This article reviews the history and content of recently passed U.S. child care and family legislation. This legislation is compared to the child care and family policies of four European nations in terms of five major policy objectives: (a) increasing supply, (b) supporting maternal employment, (c) easing the burdens of child rearing, (d) permitting parental choice, and (e) raising the quality of programs. All four European nations have been concerned with promoting childbearing and assisting parents to balance work and family responsibilities. They have also increased national responsibility for the care and education of children ages 3-5 and employer responsibility for parental leave. In contrast to the state-run systems in France, the United States has a market-based system with middle- and upper-income parents making the choices and being reimbursed by the state for part of those expenses. Low-income parents receive targeted subsidies. Recent parental leave legislation brings the United States only slightly closer to Europe because the leave is unpaid.

Recent U.S. Child Care and Family Legislation in Comparative Perspective*

SANDRA L. HOFFERTH
University of Michigan
SHARON GENNIS DEICH
Pelavin Associates

During the late 1980s, an unprecedented degree of federal executive and legislative attention in the United States focused on early education and care, reflecting a consensus that a major expansion of public support for child care and preschool programs was necessary. This interest culminated in the October 1990 passage of legislation that authorized new grants to states to fund child care assistance for low- and moderate-income families and refundable tax credits for low-income parents. It also expanded Head Start, the major early educational program for disadvantaged children. This article describes this new legislation and places it in context both

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historically in the United States and in comparison to the child care and family policies of four European nations: France, Germany, Hungary, and Sweden.

POLICY OBJECTIVES

Most countries' specific child care and family policies were designed either to promote maternal employment by assisting mothers in balancing home and family life or to increase fertility by reducing the costs of raising children. During the late 1970s, when birthrates had fallen below replacement (Table 1), many European nations became concerned with low fertility and adopted pronatalist policies. The objectives may be explicitly pronatalist (as in France and Germany) or may be pronatalist in their effects but serve other redistributive goals such as gender equity (as in Sweden) (David, 1982; McIntosh, 1987).

At the same time, skilled female workers were particularly valuable to the economies of countries such as France and Germany in which the male populations were reduced as a result of World War II. Therefore, many European nations developed a combination of explicit policies to assist families with the financial burdens of raising children and with the burden of participating in the labor force and raising a family. The balance between the two depends partly on whether pronatalist/redistributive or pro-employment concerns predominate. It also depends on a third factor: How significant is the extent of societal obligation for socializing children and preparing them for school (S. Kamerman, personal communication).

The United States, unlike Europe, has never held the explicit goal of promoting female employment. Early forms of the Child and Dependent Care Tax Credit, a deduction for child care expenditures, treated child care like any other legitimate business expense that was deductible for income tax purposes. Rising maternal employment and liberalization of the tax credit during the 1970s greatly increased the proportion of parents claiming the credit, making it the single largest instrument of child care policy prior to the passage of the 1990 child care legislation. In addition, the United States does not face the same fertility-related concerns; fertility hovers around replacement levels and, due to continued immigration, population is expected to grow well into the next century (Spencer, 1989). Although the United States has provided public education almost since its founding, only during the past two decades has publicly funded kindergarten become universal. There has been little movement toward public responsibility for preschool preparation except in the case of disadvan-

TABLE 1
Fertility and Female Labor Force Participation Rates: 1960-1989

	Total Fertility Rate				*Female Labor Force Participation Rate*			
	1961	*1971*	*1981*	*1988-1989*	*1960*	*1970*	*1980*	*1988-1989*
United States	3.6	2.3	1.8	2.0	18.6	30.3	45.1	58.4[a]
Germany	2.5	1.9	1.4	1.4	—	—	—	34.6[a]
France	2.8	2.5	2.0	1.8	—	—	—	55.0[a]
Sweden	2.2	2.0	1.6	2.0	36.8	49.7	75.4	86.9[b]
Hungary	2.0	2.0	1.9	1.8	49.9	63.7	70.7	73.9[c]

SOURCE: Sorrentino (1990), Adamik (1991), U.S. Bureau of the Census (1991), David and Starzec (1991), Schiersmann (1991), and Sundstrom (1991).
a. Married women with children under age 6.
b. All women with children ages 0-6.
c. All women ages 15-44; an additional 8% were on leave.

taged children. The first national educational goal, "school readiness," implies greater government involvement in the education of younger children; how that is to be accomplished remains unspecified. Finally, in both Germany and the United States, there has been concern about providing greater choice to mothers; employed mothers should have a variety of child care options from which to choose.

This article focuses on the extent to which child care and family policy meets five major objectives: (a) increasing the supply of child care, (b) supporting maternal employment, (c) easing the financial burden of raising children, (d) permitting parental choice regarding maternal employment and type of child care, and (e) raising the quality of early childhood programs. All the European nations and the United States are, as of this writing, seriously concerned about the impacts of social programs on their economies; consequently, another issue is the cost of these programs.

