tr>
<tr>
<td>10-12 year</td>
<td>8</td>
<td>21 940</td>
<td>7</td>
<td>24 292</td>
</tr>
<tr>
<td>Sum</td>
<td></td>
<td>531 955</td>
<td></td>
<td>720 120</td>
</tr>
</tbody>
</table>

*Children below the age of one are very seldom in childcare since parental leave is 15 month.

Source: 1990 – proportion – Skolverket 1998:Tabell 2; Number – calculated from Statistisk Årsbok 1992:Tab 352 and 354; 1999 – calculated from Skolverket 2000d: Table 1.1A and 1.1B

Even if the demand for public childcare for children 1-9 years of age with employed or studying parents almost is met there is still an unmet demand from unemployed parents or parents on parental leave. According to an inquiry 63 percent of children with unemployed parents had a place in public childcare and 28 percent of children of parents on parental leave. Amongst the youngest school children – 6-9 year-olds – 45 percent of the children of unemployed had a place and 18 percent of the children with parents on parental leave (Skolverket 2000b:17). Also amongst employed and studying parents of 10-12-year-olds there is an unmet demand (Skolverket 2000e).
Contrary to what might have been expected, then, universalism has been strengthened during the 1990s. A growing number and proportion of children within each age group have access to childcare. One contributory cause to this is the new legalization 1995, which raised the demands on the municipalities to supply childcare to children between the age of 1-12 years.

As a step towards a more universal pre-school system, responsibility for childcare at the national level was moved from the Ministry of Health and Social Affairs to the Ministry of Education and Science in July 1996, with the aim of strengthening the pedagogical profile of childcare. The intention is that childcare and school are to be integrated as components of life-long learning. This inaugurated a process of integrating childcare and school into the same legislation. As already been mentioned, in public documents the terms day-care centre and part-time group have been replaced by references to pre-school and pre-school activities. Legislation for the whole childcare sector has been brought into the School Act and the National Agency for Education has the supervisory responsibility.

In addition, in November 2000 the Swedish parliament decided to implement some reforms during the coming three years, which will move childcare further in the direction of universalism. The decisions include childcare for the children of the unemployed, a universal and free pre-school for all four and five-year-olds and the imposition, by the national government, as already mentioned of a maximum parental fee (Ds 1999:53; Proposition 1999/2000:129). The Social Democratic Party got support from the Left Party and the Green Party for these reforms. The four bourgeois parties in opposition did not support the reforms and instead suggested a lump sum (childcare account) to all parents with pre-school children and the right to tax deductions of childcare costs.

5 Did the quality of public childcare deteriorate?

Another criteria to distinguish between different types of welfare states is the quality of publicly financed service production. The Swedish welfare state is characterized by high quality in comparison to many other countries. However, questions about quality has become urgent as cuts in public costs in childcare have not been translated into fewer children in childcare. This might suggest that instead quality has deteriorated.

Quality in childcare is not easy to measure. One way of doing this, however, is by studying resources used, where less resources/lowe costs usually is taken to mean lower quality and more resources/higher costs means higher quality. With such an interpretation the quality in pre-school deteriorated strongly in the beginning of the 1990s, when the costs per
fulltime child in pre-school decreased (see Figure 2). It then stabilized in the middle of the decade, when costs were constant and towards the end of the decade quality together with costs increased.

A problem with such an interpretation is that the cost per fulltime child in pre-school in Figure 2 is adjusted with a consumer price index (CPI) (Skolverket 2000c). Costs adjusted with CPI can be compared with costs of other consumption goods, services or activities in the economy as a whole. It does not, however, say anything about whether real resources, which are available for the children, have changed or not. Prices for those activities may have developed differently than prices for consumption in general; i.e. wages, rents etc. in childcare may have developed at odds with CPI in general. To receive a measurement, which shows the changes in the real use of resources in childcare, the costs must be adjusted for price changes on those goods and services, which are used in childcare.

Such calculations have been made for two years – 1991 and 1999. They show that the cost adjusted by CPI per fulltime child in pre-school was 5 percent lower 1999 than in 1991, and adjusted with an index for childcare around 18 percent lower (Skolverket 2000c:Diagram 3). It means that prices on the goods and services which are used in childcare has increased more than prices in general. It also means that available resources have decreased considerably more between 1991 and 1999, than what the development of costs adjusted by CPI in Figure 2 shows.

