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The Recovery and Resilience Facility as marble cake to strengthen European social citizenship? The case of childcare policies

Authors

Francesco Corti

Tomás Ruiz

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Authors: Francesco Corti is Associate Research Fellow in the Economic Policy and Jobs & Skills Unit at CEPS. Tomás Ruiz is Research Assistant in the Economic Policy and Jobs & Skills Unit at CEPS.

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Summary

Investing in children is of crucial importance to break the cycle of disadvantage, reduce inequalities and increase female employment. The Recovery and Resilience Facility (RRF) represents a unique opportunity for EU Member States to expand their offer of early childhood education and care (ECEC) services. Investing in the accessibility, affordability, quality and inclusiveness of ECEC indeed features prominently in the sixth pillar of the RRF. Accordingly, the purpose of this paper is to shed light on the role of the RRF in strengthening childcare policies and – notably – children's social rights. As a new financial instrument that links funding disbursement to the implementation of policy reforms, the RRF has a direct effect on the goals and contents of social rights, the actual production of legal resources, and the timing and quality of implementation, i.e. output production.

To examine the role of the RRF in strengthening ECEC and specifically social rights, this study focuses on six countries: Belgium (Wallonia), Germany, Italy, Poland, Portugal and Spain. First, it describes the key interventions included in the National Recovery and Resilience Plans (NRRPs), looking at both investments and – where relevant – reforms. It then assesses the relevance, expected effectiveness and coherence of the ECEC measures included in the plans.

Overall, it finds that prima facie some positive news has come from the NRRPs in terms of investment. The RRF is certainly a game changer in Italy, where the inflow of EU financial resources has opened a window of opportunity to finance infrastructural projects that would otherwise have remained on paper. Good news also comes from Spain, which has used the RRF to strengthen its supply of public services and especially to fill territorial asymmetries. Poland and Belgium are positive case studies, having both taken the territorial dimension into account in their allocation of RRF investments. Mixed assessments emerge in the cases of Portugal and Germany, where the increase in public ECEC places is good news and a social investment turn has already been seen, but the lack of territorial attention in the distribution of funds might widen any internal asymmetries that exist.

Moving to reforms, our analysis shows a mixed scenario. Poland is introducing an important reform aimed at reviewing the financing framework and introducing a set of binding minimum education and quality standards for childcare facilities. Spain is adopting measures to support the most disadvantaged children and to guarantee them free access to childcare. It recognises childcare as an educational service, and is introducing structural and procedural quality standards for childcare facilities. Yet, the other countries in the study are not engaging significantly with the structural problems characterising their childcare systems, at least in the framework of the RRF. While we have observed that countries like Italy and Belgium are de facto engaging in a set of important reforms in the framework of other EU initiatives, such as the Child Guarantee, the expected coherence between reforms and investments within the RRF still does not seem to be an assessment criterion concretely considered in the European Commission's assessment.

Keywords: Barcelona targets, Childcare, Child Guarantee, Education, European Union, National Recovery and Resilience Plans, Recovery and Resilience Facility

Deliverable 3.6- The Recovery and Resilience Facility as marble cake to strengthen European social citizenship? The case of childcare policies

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Work package	EuSocialCit is an interdisciplinary research project aiming to support the EU in strengthening social rights and European social citizenship. It evaluates the current state of social rights in Europe and their relationship to social inequalities, gender inequalities, poverty and precariousness, and diagnoses the shortcomings of current policies and institutions at individual country and EU level. The EuSocialCit project focuses on three domains in which social rights are important: the empowerment of citizens (e.g. education and activation), fair working conditions and social inclusion. Each of these domains are studied as part of WP3, WP4 and WP5 respectively. This report is produced as part of WP3, entitled *Empowerment through social investment.* WP3 focuses on social rights that are associated with the aspiration of empowerment; rights that enable citizens not only to share fully in the social heritage, but also to further develop this heritage (Marshall, 1950). Hence, WP3 examines policies that are commonly captured by the notion of social investment.
Web address	For more information about the EuSocialCit project, please visit www.eusocialcit.eu. EuSocialCit's output can also be found in its community on Zenodo: https://zenodo.org/communities/eusocialcit.

