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Institutions and the politics of childcare services

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Summary Childcare services have experienced a sudden surge in the level of public provision since the late 1990s. There is a rising awareness of the benefits of childcare services, not least in terms of the human capital they generate. These recent changes – and especially the country variation therein – are vaguely covered by existing literature, which tends to focus on effects rather than the causes of policies. In this article, three competing hypotheses on the institutional conditions of change are derived and tested. The article shows that change is determined by curriculum traditions and not by the size of vested interests or ceiling effects. Countries belonging to the readiness-for-school-curriculum tradition have expanded their provision considerably more than countries belonging to the social-pedagogical-curriculum tradition; the reason is argued to be that the former conceptually matches the political preference for generation of human capital much better than the latter.

Key words childcare, curriculum traditions, public expenditure, welfare reforms, welfare services

Introduction

Welfare services for preschool children have become an important policy area in modern welfare states. The provision of these services has been argued to increase female labour force participation, promote gender equality, and facilitate the generation of human capital in the population. This policy area has seen rapid expansion and intense attention from political decisionmakers and experts alike (OECD, 2006). Yet, so far, the mainstream welfare state literature has paid limited attention to childcare services. This is surprising and unfortunate as the area promises both theoretical and empirical insights.

Existing literature on the subject based on feminist welfare state and social care research focuses primarily on the outcome of childcare policies rather than on the political processes leading to the outcome. Implicitly, the great majority of the existing literature assumes that the politics of today is guided by the political arrangements of the 'Golden Age' of welfare expansion (Meyer, 2005; Pfau-Effinger, 2005). This means that the sudden surge in

provision from the late 1990s onwards – and especially the large degree of country variation therein – is somewhat ill accounted for by the literature.

This article shows how it is possible to understand the conditions of change and stability in the public provision of childcare services for preschool children using concepts from the new institutionalist welfare state literature. It is pointed out that the main institutional condition of change is the curriculum tradition of a country rather than the strength of vested interests or ceiling effects. Nations adhering to the readiness-for-school-curriculum tradition have expanded provision significantly more than nations belonging to the social-pedagogical-curriculum tradition. The reason is argued to be that this type of provision matches the political preference for generation of human capital among the very young.

This finding is interesting, first, because it shows how it is possible to explain welfare state change with non-material institutional factors; and, second, because it shows how the recent, and rather sudden, macro-level changes in political attention and public provision have been mediated by the slow-moving

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curriculum traditions. The conclusion adds to the new social risks literature by showing how new societal problems are mediated by existing institutions, and it also adds to the small stock of studies on welfare services, or benefits in-kind, by showing how these can be analysed within a new institutionalist framework.

Having discussed the recent surge in interest on, and provision of, childcare services in the first section and the existing literature in the second section, the topography of childcare services is presented using Bonoli's (1997) two-dimensional framework for the analysis of welfare states. This allows for a more detailed cross-country comparison than is normally offered in the literature on this policy area. It also allows for the derivation of three competing hypotheses based on the well-rehearsed concepts of vested interests, growth to the limits and ideational traditions from the new institutionalist welfare state literature.

The hypotheses are tested empirically using regression analyses in the fifth section after discussing the relevant methodological issues in the fourth section. The data used are partly expenditure data from the OECD and partly a new dataset on the curriculum traditions in Western welfare states. This allows for a statistical test of whether it is the strength of vested interests or the ideational tradition in a country that determines how it will respond to the impetus for more childcare services. The findings are discussed and put into perspective in the sixth section and a conclusion is provided in the seventh section.