THE FIVE COUNTRIES

To provide a comparison to the U.S. case, four European nations were selected that are similar to the U.S. experience in level of industrialization, level of female labor force participation, and fertility rate but that have varied policy responses to the economic and demographic changes they have faced. These countries have been studied for more than 15 years (Kamerman & Kahn, 1981, 1991) and thus provide a well-documented basis for comparison. Table 1 shows the fertility and labor force participation rates of mothers in these countries. Female labor force participation varies from a high of 86.9% of women with children ages 0-6 in Sweden to a low of 34.6% of married mothers with children under age 6 in Germany. Table 2 describes the five major goals of child care and family policy that are addressed in the U.S. legislation and in the policies of France, Sweden, Germany, and Hungary. In this article, we provide an overview of the policies available in these countries in comparison to those provided in the United States, including the new legislation described earlier. First we describe the experience and policies of each country. Then we discuss the cross-national similarities and differences in policy according to the five major goals of child care and family policy (presented earlier) and the cost of these programs.

THE UNITED STATES

Prior to the passage of legislation in October 1990, the majority of child care subsidies, through the tax code, were received by middle- and upper-income families (Barnes, 1988). Concern grew to redress this perceived inequity. Popular support precluded altering the existing tax credit, and so new programs were needed. At the same time, welfare reform (the 1988 Family Support Act) directed public efforts toward assisting low-income parents to become self-sufficient. If these parents were to be employed, their children needed care.

Given consensus about who most needed additional child care assistance, and given concern about the budget deficit, debate quickly focused on ways to assist low-income working families (Hofferth, 1993). At the same time that there was continued concern about increasing low-income children's access to programs, there was also a move to improve the quality of existing child care programs (Willer, 1990). Finally, whereas earlier policies assisted all employed parents and recent welfare reform supported the employment activities of low-income parents, a third set of legislative proposals designed to assist families with one parent remaining home to care for children emerged and was eventually passed into law.

INCREASING THE SUPPLY OF CHILD CARE

In 1990, there were about 18.6 million preschool children ages 0-4 in the United States, and 9.3 million of them had employed mothers. At the

TABLE 2

Comparison of Child Care Usage and Parenting Policies in the United States, France, Sweden, Germany, and Hungary: 1990

Goals	*United States*		*France*	*Sweden*	*Germany*	*Hungary*
1. Increase supply:						
Goal:	Cover all low-income children		Cover all 3- to 5-year-olds in public programs	Cover all children 18 months or older	Cover all 3- to 5-year-olds	Cover all 3- to 6-year-olds
Percentage served by age	Center	FDC				
Infants (age < 1)	10%	15%				
Toddlers (age 1-2)	20%	18%	0-3: 29%		0-3: 3%	1½-3: 12%
Preschool (age 3-5)/3	41%	15%	3-5: 98%	1-6: 69% public	3-6: 80%	3-6: 90%
4	61%	15%				
5	90%	11%				
2. Support employment						
Child care tax policies	Child & dependent care credit		Tax deduction for expenses	—	Child care tax credit	—
Parental leave	Parental leave—12 weeks, job protected, unpaid; employers with 50+ employees only		Maternity leave—16 weeks; parent education allowance (2 years)	Child care leave/parental insurance—15 months	Maternity leave—14 weeks; child care leave—18 months	Child care grant—ages 6 mos.-3 years; child care allowance—ages 6 mos.-2 years; maternity leave—24 weeks

Other policies	Private sector	Part-time work	Part-time 6-hour day to eighth year; sick child leave	Sick child leave; part-time work	Sick child leave
3. Support Child Rearing					
Universal benefits; freedom to work or stay home	Federal tax exemption	Grant for third child; family allowance; allowance for young children; "quotient familial"	Child allowance	Child care benefit—18 months; tax exemption; child allowance; rent allowance	Maternity grant; family allowance
Benefits targeted to low-income families	EITC; AFDC; Title XX; food stamps; WIC; health insurance	Large-family supplement; single-parent allowance; housing; back to school	Maintenance payment; housing; child health; social assistance; priority for spaces	Child allowance supplement; housing; priority for child care spaces	Housing; food; clothing allowance
4. Permit choice in type of care used through subsidy policies	Center; FDC; relatives; in-home providers	Center; FDC; sitters	Center; FDC	—	Center
5. Raise quality of care	State standards; CCDBG funds set aside for quality improvements; expansion of Head Start	High priority in public policy	Standards set and enforced	Qualifications and training of staff	Society in flux

NOTE: FDC = family day care.

same time, centers had the capacity to serve only 4-5 million children, about 20% to 25% of children under age 5 (Hofferth, Brayfield, Deich, & Holcomb, 1991; Willer et al., 1991). Among older preschoolers, about 41% of 3-year-olds, 61% of 4-year-olds, and 90% of 5-year-olds were enrolled in center-based programs before entering school at age 6. Among infants and toddlers, enrollments were much lower with 10% of infants and about 20% of toddlers enrolled in center-based programs. Fewer than 20% of children are cared for in family day care homes (Willer et al., 1991). In 1990, there were estimated to be between 668,000 and 1.2 million family child care providers. Regulated providers, 10-18% of the total, cared for about 700,000 children. Thus 50% to 60% of the preschool children of employed mothers can be cared for in centers or in licensed family day care homes. The remainder are cared for by nonregulated family day care providers, by sitters, by relatives, or by the father or mother while she is working.