Another usual way of investigating the real use of resources and which is used to show the development as far as quality is concerned, are changes in child/staff ratios and group size. In 1991 the number of children per annual worker in pre-school was 4.5 (see table 3). The number of children increased continuously until 1997 and then decreased some again. In 1999 the number of children per annual worker had increased to 5.4, an increase by 21 percent; which corresponds to the decrease in costs per full-time child in pre-school adjusted with an index for childcare.

In the leisure centers the number of enrolled children per annual worker more than doubled during the decade. In family day care the development has been in the opposite direction, the number of children per childcarer has decreased.
Table 3  Average number of enrolled children per annual worker in pre-school and leisure centers and number of children per childminder in family day care

<table>
<thead>
<tr>
<th>Year</th>
<th>Pre-school</th>
<th>Leisure centers</th>
<th>Family day care</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>4.2</td>
<td>8.3</td>
<td></td>
</tr>
<tr>
<td>1991</td>
<td>4.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1992</td>
<td>4.9</td>
<td>11.5</td>
<td></td>
</tr>
<tr>
<td>1993</td>
<td>5.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1994</td>
<td>5.2</td>
<td>10.6</td>
<td>5.8</td>
</tr>
<tr>
<td>1995</td>
<td>5.5</td>
<td>11.5</td>
<td>5.8</td>
</tr>
<tr>
<td>1996</td>
<td>5.5</td>
<td>11.5</td>
<td>5.7</td>
</tr>
<tr>
<td>1997</td>
<td>5.7</td>
<td>12.4</td>
<td>5.7</td>
</tr>
<tr>
<td>1998</td>
<td>5.7</td>
<td>15.5</td>
<td>5.6</td>
</tr>
<tr>
<td>1999</td>
<td>5.4</td>
<td>17.8</td>
<td>5.5</td>
</tr>
<tr>
<td>2000</td>
<td>5.4</td>
<td>17.5</td>
<td>5.5</td>
</tr>
</tbody>
</table>


Also if quality is measured by group size, we find that quality has deteriorated. In 1990 the average group size was 13.8 children but by 1998 it was 16.5 children. The average group size in leisure centers have increased from 17.8 children 1990 to 29.4 children in 1998. Thus the group size has grown and this is especially so in leisure centers (Skolverket 1999a:10; Skolverket 2000a:18; SOU 2000:3:116).

To place more children in already existing groups has been a simple, cheap and fast way to meet the increased need for childcare, which the baby boom around 1990 and legislation of 1995 brought about. When the number of children in pre-school decreased towards the end of the decade, the number of children per staff decreased also, while it continued to increase in the leisure centers concurrently with the big increase of children in that age group.

More children per group and per adult can be interpreted as a deterioration of the quality in childcare, but it can also be associated with an increase in productivity. That is, it is possible that the municipalities are producing as high quality childcare as before, but with fewer resources. It is difficult to assess to which degree lower costs is an indication of lower

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8 The staff in Swedish public pre-school childcare consists of mainly two occupations; pre-school teacher and qualified childminder. Almost 98 percent of personnel working in pre-school childcare are trained to work with children: 60 percent of staff are university-trained pre-school teachers, while the remaining staff are qualified child-minders (Oberhuemer & Ulich 1997). In family day-care services, over 70 percent of day-care mothers have been trained to work with children, having either a children’s nurse certificate or a special training provided by the municipality (Ministry of Education and Science 1999:33). Up until 1990 the child minders dominated in public childcare, but today the university-trained pre-school teachers form the biggest category (VälfårdsBulletinen nr 6 1994; Skolverket 1998).
quality and/or of higher productivity.\textsuperscript{9} It does not seem unreasonable to suggest that decentralization and increased coordination between childcare and school has increased productivity. That the municipalities have increasingly substituted family day care with pre-school, and in pre-schools child minders with pre-school teachers, might have raised productivity. There are, however, no systematic studies of how quality has been affected by changes in resources over time (Svenska Kommunförbundet 1998).

To sum up, the real costs per child in pre-school has decreased with almost 20 percent, at the same time as the number of full-time children per annual worker has increased by the same amount. In leisure centers the number of children per staff has on average more than doubled. But since school and leisure centers have been integrated these data are difficult to interpret. In family day care the number of children per child minder has decreased. At the same time the educational level has risen in all three forms of childcare, decision making has been decentralized and work organization has changed. It is possible that these last mentioned transformations have promoted productivity and efficiency and partly compensated for fewer resources. There are, however, indications that the quality in pre-school and leisure centers, but not in family day care, has deteriorated.