A new focus on childcare services

It is well known that services for preschool children have become a salient political issue in many countries, besides those nations that have traditionally provided high levels of childcare services (i.e. the Nordic countries together with France and Belgium). In the literature a number of reasons are normally highlighted including potential labour market shortage, changing norms on gender equality, and a wish to strengthen the generation of human capital among preschool children (Esping-Andersen, 1999; Mahon, 2002; Castles, 2004). Whereas the issues of gender equality and female labour force participation have been on the agenda in previous decades without this leading to a break with the traditional patterns of childcare provision, human capital – defined as the

stock of productive skills and knowledge embodied in the future labour force – has just recently become a very salient issue across most countries. This has happened in the wake of the Bologna process and after the OECD knowledge and skills assessment of school children created a 'PISA-shock' in many Western countries (Esping-Andersen, 2002; Mahon, 2006; OECD, 2006; Pongratz, 2006). In a recent four-country case-study, it was shown how the quest for human capital appears to have crowded out other concerns over the past decade, including in particular gender equality, as a motive for political decisionmakers to provide childcare services (Jensen, 2008a, see also Borchorst, 2002; Lister, 2003; Evers et al., 2005).

The increasing interest in childcare services has had a clear impact on public spending on childcare services, which has risen by more than 33 percent between 1997 and 2003; that is, an almost 5 percent yearly increase (countries and sources in the fourth section below). The large surge in public spending on childcare services is fairly easy to understand given the rising awareness of the benefits which can be derived from the service. What is much more puzzling is the very large diversity in expansion, with some countries such as Norway, Sweden and Austria demonstrating no or even negative developments, while countries such as the United Kingdom and Belgium have more than doubled the original level.

The childcare service area is, hence, interesting from a welfare state perspective for a number of reasons; first and most generally because the area lends itself to a study of the conditions of stability and change. In many ways this is the fundamental question asked by the mainstream new institutionalist welfare state literature. By looking at childcare services one is potentially able to tell a story of significance to the entire literature. Second and related, in recent years a clear awareness has arisen in the literature that welfare state change is not always equal to retrenchment (Pierson, 2001; Castles, 2004), and childcare services constitute a very notable example of this point. This policy area has, thus, seen massive expansion over a very short period of time, which clearly sets it apart from other policy areas and the welfare state as such. By way of example, total social expenditure has increased by less than 5 percent between 1997 and 2003 (OECD, 2007).

Third, childcare services also appear relevant to a new line of argument in the welfare state literature emphasizing the importance of new social risks as causes of welfare state change via processes of recalibration. Yet, as emphasized by a number of authors, new social risks are not transformed directly into policies; they are mediated by the institutional set-up of different countries (Pierson, 2001; Bonoli, 2005; 2006). The great country variance found in the expansion of childcare services therefore promises to be a fruitful testing ground for a study of the most relevant institutional factors in explaining this kind of country variation.

Fourth and finally, childcare services are also an interesting case because they represent a welfare service, or benefit in-kind. It is widely acknowledged that welfare services are ill accounted for by the existing welfare state literature, which exhibits a 'transfer-bias' (Alber, 1995; Jensen, 2008b). The article therefore adds to the slowly accumulating stock of empirical studies specifically dealing with welfare services. There are, in sum, plenty of reasons why a study of childcare services is relevant for the welfare state literature.

The existing literature

The dominant line of research on childcare services is found within the feminist welfare state and the social care literatures which overlap considerably. The existing literature has produced a number of highly interesting studies on country differences in gender equality and family policies more generally; that is, studies mainly on the consequences of lacking services for preschool children (Lewis, 1992; Daly and Lewis, 2000; Mahon, 2002; Michel and Mahon, 2002; Anttonen et al., 2003; Bettio and Plantenga, 2004; Klammer and Letablier, 2007; Morel, 2007; Rauch, 2007).

Normally the literature makes a distinction between a group of high-spending countries and a group of low-spending countries (Daly and Lewis, 2000; Huber and Stephens, 2000; Morgan, 2002; 2003b). The first group consists historically of two subgroups, namely the Nordic welfare states and France and Belgium. The two subgroups relied on two different pathways to extensive state involvement. The Nordic state involvement was a consequence of the presence of strong social democratic parties fighting for gender equality, while French and Belgian state involvement was a consequence of

a highly contested secularization where the state wanted to crowd out Catholic indoctrination of pre-school children. The group of low-spending countries consists of the remaining members of the conservative welfare regime together with the liberal welfare states of the Anglo-Saxon world. Low state involvement in the liberal welfare states can be explained by their historic antipathy for state solutions, while the conservative welfare states abstained from public provision due to their preference for the traditional family structure.