SUPPORTING FAMILIES WITH CHILDREN

Income Tax Exemption

Prior to the 1980s, the major provision for assisting families with the costs of rearing children was the individual exemption in the federal income tax code. In 1991, the exemption was $2,150 per family member. Because adjustments have not kept pace with inflation, its value has eroded to about one quarter its original value (National Commission on Children, 1991).

EITC

To increase the payoff from working to low-income families, the Earned Income Tax Credit (EITC) was introduced in 1975. Households with low incomes (below about $20,000 annually), at least one dependent child, and at least one working member are eligible for the EITC. Because it is refundable, a family can receive a payment even if the credit exceeds the amount of tax due or if no tax is owed. The 1990 child care legislation increased the basic EITC and adjusted it for family size with additional increases through 1994 and 1995. The value of the EITC constitutes about one fifth to one quarter of family income for families earning $11,000 per year (U.S. Congress, 1993).

Head Start

Although Head Start was designed as a preschool educational program and not as a family support program, it provides social services to many low-income children and their families. Under Title I of the Augustus F. Hawkins Human Services Reauthorization Act of 1990 (P.L. 101-501), the Head Start program was reauthorized with a large increase in funding. The intent of increasing funds for the Head Start program was to provide coverage for all eligible children ages 3-5 whose family incomes are below the poverty level. However, the actual number of children served will depend on the level and intensity of services provided. Head Start programs, which typically operate part-day for part of the year, were not designed to provide child care for the children of employed mothers. When allocating the new Head Start funding, policymakers are faced with the trade-off between using the new money to serve more children or using it to provide more services (Advisory Committee on Head Start Quality and Expansion, 1993).

SUPPORTING MATERNAL EMPLOYMENT

Until October 1990, the most extensive program for assisting families with child care was the federal Child and Dependent Care Tax Credit, which reimburses families with one or two working parents for 20% to 30% of their child care expenses (up to $2,400 for one child and $4,800 for two or more children) but is not refundable. Due to the liberalization and simplification of its provisions, use of the credit increased from 1977 to 1988 (Robins, 1988). In 1988, it was estimated that 54% ($3.8 billion) of all federal funds for child care ($7 billion) was spent in the form of tax credits. Beginning in tax year 1989, parents were required to provide the social security number of their provider and could claim either the tax credit or an employer-provided flexible spending account, but not both. These changes reduced the number of parents claiming the credit (Crenshaw, 1991).

The Child Care and Development Block Grant of 1990

In 1990, $750 million in annual funding became available to states through new legislation entitled the Child Care and Development Block Grant (CCDBG). The bill stipulates that 75% of the funds must be used to provide child care services to eligible children on a sliding-scale fee and to provide activities designed to improve the availability and quality of care (U.S. Congress, 1990). For a child to qualify, he/she must be under age 13, be in a family whose income does not exceed 75% of the state median income, and have parents who are working or attending a job training or educational program. States must give priority to children in families with the lowest incomes or with special needs. The remaining 25% of the block grant funds are to be spent for quality improvement activities (5% to 6%) and to establish, expand, or conduct early childhood education and/or before- or after-school programs (19% to 20%).

"At-Risk" Child Care Program

The "At-Risk" Child Care Program gives states additional funding to provide child care assistance to "low-income, non-AFDC [Aid to Families with Dependent Children] families that the state determines (a) need such care in order to work, and (b) would otherwise be at risk of becoming dependent upon AFDC" by expanding the Title IV-A child care assistance authorized under the Job Opportunities and Basic Skills (JOBS) program of the Family Support Act (U.S. Congress, 1990). Funding of $480 million was provided in fiscal year 1993. Unlike the CCDBG, this program requires a state match that ranges from 20% to 50% depending on the particular state.

Employer Policies

In the United States, benefits that would help parents manage work and family responsibilities are offered at the discretion of employers. A variety of policies such as flexible spending accounts, cafeteria benefit plans, vouchers, information and referral services, unpaid leave, work at home, part-time work, and flextime, as well as on-site child care, is offered by some employers. In 1990, about half of U.S. families with children under age 13 reported that they had at least one benefit available to assist them in balancing work and family life (Hofferth et al., 1991). The most common benefit was part-time work; 36% of families reported that part-time work was available through an employer. Unpaid leave and flextime were reported by 28% and 21%, respectively. About 10% reported a child care center at one parent's work site.