Contents

List of abbreviations

AC	Autonomous Community
CFR	Charter of Fundamental Rights
CG	Child Guarantee
CSR	Country-Specific Recommendation
ECEC	Early Childhood Education and Care
EPSR	European Pillar of Social Rights
ESF+	European Social Fund Plus
ESI	European Structural and Investment (funds)
FWB	Fédération Wallonie-Bruxelles (Brussels-Wallonia Federation, Belgium)
GDP	Gross Domestic Product
ISCED	International Standard Classification of Education
ISEE	Equivalent Economic Situation Indicator
M&Ts	Milestones and Targets
MTSS	Ministério do Trabalho, Solidariedade e Segurança Social (Ministry of Labour and Social Security, Portugal)
NGO	Non-Governmental Organisation
NRRP	National Recovery and Resilience Plan
OA	Operational Arrangement
OECD	Organisation for Economic Co-operation and Development
OMC	Open Method of Coordination
ONE	Office de la Naissance et de l’Enfance (Office for Birth and Childhood, Belgium)
RRF	Recovery and Resilience Facility
TEU	Treaty on European Union
TFEU	Treaty on the Functioning of the European Union

1. Introduction[1]

The purpose of WP3 of the EuSocialCit project is to shed light on social rights in the domain of social investment policies, and notably on the role of the European Union in affecting citizens' entitlements. To describe the EU's contribution to the construction of social rights, Ferrera et al. (2023) use the metaphor of 'marble cake', adapted from the literature on US federalism denoting a policy system in which the different levels of government are tightly intertwined with each other, to the point that it is difficult to identify which level is responsible for what. For example, in the US welfare system, unemployment benefits are partly funded by the federal government and partly by the states, which administer their own schemes. There is a national regulatory framework, but also wide margins of local discretion (Fischer et al., 2019). In other words, in 'coming together federations' social citizenship is indeed 'multilevel' but, especially in certain domains, the levels are so blended that ordinary citizens lose awareness of their presence and contribution to the benefits provided (Ferrera et al., 2023).

To capture the articulation of the emerging EU marble cake pattern, EuSocialCit distinguishes between policy inputs, conceived as bundles of individual power resources, and their outputs, i.e. the specific substantive content (cash or services) that eligible citizens can access, resulting from a production process orchestrated by public authorities. With respect to social rights, EuSocialCit develops a resource-based, multilayered conception of social rights, looking at them as bundles of three key power resources: normative, enforcement and instrumental. Social rights indeed confer **normative resources** by specifying the 'who' (the holder of the right), the 'what' (the type of benefit) and the 'how' (the manner of production and delivery). The presence of normative power resources, however, may still not be sufficient to guarantee the effective use of a right. For this reason, it is important that legal rights are accompanied by a set of additional safeguards, or **enforcement resources**, typically consisting of the faculty to access a third party (e.g. a judicial court) to obtain what is legally envisaged, or to settle disputes. To guarantee the actual use of a social right, however, support and procedural channels for making and satisfying claims must be made available. **Instrumental power resources** aim to support this.

In Alcidi and Corti (2022), EU social investment rights are explored by looking at the power resources that are guaranteed to individuals by the Union. It emerges that, despite the broad, coherent and rich framework for social investment principles offered by the EU, resources allocated to citizens remain quite limited, largely due to the limited or lack of competence of the EU on these matters. Citizens are

[1] This working paper in part draws on some of the reflections presented in Corti, F., Morabito, C., Ruiz, T. and Luongo, P. (2022), *The Role of the Recovery and Resilience Facility in Strengthening Childcare Policies*, FEPS Policy Study.

not legally entitled to any specific social investment right, except for parental and care leave related to work-life balance. Enforcement channels are also only limited to issues related to paid leave. Instrumental resources to facilitate access to social investment services are mostly limited to mobile EU citizens. That said, the EU's role in the production of social rights is not limited to the provision of individual power resources, but also includes the coproduction of policy outputs. Without the mobilisation of adequate financial and organisational resources for output production, as well as the design of the operational procedures for access on the side of rightholders, a social right risks remaining on paper, especially when it comes to social investment services. Policy outputs are the 'ropes' that must be attached by the state administration to identify and attract potential users and 'pull' them towards the benefits to which they are formally entitled (Sumarto et al., 2000).

The role of the EU in the production of social policy outputs is not negligible, and has traditionally been associated with the use of the Structural and Investment Funds (Fargion and Profeti, 2016). With the launch of the Recovery and Resilience Facility (RRF) in 2021, however, the EU put in place creative and innovative modes of output-oriented enactment and implementation of rights, by means of reform conditionality attached to financial assistance. Ferrera et al. (2023) observe that the RRF's conditionality directly affects the goals and contents of social rights, the actual production of legal resources, and the timing and quality of implementation, i.e. output production. A key innovative feature of the RRF lies indeed in its governance. To obtain the funds, Member States present detailed plans for investments and reforms. These should be in line with the European Semester's country-specific recommendations (CSRs). The European Commission then assesses the relevance and approves the plan based on the degree of alignment with the subset of challenges identified in the CSRs. Furthermore, the RRF introduces a new performance-based approach, which links the disbursement of financial support to compliance with an operational arrangement (OA) signed between the Commission and the national government, defining the specific milestones and targets (M&Ts) to be achieved within a fixed timeframe (Bokhorst and Corti, 2023).