It is noteworthy that the literature subscribes to a path dependency approach where the ideologically motivated historical conflicts are used to account for the causes of present-day policies (Pfau-Effinger, 2005). Hence, the most explicit focus on the *politics* of services for preschool children is found in studies of the Golden Age of welfare state expansion (Morgan 2003a; Naumann, 2005; Lindvert, 2007). A few authors have noted this blind spot of the existing literature. Meyer (2005), for instance, analyses the political processes of recent reforms in Britain and Germany, but presents a very context-specific analysis that is hard to generalize beyond her two cases. Rauch (2005) is also an exception to the general rule although his theory is unable to account for the great differences among the Western welfare states in recent years because the Scandinavian countries in his study have all experienced comparably small or no expansion of childcare services.

The strong tendency of the literature to (often implicitly) explain current policies with reference to the political conflicts fought decades ago makes it very difficult to account for the sudden surge in spending on the childcare area – and it is particularly difficult to explain why some countries have expanded a lot and some very little. What appears to be needed is an approach that, first, overcomes this heavy reliance on the notion of path dependence and, second, produces an explanation that is possible to generalize to all Western welfare states.

Institutions and the politics of childcare services

From the perspective of the mainstream welfare state literature there is no direct link between the diminishing importance of political ideology after the Golden Age and a failing focus on political processes. Following the argument of Pierson (1994;

		How much	
		Low level	High level
How	Readiness-for-school Social-pedagogical	UK Germany	Belgium Denmark

Figure 1 The two dimensions of childcare services with country examples

2001), one would expect intense political clashes between new institutionalized interests over the more scarce resources in the era of permanent austerity. Yet, so far this new institutionalist reasoning has not been utilized systematically in the study of childcare services. The following is an attempt at showing how this can be done. The first subsection offers a more detailed analysis of the structure of childcare services in modern welfare states than is normally presented in the literature. The second subsection uses this analysis to derive three competing hypotheses on how the institutional set-up in different countries will create different responses to the new social pressure for more childcare services noted in the first section.

The second dimension of childcare services

The existing literature focuses rather narrowly on what Bonoli (1997) calls the *how much* dimension of welfare provision; that is, the quantity of provision. This is very understandable given the literature's predominant interest in the effect of childcare in terms of defamilialization and gender equality; from the perspective of these issues what matters is above all the extent to which women are free from domestic care duties. However, as Bonoli emphasizes, there is another equally important dimension concerning *how* welfare is provided; that is, a focus on the more qualitative aspects of childcare.

From the current perspective especially, the curriculum tradition is of interest because it highlights what a given level of provision is used for in this particular policy area.¹ A childcare service curriculum is a statement of principles and pedagogical guidelines aimed at facilitating development and learning in children in the preschool age. According to Bennett (2005) it is possible to locate two distinct curriculum traditions in Western welfare states, namely a readiness-for-school-curriculum tradition and a social-pedagogical-curriculum tradition (see also

Leavers, 2005). Both of these traditions date back centuries and constitute coherent and elaborate ideational traditions, or 'childcare philosophies', guiding the work of preschool teachers and pedagogues alike.

The readiness-for-school-curriculum tradition is characterized by an emphasis on focused cognitive goals; for example, mathematical development, language and literacy skills. The focus on these education-like activities means that it is often preschool teachers, sometimes even trained for primary school, who provide the service. The social-pedagogical-curriculum tradition is, conversely, characterized by an emphasis on overall development including social competence and emotional well-being. This type of service will often be provided by pedagogues trained exclusively for the childcare sector.