Parental Leave

Parental leave can be considered child care legislation because it provides an option for parents to care for children themselves while keeping their jobs and health benefits. In the most generous cases, it includes partial income replacement. Between 1986 and 1990, 23 states had passed laws mandating maternity/parental leave (Finn-Stevenson & Trzcinski, 1990). Although one third of employers with 100 or more employees offered unpaid maternity leave in 1989, only about 2% offered paid maternity leave (U.S. Bureau of Labor Statistics, 1989). In 1993, parental leave became a nationwide benefit. The Family and Medical Leave Act, which mandates unpaid parental leave of employers of 50 or more employees in all states, passed both houses of Congress and was signed by President Clinton in February 1993 as one of his first acts after taking office. This legislation requires that employers offer a job-protected but unpaid leave of 12 weeks to care for a newborn or ill child.

INCREASING PARENTAL CHOICE

Many of the programs discussed in the preceding paragraphs were designed to increase or maximize parental choice in child care arrangements. Parental leave allows parents of very young children to choose between work or caring for the children themselves. The tax credits cover all types of care, as does the CCDBG. Specifically, the CCDBG requires states to offer parents an option of either enrolling their child with a provider who has a grant or contract to provide services or receiving a child care certificate to be used as payment by the parent for child care services for any eligible provider of their choice. Eligible providers include center-based, group home, or family day care providers that are licensed, regulated, or registered according to state law. Family members, such as grandparents, who provide care are also eligible. Allowing providers related to the child to be subsidized expands parents' choices.

IMPROVING QUALITY OF PROGRAMS

Whereas substantial funds to improve program quality are made available in the CCDBG, the new Child Care Licensing and Improvement Grants are designed specifically to improve licensing and registration of providers and to monitor child care provided to AFDC recipients. In addition, funding is provided for training providers and increasing staff salaries—two other factors associated with the quality of care (Phillips, 1987).

SWEDEN

Sweden is unique in that it has achieved both high female labor force participation and relatively high fertility. Sweden's policies cover the five major areas: (a) a system of subsidized high-quality public child care, (b) support for families with children of which the child allowance is most important, (c) an extensive system of parental insurance benefits for employed parents including maternity and parental leave, cash benefits, leave for contacts with school or child care, and the right to a reduced work schedule upon return to work. In addition, (d) the quality of subsidized programs is quite high and (e) Swedish parents have considerable choice in caring for their children. What is unique about Sweden's policies is their emphasis on equalizing the roles of men and women through individual taxation policies and parenting policies for men.

One of the explanations for the extensive and progressive system of family policies in Sweden is the long-term control over the government by the Social Democrats who were continuously in power from 1936 to 1991 (except for 1976 to 1982). Whereas the Social Democrats emphasized public day care and parent leave benefits, the current ruling coalition of nonsocialist parties emphasizes parents' freedom of choice to stay home versus work as well as private alternatives to public programs.

INCREASING THE SUPPLY OF CARE

Since the 1960s, a high priority has been the expansion of public preschool programs, leading to a quadrupling of public child care capacity during the 1970s (Sundstrom, 1991). In 1987, 69% of children ages 1-6 could be served in public child care and preschool programs.

Because of the large proportion of mothers who take advantage of parental leave, fewer than 2% of infants are enrolled in public child care. Children enter school at age 7 in Sweden.

SUPPORTING FAMILIES WITH CHILDREN

The child allowance, the cornerstone of the Swedish welfare system, was established in 1947 (Sundstrom, 1991; Table 2). This allowance amounts to 5% of the average wage. Because of the heavier burdens of large families, the amounts for third and later children were increased during the 1980s. Single-parent families are entitled to child support ("maintenance") payments and low-income families are entitled to a housing allowance, child health benefits, social assistance, and priority for spaces in public child care centers (Sundstrom, 1991).

SUPPORTING MATERNAL EMPLOYMENT

Maternity leave was first established in Sweden in 1931 (Sundstrom, 1991). In 1955, the amount of leave was raised from 1 month to 6 months, 3 months of which were at least partially paid. In 1974, Sweden introduced the first gender-neutral leave, which permitted either father or mother to stay home and care for the baby for 6 months, reimbursed at about 90% of taxable earnings. Consequent legislation has continued to raise the length of leave incrementally—to 7 months in 1975, 9 months in 1978, 12 months in 1980, and 15 months in 1989. The last 3 months are at a flat rate; the first months are salary related. Legislation to extend leave to 18 months was passed in 1989 but was never implemented.

During the early 1980s, 80% of employed married parents had used at least 9 months of leave during the child's first 2 years though only 20% had used all 12 months (Sundstrom, 1991). Almost 30% of couples shared the leave; however, fathers who used benefits spent only about 48 days on leave whereas mothers spent 290 days on leave.