6 \textbf{Did the scope for privately run childcare increase?}

One dimension of variation between different welfare state regimes is the role of the market in relation to the public sector. The characteristic of the Swedish welfare state has been to offer “high-quality public services that obviated the need for supplementary private solutions” (Mahon 1997:385). During the last decades of the twentieth century, a political trend towards privatization has swept over the world. This has not left Sweden untouched, and this is visible in the production of social services such as childcare.

Private solutions can be of different kinds. Childcare can be purchased from profit-making enterprises or non-profit organizations or it can by provided by the family. The implications of privatization will be different depending on whether privatization means expanding the role of commercial enterprises, non-profit organizations and/or the family. During the 1990s, the bourgeois government introduced a care allowance as a way of trying to privatize to the family. On their return to office, the Social Democrats abolished the care allowance.

\textsuperscript{9} The large variation in childcare costs among municipalities can be seen as evidence that productivity gains are possible. In eight of ten municipalities the cost of care per full-time child varies between 84,400 and 129,900 SEK, a difference of 50 percent (Skolverket 2000a:18). Various studies report productivity increases in public childcare centers (ESO 1988; 1994;
Privatization to for-profit or non-profit organizations was more successful. Such privatization can be divided into three aspects: provision, financing and regulation. Swedish childcare today is, even when it is “private”, publicly regulated and financed (except for parents’ fees). Private – meaning not provided by the municipality - childcare is nothing new in Sweden. Private childcare centers existed for a long time. The most common form of private childcare in Sweden, as in other countries until the 1990s was privately arranged and paid for, unregistered family daycare. In the 1980s, non-municipal childcare centers became eligible for public subsidies, as long as they met certain requirements. The center had to be run by a non-profit organization, such as parents’ cooperative, or offer a special form of pedagogy or other similar grounds. In 1991, when the bourgeois parties were in power, the law was changed to include childcare centers run by personnel cooperatives, the Swedish church, and for-profit organizations. Parental fees had to be kept on a “reasonable” level i.e. not diverge too much from the parental fees in the municipally run childcare (Nyberg 2000).

In 1990, there were some privately run, but publicly regulated and financed, childcare centers. The proportion of children in private non-profit and commercial childcare centers rose from 5 percent in 1990 to 15 percent in 2000 (SOU 2000:3; Skolverket 2001a:14). Most of the private childcare centers are run by non-profit organizations. The most common form is parental co-operatives. In 1998, parental cooperatives provided places for 47 percent of all children in private pre-schools. This form of childcare offered in the 1970s and 1980s parents who could not get a place in a public childcare center a chance to bypass the often long queue for public childcare (Antman 1996:150). In this form of childcare, parents employ the personnel and they often participate on a rotating basis in the work at the pre-school. Almost one fourth of all children in private childcare are today in for-profit company driven childcare, while cooperatives run by staff and voluntary associations each accounted for an additional 10 percent of the children in privately run pre-schools (Skolverket 1999a:Tabell 1.2). Around 7 percent of the children in leisure centers are in privately run leisure centers, while 5 percent of the children in family day care are privately run (see table 4).

Socialstyrelsen 1997; Svenska Kommunförbundet 1998).

10 The highest proportion of private childcare centers was found in the first half of the twentieth century, when almost 100 percent was private. The highest numbers before the 1990s are found in the 1950s. In the 1960s and 1970s, however, private childcare centers almost disappeared all together. One important reason for this was changes in the rules for state grants. Of almost 9,000 daycare centers in 1981 only 64 – less than 1 percent – were run by a non-municipal organization (Nyberg 1995).
Table 4  Proportion of children in each category, %, who are in privately run pre-school, family day care and leisure centers

<table>
<thead>
<tr>
<th>Year</th>
<th>Pre-school</th>
<th>Family day care</th>
<th>Leisure centers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995</td>
<td>12.0</td>
<td>1.7</td>
<td>4.5</td>
</tr>
<tr>
<td>1996</td>
<td>12.5</td>
<td>2.3</td>
<td>4.5</td>
</tr>
<tr>
<td>1997</td>
<td>12.8</td>
<td>3.1</td>
<td>4.6</td>
</tr>
<tr>
<td>1998</td>
<td>13.3</td>
<td>3.5</td>
<td>4.6</td>
</tr>
<tr>
<td>1999</td>
<td>14.8</td>
<td>5.0</td>
<td>6.8</td>
</tr>
<tr>
<td>2000</td>
<td>15.0</td>
<td></td>
<td>7.0</td>
</tr>
</tbody>
</table>


Another way of privatizing childcare is to increase and restructure the fee system. During the 1990s a majority of the municipalities raised the level of fees and, to a greater extent, relied on time- and income related fees to control demand and keep costs down. The difference between different municipalities is substantial.\textsuperscript{11}

To sum up, childcare has been privatized in the sense that non-municipal run pre-schools, leisure centers and family day care have become more common during the 1990s, however, childcare is still mainly paid for by taxes and regulated by the municipalities.\textsuperscript{12} It could also be argued that the financing has become more privatized since parental fees today cover a bigger proportion of the costs of childcare. In this respect the maximum fee is a break in the trend.