In sum, based on Bonoli's (1997) scheme, it is possible to distinguish between two dimensions of childcare provision, namely the *how much* dimension, already documented by the existing literature, and the *how* dimension, which was discussed in this subsection. It is worth emphasizing that the *how* dimension is independent of the *how much* dimension in the sense that both high and low-spenders are found in both of the two curriculum traditions. Thus, Denmark is a classic high-spender, adhering to the social pedagogical tradition, while Belgium is another high-spender adhering to the readiness-for-school tradition. Likewise, Germany is a low-spender belonging to the social pedagogical tradition, while the UK historically has spent very little on childcare services but still adheres to the readiness-for-school tradition in the facilities actually provided. Figure 1 visualizes the two dimensions together with the country examples.

Institutional conditions of change

The two dimensions in modern-day welfare states are best understood as institutional dimensions; that

is, as social structures directing political processes (Streeck and Thelen, 2005). According to the new institutionalist welfare state literature, countries with high levels of provision will be home to strong professional interests, which are likely to constitute a political force in their own right fighting for expansion. A number of studies have argued that vested interests are able to affect political decision making via public protest, lobbying or failure to implement (King, 1987; Pierson, 1994; 2001; Rauch, 2005). Based on this line of reasoning, the first hypothesis is straightforward: the larger the existing sector at the beginning of the period, the bigger the expansion will be afterwards.

H1: Expansion is positively dependent on the initial size of the childcare service sector.

However, while strong vested interests may be prone to promote expansion, other factors may push in the opposite direction. The 'growth to the limits' argument is the most famous in this respect, stating that welfare state programmes will have a natural point of saturation. Thus, countries that initially expanded a great deal will gradually slow down their growth, whereas the laggards will experience a process of catch-up (Flora, 1986; Castles, 1998; Kittel and Obinger, 2003). The initial level of provision may therefore lead to both increasing and decreasing provision. The second hypothesis thus becomes as follows:

H2: Expansion is negatively dependent on the initial size of the childcare service sector.

The second institutional dimension of childcare services is the curriculum tradition. The argument is that specific curriculum issues will often limit the room for decision making in two interrelated ways. First, curriculum traditions constitute a policy paradigm guiding the mindset of the political actors when they choose between different policy options (Hall, 1993). Although the cognitive limitations of political actors is rarely used as an explanatory variable in welfare state analysis, it is a core element in the new institutionalism and may help explain why actors sometimes stick to old policies when new ideas have emerged or the original conditions more generally have altered (North, 1990; Weir, 1992; Béland, 2005). Since the social-pedagogical-curriculum tradition is in much

less agreement with the quest for more human capital than the readiness-for-school curriculum tradition, countries belonging to the former tradition may be expected to be much less responsive to the new human capital thinking than the other countries.

Second, and for another – more material – reason, political decisionmakers may hesitate to expand provision when their country belongs to the social-pedagogical-curriculum tradition. In countries adhering to the social-pedagogical-curriculum tradition, politicians have two options when responding to the new demand for more human capital: expanding provision or changing the curriculum towards the readiness-for-school tradition. Following Pierson (1994; 2001), one would expect politicians in this situation to opt for the cost-neutral solution, which is to focus on curriculum content rather than expansion. If this is true, one would expect countries belonging to the readiness-for-school-curriculum tradition to experience greater expansion than countries belonging to the social-pedagogical-curriculum tradition.

H3: Expansion is bigger in countries adhering to the readiness-for-school-curriculum tradition than in countries adhering to the social-pedagogical-curriculum tradition.

In sum, we see how it is possible to derive (at least) three competing hypotheses based on the institutional structure of the childcare service area. The first two hypotheses correspond to the *how much* dimension, while the third hypothesis relates to the *how* dimension and focuses on the role of the qualitative content of provision as a constraining factor. In the next two sections the propositions will be tested empirically.

The study

In order to assess the three hypotheses a regression analysis with the changes in public provision as the dependent variable will be conducted. This leads straight to the first important discussion; that is, how to measure the level of public provision. Public expenditure is often used in cross-country comparisons of welfare states because of its availability and its ability to function as a common yardstick between different areas and countries (Green-Pedersen, 2007). In itself this is a valid point in favour of using public expenditure. However, it does not answer the fundamental

question of whether the theoretical concept of public provision is actually captured.