Additional parental insurance covers pregnancy leave, sick child leave, "daddy days," and contact days. Pregnancy leave for those who cannot work prior to birth is paid as sick leave. In 1990, up to 120 days leave per year were permitted for the care of a sick child,[1] with pay also equal to sick pay, though an average of only 7 days is used. Additionally, fathers are permitted to take up to 10 days after childbirth (daddy days), again with pay equal to sick pay. Also, 2 days per year per child are available for parents' participation in day care and school (contact days). Finally, parents are permitted a leave of absence from their jobs when they are on parental leave and are permitted to reduce their hours when they return to work up to the child's eighth birthday (Sundstrom, 1991). Recent data show that about two thirds of mothers reduced their hours upon return, 13% worked full-time, and 19% had worked part-time before the birth.

PARENTAL CHOICE/QUALITY

In Sweden, the funding of centers is at a very high level—considerably higher than that in the United States. Still, because the number of spaces in public programs does not meet the need, there are other options—parent cooperative day care centers, family day care, and private sitters. Preschools or kindergartens provide a part-day program for 6-year-olds. After-school homes are available to children primarily ages 7-9. In 1991, about 47% of children under age 7 were enrolled in full-time public child care. Of the rest, most were in in-home parental care with 7% in private family day care or relative care (Gunnarsson, 1993).

GERMANY

This section focuses on the policies of the Federal Republic of Germany (FRG) because the German Democratic Republic (GDR) ceased to exist following reunification in 1990. Female labor force participation has traditionally been lower in West Germany than it has in other European nations, with priority given to maternal care for children at home. This is changing. Between 1961 and 1984, the proportion of married women in the labor force increased from 35% to 49% (Schiersmann, 1991). In 1987, 35% of married women with children under age 6 were in the workforce. Although female labor force participation rates were quite high in East Germany, unemployment among mothers since reunification endangers the institutions set up to accommodate them (Pettinger, 1993).

INCREASING SUPPLY

In 1987, spaces in kindergarten programs could serve about 80% of 3- to 6-year-olds (Schiersmann, 1991). Even this is not adequate because the majority are only part-day programs. Supply is greater in the former East Germany with about 95% of children covered (Pettinger, 1993). For children under age 3, the supply of spaces is very limited with spaces in publicly supported programs for only about 3% of children (Pettinger, 1993). In the informal private family day care market, there are an equal number of spaces, giving a total coverage of 5% to 6% of children under age 3—about 14% to 16% of children of working mothers. By contrast, in the former GDR, there were spaces for about 80% of children under age 3, and these were primarily full-time. Finally, only 4% of 6- to 10-year-olds had access to after-school care in the FRG compared to 81% who had it in the former GDR.

SUPPORTING FAMILIES WITH CHILDREN

Germany began paying child allowances in 1955, starting with the third child (Schiersmann, 1991). This was extended to the second child in 1961 and to the first some years later. Since the early 1980s, children's allowances have been reduced for higher-income families. In 1987, a family with three children would have received a monthly child allowance equal to about 9.5% of a white-collar worker's monthly wage and 12.5% of a blue-collar worker's monthly wage.

The second subsidy for children is an income tax exemption, equivalent to about 1 month's wage of a white-collar worker (Schiersmann, 1991). Low-income workers who do not benefit from the tax exemption receive a small monthly supplement to their child allowance. In addition, allowances for building new housing and for rent are available to all parents, and child support is available to single parents.

SUPPORTING MATERNAL EMPLOYMENT/FREEDOM OF CHOICE

The 1974 Protection of Mothers Act granted working women 6 weeks of job-protected leave prior to and 8 weeks following the birth of a child (Schiersmann, 1991). The maternity benefit was a fixed amount, with the difference between the average income and this benefit paid by the employer. The 1986 Federal Child Care Benefit Act (FCCBA) extended the entitlement to all mothers and fathers—not just working women. It provides a tax-free child care or child-rearing benefit of about 26% of a median blue-collar female wage for the first 6 months and on a means-tested basis after that. The purpose was to provide parents a choice of working or staying home and encouragement for one to stay home while children are young. To receive the benefit, one must live in Germany, care for the child, and not work full-time (more than 19 hours per week). Employed mothers receive the maternity benefit for the first 2 months, after which they receive the FCCBA. In 1990, the period of job-protected leave was extended to 18 months.

Because the benefit is small, single mothers may have to work full-time and forego the benefit or claim social assistance. Even so, in 1987 the child care benefit was claimed by 97% of those eligible—almost all mothers. Most used the leave without part-time work.

IMPROVING QUALITY OF CHILD CARE

As in the United States, quality is variable. Training of staff is the primary focus of efforts to improve the quality of care. Staff are poorly paid and have a high rate of turnover (Pettinger, 1993). Although there are currently no standards for family day care, Germany plans to develop such standards.