7 Did publicly financed childcare become less egalitarian?

According to Esping-Andersen “The social democratic model and egalitarianism have become basically synonymous. To many, the egalitarian element is simply the practice of universalism: everybody enjoys the same rights and benefits, whether rich or poor. To others, it refers to the active promotion of well-being and life chances – perhaps no more evident than for women. Still others equate egalitarianism with redistribution and the elimination of poverty” (1999: 80). Public childcare has contained all three of these elements. Here we examine how the increase in number of places in publicly financed and regulated childcare has affected the distribution of public childcare among different groups in society.

\textsuperscript{11} A family with two children and an average income can pay as little as 1,300 and as much as 3,400 SEK per month in different municipalities (Ds 1999:53:4). These differences will diminish greatly with the introduction of a maximum fee that will be implemented 2002.

\textsuperscript{12} That the private sector in childcare has grown can be contested. The proportion of children in private childcare of all children is smaller today (16 percent) than in the 1980s (40 percent). Private childcare is also less “private” today since it is now publicly regulated and financed. In other words, the big difference between the 1980s and today is that the need for unregulated childcare, organized and financed privately by the parents, has been crowded out by publicly financed childcare.
Workers and the professional classes

In the first half of the twentieth century, full-time childcare was clearly linked to poverty relief. Childcare centers did not enjoy a good reputation as long as their main role was to mind the children while their mothers, of necessity, worked. When their role was expanded to stimulate and educate the children, middle class parents became interested. This was reflected in a rapid increase in the share of middle-class children and a concomitant decrease in the share of working class children amongst the children in public childcare in the 1960s and 1970s. By the beginning of the 1980s, 44 percent of the children of parents organized by unions belonging to the blue-collar peak organization, LO, had a place in a public childcare. The corresponding share was 59 percent amongst children of white-collar workers belonging to TCO, the largest organization for white-collar workers, and 79 percent of pre-school children of professionals, organized by SACO (see Figure 3).

Figure 3  Proportion of children 2-6 years of age in public childcare, Sweden

In the 1980s, part of the controversy surrounding childcare policy stemmed from the fact that not all children of appropriate ages had placements in public childcare, either because they did not demand it or because they were locked out due to rationing of scarce spaces. The heavy subsidization of some, but not all, families with young children can be regarded as unfair. To make matters worse for a social democratic government, the children of high-income parents were the main beneficiaries. Contrary to the social democrats’ and their blue-collar union

13 The categorization is based on the union the interviewed parent belonged to. It should be pointed out that a very high proportion of the employees in Sweden are members of a union.
partner’s original intention, public childcare was contributing to enhanced differences between parents and children from different classes. As public childcare expanded in the 1990s, however, the proportion of LO-children with access to public childcare increased faster than the other two categories. By 1994/5, the distance between the groups had appreciably diminished, as Figure 3 shows.

The main reason for the difference between blue-collar and white-collar and professional workers’ access to childcare is differences in mothers’ working time. Public childcare is primarily used by families where both members work for pay on a full time basis. Today almost all children of parents working full time have a place in childcare and the difference between those with higher and lower education levels is small (98 percent for higher educated, full time working parents versus 87 percent for those with the lowest level of education). The same picture emerges when the socio-economic status of parents is examined. Around 97 percent of all children of higher-paid employees have a place in public childcare compared to 91 percent of children of full time blue-collar workers (Prop. 1999/2000:1 Bilaga 1).

In the 1990s, however, attitudes toward part time childcare began to change. Childcare centers were originally thought of as full time care. Families who did not need full time childcare were not given the same priority. The municipalities did not want part time children in childcare since they reduced state grants and the families themselves often avoided childcare since the fee was high relative to the time needed. The grant system was reorganized at the end of the 1980s, however, and in many municipalities, more flexible fee schedules were introduced (Antman, 1996).