In existing studies of services for preschool children, a complex 'full-time equivalency' (FTE) coverage measure has been created to try and capture the availability of full-time childcare facilities in a country, which is argued to be the most relevant measure of the actual level of provision. Unfortunately such a measure is very difficult to calculate because it demands extensive language knowledge and access to detailed statistics not readily available. In the most recent and extensive study, Rauch (2007) calculates the FTE coverage for six European countries for childcare services at a single point in time (2001/2003). Yet he does not test if the FTE coverage is actually a better measure than public expenditure for childcare services; that is, whether the two different operationalizations correlate. By doing so, it transpires that the two measures have a bivariate correlation coefficient of .96, indicating that they are practically indistinguishable.

Given this convincing result, there should be no problem using public expenditure on childcare services as a valid measure of the level of public provision. The dependent variable is, hence, measured as the percentage change between 1997 and 2003 in public spending on childcare services as a percentage of the GDP. This is the best measure of the degree of change because it captures the ability of a political system to reform given its initial size; that is, the radicalism of change. The time period is first and foremost chosen because of the great surge in interest and spending already discussed in the first section (above), which takes place around the turn of the millennium, but the exact dates are chosen for the more mundane reason of data availability. The first two hypotheses state that the initial size of the childcare sector will be correlated with the expansion afterwards. This is easy to measure by simply using the level of childcare spending in 1997 as the independent variable (for a similar approach see Kittel and Obinger, 2003; Castles, 2006).

The data sources are the OECD's Family database and Education database, with childcare services defined as all benefits in-kind aimed at preschool children. Unfortunately, it is not possible to distinguish between the age groups zero and two years and three and seven years, which would be preferred because education-like activities cannot be commenced until around the age of three. However,

since it is mainly the Nordic countries and not other countries like France and Belgium with high initial spending levels that traditionally provide extended childcare for under-threes (OECD, 2006), this problem can be controlled for statistically.

The third hypothesis states that countries with a readiness-for-school-curriculum tradition will experience a bigger expansion than those with a social-pedagogical-curriculum tradition. This leads to the second discussion on the operationalization; that is, how to measure curriculum traditions. Thus, one of the standard objections against studies advocating the influence of more qualitative factors like policy paradigms is that normally it is difficult to disentangle these qualitative aspects from the material interests of political actors related to the *how much* dimension.

While most studies of childcare policies rely on qualitative case-studies, a large-N correlation study is chosen here. This is believed to be just as likely to produce convincing results because the larger number of observations allows for the study of curriculum traditions while controlling for the material interests of different professions and other potential explanatory factors; using controls like this is often not possible in qualitative case-studies (King et al., 1994). The Conclusion discusses how future studies may fruitfully turn to more in-depth case-studies to probe some of the finer details that a large-N study cannot capture.

To measure the curriculum traditions, the background reports and country notes from the OECD *Starting Strong* project have been used to locate and code the curriculum tradition in 16 consolidated Western welfare states for which data are available.² The curriculum traditions are coded using Bennett's (2005) scheme which outlines a number of features of each of the two traditions such as pedagogical strategies, targets and goals for the children, and assessment and quality control. It is surprising how clearly almost all countries conform to either of the two traditions (see also Leavers, 2005). In fact, the categorization of the Netherlands constitutes the biggest problem because it adheres to a weak social-pedagogical-curriculum tradition, but begins compulsory school at age five. In this concrete case it is argued that, given the very low compulsory school age, the Netherlands in fact belongs to a readiness-for-school-curriculum tradition.³ Table 1 reports the operationalization of the two hypotheses for each of the 16 countries included.

Table 1 Overview of data for the two hypotheses

	<i>Childcare spending 1997 as % of GDP</i>	<i>Curriculum tradition</i>
Australia	.20	RFS
Austria	.83	SP
Belgium	.85	RFS
Canada	.20	RFS
Denmark	2.11	SP
Finland	1.48	SP
France	1.25	RFS
Germany	.52	SP
Ireland	.12	RFS
Italy	.50	RFS
The Netherlands	.71	RFS
Norway	1.39	SP
Portugal	.45	RFS
Sweden	1.83	SP
United Kingdom	.39	RFS
United States	.38	RFS

Note:

RFS = Readiness-for-school; SP = Social-pedagogical.