HUNGARY

Following World War II, Hungary embarked on a program of massive modernization by full employment through industrial development and collectivization of agriculture. Wages were low because services such as health care and housing were subsidized. Women's employment increased dramatically during the 1950s and 1960s. In 1989, 73.9% of women ages 15-54 were active in the labor force and 8% were on child care leave (Adamik, 1991, Table 1). Almost all were employed full-time. It was soon recognized that responsibilities for children increased absenteeism among mothers and raised the cost of hiring them. Child care centers alone could not meet the demand. Consequently, benefits were provided to help mothers stay home and raise their families.

SUPPORTING MATERNAL EMPLOYMENT

All working mothers are entitled to a paid maternity leave that allows 4 weeks prior to and 20 weeks following the birth of a child. The payment is related to length of employment (Adamik, 1991). In 1967, the child care grant was first instituted. This is a flat-rate tax-exempt grant and job-protected leave to mothers who withdraw from the workforce for up to 3 years to care for their children at home. Fathers are eligible after the child is 1 year old. The value of this benefit has not kept up with inflation, however. The average value of the grant in 1987 was only 24% of the average national wage and about 55% of the child care allowance. In 1985, a child care allowance was instituted. Unlike the grant, the allowance is wage related and taxable; like the grant, it includes job protection. However, it requires a longer period of employment for eligibility and covers only the first 2 years.

SUPPORTING CHILDBEARING

Upon childbirth, all mothers are entitled to the Maternity Grant, which amounts to about 90% of the average monthly wage (Adamik, 1991). A second benefit is the family allowance, a flat amount per child equivalent to about 10% of the average monthly wage. Other benefits include housing, food, and clothing allowances.

INCREASING SUPPLY AND QUALITY OF CHILD CARE PROGRAMS

In Hungary, nearly 90% of children ages 3-6 attend kindergarten (Adamik, 1991; Nemenyi, 1993). In 1988, child care centers, which provide care for children from age 6 months to 3 years, enrolled about 12% of children under age 3. The availability of the child care grant and allowance has led to a decline in the use of centers for this age group. This is attributed to parental concern about the overcrowding and low quality of center-based care, low wages, and poor working conditions (Nemenyi, 1993). The future of these social benefits is uncertain as Hungary struggles to overcome serious economic and social difficulties due to the sudden breakup of the former Soviet bloc.

FRANCE

French family policy originated during the 19th century in attempts to link wages with family needs—the so-called "family wage" (David & Starzec, 1991). The first such benefits, therefore, were wage supplements. Unfortunately, an unintended and undesirable effect was to make employers reluctant to hire family heads. Consequently, new policies were needed.

SUPPORTING CHILD REARING

In early 1921, a private centralized fund called the family allowance fund was established to pay such supplements, which became compulsory in 1932. This benefit was eventually structured to increase with each child and to reflect the total number of children in the household. Finally, in 1946 the scope of the family allowance was extended, a housing allowance was added, and the "quotient familial"—which adjusts taxable income for the size, structure, and composition of the family—was added to the tax code.

During the 1970s, policies to encourage families to have a third child were established by including a family supplement and a grant on the birth of the third child, as well as other privileges. These policies were continued during the 1980s through increased family allowances, doubling of postnatal benefits, and an increased quotient familial for the third child.

Created in 1985 to replace earlier supplements, an "allowance to young children" provides a monthly stipend of about 11.5% of the median monthly wage from the fourth month of pregnancy to the third month after childbirth. Families who are income eligible may receive this supplement up until the child's third birthday. Allowances for single parents, for large families, and for back-to-school expenses were made available during the 1970s and 1980s.

SUPPORTING WORKING MOTHERS

Maternity leave was created in 1946 to enable parents to stop working for 16 to 18 weeks, on average, following a birth and be able to return to the same job (David & Starzec, 1991). With benefits, which are paid at a rate of 84% of basic earnings, come responsibilities. To receive these benefits, the mother is required to participate in a prescribed regimen of prenatal care and to obtain regular postnatal and well-baby care for the child. Beginning in 1977, parents are eligible for either a parental education leave or half-time work for up to 2 years after the end of maternity leave (David & Starzec, 1991). If the child is the third, parents are also entitled to a child-rearing allowance with a benefit amount more than half the minimum guaranteed wage.

Families with employed parents that employ a person in their home to care for a child under age 3 are eligible for an allowance (David & Starzec, 1991). Finally, the cost of caring for young children privately because of employment can be deducted through the income tax system.

INCREASING SUPPLY

It was estimated that, in 1990, 29% of children ages 0-3 and almost all (98%) of children ages 3-5 were enrolled in a licensed or registered group care experience (Combes, 1993). For 3- to 5-year-old children, these consisted of public and private preschools. The quality of publicly supported programs is quite high (Richardson & Marx, 1989). For children ages 0-3, 12% were attending preschool or kindergarten, 4% were in day care centers, 11% were in registered family day care, and 2% were in drop-in centers. The remainder were in the care of an approved mother's helper, in the care of the mother, or in other arrangements.