Single and cohabiting mothers
Single mothers have long had access to public childcare to a greater extent than cohabiting mothers have. In 1966, 46 percent of the children in daycare centers were children of single mothers, which is well above their proportion of the population. From the 1970s through the 1990s, this proportion decreased. In 1994 only 16 percent of the children in public childcare were children of single mothers. This reflects the very substantial increase in the number of children of cohabiting/married mothers in public childcare rather than a decline in access for single parents. Access has, in fact, improved for the children of single parents too. In 1975, 56 percent of the pre-school children of single mothers were in public childcare but by 1994, 74 percent had places (Antman 1996:148). Today single parents working full-time normally have their children in publicly subsidized childcare and they make use of it to a higher degree
than cohabiting parents (Prop 1999/2000:1). In 1996, 83 percent of cohabiting, employed parents had their children in public childcare as compared to 91 percent of single parents (SCB 1997:Oversiktstabell 6).

**The unemployed and immigrants**

In Sweden, egalitarianism has traditionally been discussed in terms of class and later, gender. Today the concern to promote equality has widened to include ethnic background. Children of immigrants are as likely to have a place in public childcare as other children when parents are working outside the home (Ministry of Education and Science 1999:43; Ds 1999:53:29). Immigrants, however, experience a higher rate of unemployment than Swedes and a greater share work part time.

A recent study shows that in 40 percent of the municipalities, children lose their place in childcare if a parent loses his or her job. Another 49 percent offer childcare a limited number of hours to children with unemployed parents and a few municipalities offer separate, short-term childcare to unemployed parents to assist them in their job-seeking efforts. This means that already vulnerable groups are shut out of public childcare. It should be observed that the number of children with unemployed parents today is a bigger group than the number of children with an “at home mothers”. As mentioned earlier a decision has now been taken that guarantee children of unemployed parents a right to at least three hours a day or 15 hours a week of pre-school activities.

**Differences between municipalities**

In the 1980s, under the mantle of decentralization and democratization, new arrangements began to be worked out between the state and the municipalities designed to allow the latter greater latitude in adapting national legislation to local conditions. Some regarded this as a way of introducing more of a market orientation into the public sector, while others spoke about user influence and power of the citizens. During the 1990s, decision-making power has increasingly been transferred from the state to the municipalities. This has led to a situation where childcare, which once operated according to the same rules across the country, can vary substantially across municipalities. The question is, does childcare in municipalities run by bourgeois governments differ from that provided by social democratic municipalities? Is public childcare more universal, egalitarian and less oriented towards private provisioning in social democratic municipalities than in those where the bourgeois parties are in majority?

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14 In 114 municipalities the social democrats/the left party is in majority, in 92 the bourgeois parties are in majority and in 83
There are indications that this is the case. Universalism and egalitarianism seems to be a more common aim in social democratic municipalities than in bourgeois municipalities. An example of this is that, in 1998, the share of municipalities where the children of unemployed parents could keep a place in public childcare, is considerably higher in municipalities with a social democratic/left party majority (58 percent) than in municipalities with a bourgeois majority (39 percent) (Skolverket 2000b:9). Private childcare – and greater freedom of choice - is higher in bourgeois than in socialist municipalities. In 68 percent of the social democratic municipalities, as compared to 86 percent of the bourgeois, there was an alternative to municipal childcare (estimated from data from Skolverket).\(^{15}\)

The partisan cast of government is also connected to the size of parents’ fees and tax level. Municipalities with a socialist majority on average have higher local taxes than municipalities with bourgeois majority and are more likely to have lower parental fees than municipalities with bourgeois majority. The connection is strongest with regard to single parents’ families, which is the family type with the lowest incomes. Of the quarter of municipalities with the lowest fees on average for single parents, 64 percent had a socialist majority and only 7 percent bourgeois majority. Of the quarter with the highest fees, 56 percent had bourgeois majority and 17 percent socialist majority (Skolverket 1999b:10). On average, staff ratios tend to be somewhat lower in bourgeois governed municipalities than socialist municipalities (Svenska Dagbladet January 14, 1999). A maximum fee in publicly financed childcare can be seen as a strategy for the social democratic government to retain some of the power from the municipalities.