Since the study is based on 16 countries, there are clear limits to the number of controls possible. Left-party strength is included in the model because great controversy exists regarding the importance of this factor in the welfare state literature (Kittel and Obinger, 2003). From the current perspective, Left-party strength may be expected to have a positive impact on the level of public provision because childcare services are particularly well suited to promote defamilialization and gender equality, two policy outcomes traditionally pursued by these parties (Daly and Lewis, 2000; Jensen, 2008b). Alternatively, Left-party strength could also have a negative impact following a 'Nixon goes to China' logic where the parties most likely to reduce provision given the permanent austerity are in fact the Left parties (Ross, 2000). Left-party strength is measured as the number of seats held by Left parties in parliament in 1997, and is obtained from Swank (n.d.).⁴

Another potentially very important factor is the timing of new social risks. According to Bonoli (2007), there is a strong positive relationship between how early a country experienced new social risks on a large scale and its level of provision of new social risk policies. Since childcare service provision clearly is a new social risk policy area, Bonoli's own timing-variable is

included as a control.⁵ In addition, cultural attitudes relating to gender equality and female labour force participation may be expected to have an impact on the level of provision. To control for this, the percentage of people in a country agreeing with the statement 'When jobs are scarce, men should have more right to a job than women' is included as well. With this formulation, the variable should capture parts of both attitudes towards gender equality and female labour force participation, making it particularly suited for the current purpose. The data are obtained from the 2000 wave of the World Values Survey (Inglehart et al., 2004).

The spending data have been corrected for changes in the number of children aged 0–14 to control for changing demographics. However, since the age group 0–14 includes a large segment of irrelevant individuals (those aged 7–14) and because it is difficult to know if the absolute level matters as well, the absolute birth rate in 1994 has also been included. This variable controls for the absolute demand for childcare services for children aged three in 1997; that is, the earliest age where curriculum-based activities is conventionally believed to be feasible. Taken together this should ensure that the analysis is unaffected by demographic trends.

Table 2 Determinants of change in public expenditure on childcare services (1997–2003) as % of GDP

	<i>Model I</i>	<i>Model II</i>	<i>Model III</i>	<i>Model IV</i>
Left-party strength	.2273 (1.577)	-.0353 (1.194)	-.3623 (1.344)	.3470 (1.434)
Timing	-1.643 (2.010)	-2.844 (1.981)	-2.973 (2.111)	-2.975 (2.246)
Birth rates (1994)	-3.593 (15.30)	-10.54 (9.381)	-12.11 (10.86)	-12.40 (12.34)
Men have more right to work than women	.0591 (2.186)	.8870 (1.287)	-.3627 (1.816)	-.2678 (1.983)
Childcare spending (1997)	-61.50 (37.91)		-28.88 (36.02)	-30.86 (29.38)
Readiness for school tradition (dummy)		92.23 ^b (29.90)	82.44 ^c (24.74)	84.48 ^b (29.38)
Nordic countries (dummy)				-6.630 (49.85)
Constant	141.6 (252.9)	132.7 (164.7)	191.56 (196.8)	192.8 (210.3)
Adj. R ²	.01	.36	.33	.24
F-statistic	1.59	4.73 ^b	3.44 ^b	2.71 ^a
Mean variance-inflating factor	2.82	2.17	2.89	3.91

Notes:

Robust standard errors in brackets. ^a = p-value ≤ .10. N = 16; ^b = p-value ≤ .05; ^c = p-value ≤ 0.01, Model I: The *how much* dimension; Model II: The *how* dimension; Model III: Both dimensions together; Model IV: Control for Nordic exceptionalism.