DISCUSSION

POLICIES THAT INCREASE SUPPLY

European policies vary depending on the age of the youngest child. Most European nations have developed policies to facilitate childbearing and child rearing by a parent when children are young, and policies to provide universal access to early childhood programs dominate among older preschoolers (ages 3 to 5 or 6) (Kamerman, 1991). In this respect, the United States and the European nations differ.

U.S. policies have differed less by the age of the youngest child, although age has played an implicit if not explicit part. For example, Head Start primarily serves children ages 3-5. The Family Support Act mandates participation in employment and training to families with children ages 3 and older. Such restrictions are based on judgments of the effects of extensive maternal employment and out-of-home care during the child's first years of life—that is, judgments as to at what ages children will benefit or at least not be harmed (Clarke-Stewart, 1989).

In all of these European countries, the goal is to provide care and education for all 3- to 5-year-olds. Enrollment of older preschoolers is extensive in all countries. The highest coverage is in France and Hungary, where 90% to 98% of 3- to 5-year-olds are enrolled in publicly funded full-day programs. Germany and Hungary cover 80% to 90% of children in part-day state and local government programs. In Sweden, the coverage is slightly lower, with 7 out of 10 covered in publicly funded programs. In the United States, issues of expanding supply are left primarily to market forces or to individual states. Low-income families constitute an important exception. Even so, enrollments in early childhood programs have been increasing; 60% of older preschoolers (ages 3-5) in the United States are in early childhood programs.

Policies for younger children (ages 0-2) are more diverse. France is expanding coverage to include this age group. Others have extended their maternal leave policies into the child's second year (Sweden, Germany) or third year (Hungary). Of the nations discussed in this article, the coverage of infants and toddlers in center-based programs and family day care is highest in France (29% of children ages 0-3) and lowest in Germany (3% of those ages 0-3). As in the case of older preschoolers, the United States allows market forces to determine the supply. In the United States, about 15% of children ages 0-2 are covered by center-based programs. Except in the United States, care for infants is provided largely by parents who are on maternity and/or parental leave. The availability of formal center-based programs for infants is very limited in the United States; therefore, these very young children who are not in the full-time care of their parents are cared for by family day care providers, by unrelated in-home providers, and by relatives. Because infant care is very expensive and hard to locate, parents may not be able to purchase high- quality programs for infants and thus may place their children at risk.

POLICIES THAT SUPPORT MATERNAL EMPLOYMENT

Tax Relief

Besides the United States, both France and Germany provide a tax credit or deduction for child care expenses for two-parent dual-earner families or those with a single working parent. A credit is available for up to 25% of the actual cost of child care in France compared to 20% to 30% up to a maximum in the United States, depending on income. As in the United States, this provision in France does not assist those who pay no income taxes. In Germany, the cost of domestic child care help can be offset against taxes, up to a maximum of approximately $7,400. Only very wealthy families benefit from this provision.

Parental Leave

The major benefit that is offered in the four European nations considered in this article is parental leave with earnings replacement (Kamerman, 1991). Paid leave with job reinstatement rights varies from 16 weeks in France to 15 months in Sweden, 18 months in Germany, and up to 3 years in Hungary, with the other nations falling in between. The level of wage replacement varies across nations from 60% to 100% of the insured wage, and also varies with the length of leave and the length of previous employment. This benefit is generally tax free.

Although U.S. levels of female labor force participation are not as high as they are in many European countries (Table 1), the United States has a higher proportion of mothers of children under age 1 actually at a job, and 40% of the children of employed mothers have a nonparental care arrangement.[2] The reason is that almost all European mothers take parental leave whereas (as of this writing) few U.S. mothers have extensive and paid leave available to them.

Other Policies

All four European nations and the United States offer benefits that assist working parents in managing their work and family responsibilities. For example, Sweden permits parents to reduce their hours to 6 per day up until the child's eighth birthday (without pay) (Sundstrom, 1991). Sweden, Germany, and Hungary provide paid leave so that parents can care for ill children at home. French preschool programs for 2½- to 6-year-olds are universal, are free, and cover just about all children whose parents want them to attend. If space in publicly funded programs is limited, France and Germany give priority to working parents.

POLICIES THAT EASE THE FINANCIAL BURDEN OF RAISING CHILDREN

The United States and the four European nations discussed in this article provide a variety of benefits to all families with children. The United States, Germany, and France provide an income tax exemption or adjustment for each child in the family. France, Sweden, Germany, and Hungary provide child/family allowances. Hungary offers the largest set of benefits to new parents; it provides a cash payment to all new mothers (maternity grant). France offers a set of benefits to families with two or more children and additional benefits to those with three or more children. Other benefits are restricted to those who meet a set of eligibility criteria based on income or on income plus assets. Such benefits are available in all countries; in 1993, however, the United States provided 70% of benefits to low-income families through means-tested programs (Hofferth, 1993). The types of benefits provided in the four European nations include family allowance supplements; single-parent allowances; food, clothing, health care, and housing allowances; and priority for spaces in publicly funded child care programs.