In conclusion egalitarianism has increased in childcare in so far as differences in access to childcare has decreased between children to single/cohabiting, professionals/white-collar/blue-collar workers, immigrants/Swedes, et cetera. At the same time, however, new differences appear. Children of cohabiting, professionals, Swedes et cetera are for example to a higher degree found in privately run childcare, and especially in parental cooperatives, while children of single parents, workers, immigrants et cetera to a higher degree are found in childcare run by the municipalities. Earlier some children had a place in publicly financed childcare and others did not, even if their parents worked or studied. There was a lack of quantitative egalitarianism. But as far as quality was concerned it was high and homogenous. Today qualitative egalitarianism has probably decreased, that is child/staff ratio, group size, educational level, parental fees et cetera varies between different municipalities, and between

\(^{15}\) 64 out of 289 municipalities only had municipality run childcare centers.
privately run and municipality run pre-schools and leisure centers while quantitative egalitarianism has increased since supply cover demand.

8 Summary
As the 1990s unfolded, some were prepared to declare the Swedish model of the welfare state dead. Comparative welfare research has however found that most social programs enjoy a surprising durability (Pierson 1996; Stephens 1996). Our analysis of Swedish childcare suggests that Sweden is no exception in this respect. This does not mean that no restructuring has taken place. We found that restructuring has, on the one hand, served to strengthen several of the core features of the Swedish model and the dual breadwinner model.

Did public expenditures on childcare become less generous? Resources to pre-school and leisure centers per child decreased during the 1990s. This decrease should be related to the increase in the number of children, who needed a place in pre-school. A “mini babyboom” increased temporarily the demand at the same time as the municipalities were struggling with financial difficulties and a policy of austerity. Towards the end of the 1990s the financial situation improved in pre-school, but not in leisure centers, which continuously were the subject of savings.

Did the number of children in publicly financed childcare decrease? A maybe surprising result is that universalism has been strengthened during the 1990s. This becomes evident in the shifting of focus from childcare as a service to working/studying parents (and to children with special needs) to pre-school as a social and civil right to a growing number of children. In general the ambitions with pre-school have been confirmed. That childcare today falls under educational policies and not social policy is part of this development. Thereby has, interestingly enough, one of the pillars of the Swedish welfare model, universalism, deepened.

Did the quality of public childcare deteriorate? Since there are no studies on a national level of the development of the quality, it is hard to judge what has actually happened with quality in childcare. The above described development of finances led to more children per staff and bigger groups of children. A dilution of resources has probably had negative effects on quality, but affect different categories of children in different ways. The qualitative differences between municipalities are today big.

Did the scope for privately run childcare increase? The number of children in privately run profit-making pre-schools is still small, but the acceptance for privately run childcare producers has grown and elements of privatization within the framework of publicly financed childcare have been advanced. Most children in privately run pre-schools are found
in parental cooperatives. Another form of privatization is that parental fees today make up a bigger proportion of the gross costs of childcare.

*Did publicly financed childcare become less egalitarian?* We have investigated egalitarianism from the point of class, civil status, ethnicity and in different municipalities. We found that on an aggregated level differences between different categories have decreased as far as access to childcare is concerned. At the same time, however, the geographical differences are big and the gap between municipalities as to quality in childcare has probably widened.

The development during the 1990s is the result of a combination of economic, demographic and political factors that manifest itself in continuity as well as change. Some argue that the traditional Swedish welfare state has been put under pressure by globalization and neo-liberalism to reduce social standards and that profound retrenchment and restructuring is taking place. Others counter that the social system shows a high degree of path-dependency and that the traditional Swedish welfare state still is strong. Our conclusion is that it is not a question either/or but one of continuity and change, or perhaps, continuous change. This becomes evident if one takes into consideration the decisions taken in 2000 about a maximum fee, the right of children of unemployed and of four and five-year-olds to pre-school, proposed in the end of the 1990s. Almost all municipalities, whether social democratic or not, have decided to introduce a maximum fee. Some municipalities have been very reluctant, but the politicians have not been able to resist the pressure from parents. This does not, however, mean that everything is all right. There is a worry that the introduction of a maximum fee will raise the demand for childcare and thereby also the costs over and above the grants from the state to the municipalities with the result of deteriorating quality. There is also a worry that the parental cooperatives, in which the parental fee often is low, but instead the work of the parents’ is demanded, will be driven out of business.

The dual breadwinner model is not threatened though, if anything it has been strengthened. One important reason behind the introduction of the maximum fee was the increasing tendency by the municipalities to introduce time- and income related fees. In some cases this resulted in significant marginal effects when (mother’s) earnings and/or working time increased. The maximum fee then can be regarded as increasing the economic incentive of stimulating women’s labor force participation and the dual breadwinner model.
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