Findings

Table 2 reports the findings of the regression analysis. Model I–II reports the tests of the two hypotheses individually and Model III reports the full model before the control for ‘Nordic exceptionalism’. Model I shows that the initial level of childcare spending does not have a significant effect on the expansion afterwards and thereby refutes H1 and H2. Model II tests the hypothesis that the readiness for school tradition will lead to more expansion (H3) and finds strong support for this proposition with a p-value very close to .01, indicating a high degree of statistical significance of this explanatory variable. The adjusted R² is .36, which indicates that the model can explain more than a third of all the cross-country variance of the dependent variable.

Model III reports the model with all the theoretical variables included and shows that curriculum tradition continues to determine the degree of expansion, and now with an even higher degree of statistical significance. It is noteworthy that the adjusted R² drops a little when including the initial level of spending in 1997, indicating that this is an irrelevant factor. In sum, there is no question that the curriculum tradition is indeed the key institutional condition of changing levels of childcare provision. The full model also shows that no other factor appears to have an impact on the changing of spending.

During the theoretical discussion, the two institutional dimensions were argued to be independent of

each other, but it is important to test if this is actually the case empirically. To do so, the mean value of the variance-inflating factor – which shows how the variance of an estimator is inflated by the presence of multicollinearity – is reported in the bottom of the table. Given that Gujarati (2003) gives ten as a cut-off point when multicollinearity becomes unacceptable, the Table clearly documents that there is no problem of multicollinearity in the model; that is, the explanatory variables are indeed independent of each other. This is also the case when looking at the individual variables of Model III as the maximum variance-inflating factor of any of the variables is 3.97.

As discussed above, the spending data contains data on childcare for children aged zero to seven, while it may have been preferable to have data on the children aged three to seven only. Since it is particularly the Nordic countries that traditionally spend extensively on toddlers (OECD, 2006), it is possible to at least partly control for the effect of the inclusion of the youngest children by including a dummy for the Nordic countries in the regression model. Such a dummy is also likely to control for other unobserved cultural traits of these countries other than the ones already included in the models. The inclusion is done in Model IV of Table 2. It is comforting and noteworthy that the curriculum tradition still turns out as the key explanatory variable, which indicates rather clearly that the results are not driven by ‘Nordic exceptionalism’.

The new politics of childcare services

The result that it is the curriculum tradition and not the size of the existing sector that determines how much expansion a country will see is of relevance beyond the confines of childcare services, not least because the qualitative aspects of new institutionalism have been somewhat overshadowed by the role of especially vested interests. This section discusses the findings in more detail.

The third section (above) suggested two ways in which the *how* dimension could influence the decision-making process. First of all, the *how* dimension may constitute a policy paradigm working as a cognitive lock which blocks new policy proposals deviating from the existing policy, while facilitating a quick response when the new proposal fits the policy already in place. The current study thereby sets itself apart from the existing empirical work on ideas in both the welfare state literature and public policy literature more broadly, which normally conceptualizes ideas as exogenous causes of change (Peters et al., 2005; Béland, 2007). But how and why does this mediation between new proposals and old policies happen more precisely?

One possible source of the mediation is the professionals providing the childcare and the users receiving it; that is, the parents of the young children. Professionals are characterized by their training, which is often rather specialized and therefore implies a strong preference for the status quo because changes will risk rendering the qualifications of the professionals less relevant (Freidson, 2001). Parents may likewise exhibit a status quo bias because of the strong socialization effect of having been brought up within a particular curriculum tradition oneself. Both these factors may condition the reception of new societal impulses such as a demand for more human capital.

The curriculum traditions may also influence the decision making in a second way, which puts less emphasis on the role of cognition. Thus, a reason why most expansion has taken place in countries of the readiness-for-school-curriculum tradition may simply be that in the eyes of the politicians this curriculum promises the greatest gains in terms of generating human capital. Viewed from this perspective it even makes sense that no or little expansion has taken place in the countries adhering to the social-pedagogical-curriculum tradition. Put differently,

why should political decisionmakers want to expand the provision of childcare before they are reassured that the services provided are of the kind and quality perceived as necessary? Especially in an era of permanent fiscal crisis where politicians more often than not are fighting to make ends meet, such a policy would be rather counterintuitive as long as solutions to the new social problems arguably can be found by making qualitative changes rather than quantitative expansion.