POLICIES THAT PROMOTE PARENTAL CHOICE

Parental choice, in this context, can mean one of two things. First, parents choose whether or not a mother will be employed outside the home and, second, parents choose what type of care is used for children when the mother is so employed. Both of these choices can be affected by national policies.

The European nations promote choice of employment or nonemployment during the first year of life by providing job-protected maternity leave for employed mothers. The incentives are such that almost no mothers are actually at work (though they are still considered to be in the labor force) during the 6 months following the birth of a child. Whereas most European nations have such policies, others have made benefits or grants available regardless of previous employment status. For example, Germany provides a child care benefit to all parents for up to 18 months following the birth of a child regardless of previous employment status. The purpose of this policy is to encourage one parent to remain at home—a choice available to either parent. However, benefits that are not linked to previous employment are generally of less value than are those vested by virtue of previous employment and would not be enough to support a family. Therefore, two-parent families are more likely to take advantage of this benefit than are single-parent families.

Once the mother is employed, can parents choose the type of care they prefer? Choice of care can be affected by policies that increase the supply and quality and lower the cost of certain types of care. In all nations discussed in this article, both center-based care and family day care have been subsidized by public funds and are widely used, with center-based programs receiving the bulk of the subsidies. In the United States, relatives provide a substantial—though declining—proportion of care and can be subsidized if they meet relevant state regulations (Golonka & Ooms, 1991).

POLICIES THAT RAISE THE QUALITY OF EARLY EDUCATION AND CARE

European nations vary in their emphasis on quality. In Sweden, standards are "rigorously set and enforced" (Kamerman, 1991). Germany is focusing on the training and qualifications of providers. In France, although group sizes in preschool programs are much higher than would be acceptable according to professional standards in the United States, so is the level of training and education of the caregiving staff (Richardson & Marx, 1989). In the United States, the quality of early childhood programs has increasingly become a matter of concern as low salary levels, increased staff turnover, and high group sizes and child/staff ratios in center-based programs have been documented (Whitebook, Howes, & Phillips, 1990). Regulations are set at the state (or county) level and vary considerably from state to state; as a result, quality varies widely. However, during the debates on the recently passed legislation, state officials rejected any attempts to make such standards uniform across the United States, arguing that state circumstances differ considerably. The quality of the care children are getting is an issue still not widely explored cross-nationally, though a study of providers in 14 developed and developing nations is collecting such information for 3- to 4-year-olds (Olmsted, 1988).

COST OF THESE PROGRAMS

How do expenditures in these different countries compare with one another? One way to compare them is to examine the share of the national budget that expenditures for families with children comprise.[3] In 1988, the provisions for direct aid for families with dependent children in France amounted to more than 160 billion francs—3.2% of gross domestic product (GDP) and 13% of all social welfare expenditures (David & Starzec, 1991). This aid is distributed fairly evenly among families and is less a function of income than it is of the number and ages of the children. In Hungary, benefits for child care and maternity constituted 23% of social security expenditures in 1988—about 3.5% of GDP. The family allowance makes up the largest proportion of these benefits in Hungary (74%) (Adamik, 1991) and in France (47%) (David & Starzec, 1991). In Germany in 1989, 60,900 million DM were spent on direct payments (37%) and tax exemptions (63%)—3% of GDP. Of the direct money transfers, the children's allowance accounted for 61%. In Sweden during 1989-1990, total expenditures on child allowances, child support, housing, sick child leave, child care subsidies, and parental insurance benefits amounted to some 40,000 million Skr—about 3% of GDP. Child allowances accounted for about one quarter, child care subsidies one quarter, and parental leave another one quarter. In the United States, the $10 billion expended on child care and preschool programs in fiscal year 1993 amounted to about one half of 1% of the federal budget. Adding in federal expenditures on AFDC increases this to about 1% of the federal budget.

CONCLUSIONS: THE UNITED STATES RELATIVE TO EUROPE

The new U.S. child care legislation puts more money in the pockets of low-income families and provides new funds for the supply of and quality improvements in child care. In addition, newly passed parental leave legislation will protect parents' jobs while they care for newborns or sick family members. However, although it moves the United States forward substantially, it does not move the United States closer to the European nations that are most interested in easing the financial burden of raising children. It does not adequately solve the problem of care for infants, the group for which the supply of market-based child care is less available, for which the cost is highest, and for which quality is most critical because parental leave remains unpaid for the majority of American mothers. The United States spends a much lower percentage of its GDP on child care and family benefits than do any of the four European nations—France, Germany, Hungary, and Sweden—considered in this article.

NOTES

1. The number of days was subsequently reduced.
2. Among U.S. women having their first birth during 1981-1984, 44% had already returned to work 6 months after childbirth, increasing to 53% by the 12th month (O'Connell, 1990).
3. In the following calculations, the value of any income tax exemption is excluded for all countries except Germany.

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