This also relates to the special role of professionals. A lot of the legitimacy enjoyed by professionals is based on the public perceiving them as experts in their field. To the extent a professional is seen as unable to deliver services of the requested quality, an important power resource of the professional will disappear and create room for change (Abbott, 1988; Freidson, 2001). This point conforms to the social learning argument of Hall (1993), according to which third-order paradigmatic change will come about after a crisis of the prevailing paradigm; that is, in a situation where the policy paradigm is seen to be performing poorly. Depending on how serious the crisis of childcare services is perceived by the public and political decisionmakers, policy entrepreneurs may therefore be successful at creating the basis for expanding public provision by altering the policy paradigm from a social-pedagogical to a readiness-for-school one; that is, qualitative reform without quantitative expansion.

Conclusion

The childcare service sector has undergone rapid changes in terms of the public provision offered in Western welfare states. The average increase in spending has been over 33 percent in seven years. This follows the recent surge in macro-level attention on the benefits of childcare services: increasing female labour force participation, gender equality, and especially generation of human capital. This way, the childcare service sector resembles other new social risk areas where a changing societal environment has created an impetus for recalibrating welfare state policies (Pierson, 2001; Bonoli, 2006).

At the same time the childcare service sector also shows how functionalist pressures are likely to be mediated by domestic institutional factors. The article relied on Bonoli's (1997) two-dimensional framework and has shown that the *how* dimension

appears more relevant than the *how much* dimension when explaining why some countries have expanded a lot and other countries much less. Yet, while the curriculum tradition is the most important aspect of the *how* dimension when it comes to childcare, other aspects are relevant in other policy areas. This means that we should be careful not to generalize the conclusions too far. The best advice is simply not to discard more qualitative factors in advance when conducting future studies.

As noted in the Introduction, the article also adds to the far too small pool of studies on welfare services. The main problem in studying welfare services compared to transfers is often to find a measure which captures theoretically relevant aspects because political decisions have to travel a long way from parliament via the welfare production system before reaching the public. Therefore it is inspiring to find that the complex FTE coverage measure correlates with public spending in an almost one-to-one relationship. This should be a caveat to those who argue that public expenditure is unsuited for use as an operationalization of public provision of welfare services.

However, to move the study of childcare services forward it is not enough to have a decent operationalization of the dependent variable. The sixth section (above) suggested two mechanisms that may be the mediators between the new social demand for human capital and the existing curriculum traditions in the individual countries. Yet to probe issues such as the preferences of the politicians and the strategies of the professionals, it may be appropriate to choose a more qualitative approach than the large-N used in this study. Studies with such a research strategy are likely to yield significant insights into the new politics of childcare services.

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Notes

- 1 An alternative is to study the administrative organization of the provision, but this appears less crucial than the curriculum tradition, i.e. the actual content of the childcare services.
- 2 The OECD *Starting Strong* project includes 20 countries of which four (South Korea, Mexico, Hungary, and the Czech Republic) do not belong to the group of countries normally analysed in the welfare state literature. Since the article is explicitly trying to make a contribution to this literature, focus is kept on the group of countries presented in Table 1, which are similar both in terms of size and composition to those analysed in the mainstream literature.
- 3 The coding scheme was originally an ordinal scale with four values, but it turned out during the coding that almost all countries clustered into two distinctive groups. A background paper on the data treatment can be obtained from the author upon request.
- 4 Because Left-party strength is more volatile than the other control variables included, this variable has been estimated using both the absolute level in 1997 as well as the changes between 1997 and 2003. The conclusions were similar disregarding the operationalization used. The estimations using the change variable can be obtained upon request from the author.
- 5 Bonoli uses the level of new social risks measured on three parameters reached by Sweden in 1970 as the yardstick: service employment as a percentage of total civilian employment, female employment rate and divorce rate. To exemplify the principle of calculation, countries that reached the level of Sweden in 1978 get the value eight (1978 minus 1970). The data on Ireland is only based on one parameter (the divorce rate) due to data availability.

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