Against this background, the purpose of this working paper is to test the extent to which the RRF enhances the EU's role in shaping social rights. To do this, we focus on early childhood education and care (ECEC) policies, which the EU has long advocated (see Annex II for a historical reconstruction). In the early 2000s, childcare policies were part of the employment strategy and notably a means to support female unemployment. In this context, in 2002 the European Council adopted the Barcelona targets on ECEC, which set targets for childcare at a 33% participation rate for children under three years and 90% for children under primary school age. The EU childcare agenda was then revitalised in 2013 with the adoption of the Commission Recommendation on Investing in Children, which introduced an important shift towards a child-centred approach that conceives nurseries as educational services and stresses the importance of early intervention and an integrated preventative approach. Yet, the most relevant initiatives occurred only recently, with the adoption of the 2019 Council Recommendation on High-Quality Early Childhood Education and Care Systems, the 2021 Council Recommendation establishing a European Child Guarantee and the 2022 Council Recommendation on the Revision of the Barcelona Targets[2]. The latter offers the most comprehensive approach to ECEC policies by inviting Member States to consider the time intensity of children's participation in ECEC, the inclusion of children from disadvantaged backgrounds and those with special needs, the quality of the services and their territorial distribution, affordability and accessibility, awareness of rights, and staff working conditions and skills.

It therefore comes as no surprise that the RRF Regulation also pays specific attention to ECEC. Investing in the accessibility, affordability, quality and inclusiveness of ECEC indeed features prominently in the sixth pillar of the RRF, dedicated to policies for the next generation. In its guidance to Member States, the Commission invites Member States to explain how their plans will promote policies for the next generation, in particular on ECEC, and thus how they will implement the objectives of the Child Guarantee (CG), one of the key aims of which is to 'guarantee effective and free access to high quality childhood education and care [including] at least one healthy meal each school day' (Council Recommendation (EU) 2021/1004, Article 4). Yet, compared to the previous EU initiatives in the domain of ECEC policies, the RRF marks a step forward, as for the first time it explicitly links the soft recommendations mentioned above, notably the CG, with EU funding. This poses the question of whether such new mechanism can reinforce the EU's capacity to steer national reforms and introduce new forms of social entitlement by means of positive fiscal conditionality.

The remainder of the paper is structured as follows. The next section illustrates our methodological approach, the selection of case studies and our hypotheses. Section 3 describes the key interventions included in the National Recovery and Resilience Plans (NRRPs), looking at both investments and – where relevant – reforms, in the areas of ECEC policies. Section 4 assesses the relevance, expected effectiveness and coherence of the ECEC measures included in the plans, and Section 5 concludes.

[2] The revision was first announced in the 2020-2025 Gender Equality Strategy, the EU Strategy on the Rights of the Child and the European Pillar of Social Rights (EPSR) Action Plan. It was tabled alongside the Commission's European Care Strategy on 7 September 2022 and finally adopted on 8 December 2022.

2. Case selection, hypotheses and methodology

Case selection and hypotheses

To investigate the RRF's capacity to steer national childcare policies in terms of both monetary output and power resource input, we decided to focus on six countries: Belgium (Wallonia)[3], Germany, Italy, Poland, Portugal and Spain. There are several reasons that justify our selection.

First, the six selected countries differ significantly in terms of the ECEC participation rate for children under three years old (Eurostat indicator). **Portugal** is by far the country with the highest participation rate (around 50%), followed by **Wallonia** in Belgium (48.4%) (*Office de la Naissance et de l'Enfance* (ONE), 2021). **Spain** is the third highest-performing country, with a participation rate of around 40.2%, followed by **Germany** at 31.3% (Bertelsmann Stiftung, 2022). Italy has a lower participation rate (around 26.9%) (ISTAT, 2021), falling short of the 33% Barcelona target set by the European Council. Finally, **Poland** has the lowest participation rate of all six countries, at 17.5% in 2020.

In terms of budgetary effort[4] dedicated to childcare policies, again the countries seem to follow different strategies. Belgium and Germany are the countries that invest the most in early childhood education per number of pupils up to three years of age, with a significant increase between the early 2000s and the post-Great Recession period. Next are Spain and Poland, with the latter experiencing a net increase in its spending per targeted population in the period immediately following its accession to the EU. Italy and Portugal recorded the lowest budgetary effort in childcare, which remained the same on average over the three periods, albeit slightly higher in Portugal before, during and after the financial crisis.

As observed in deliverable 3.4 (Westhoff et al., 2022), beyond the budgetary effort, institutional factors are important in explaining children's access to facilities. Taking insights from the analytical framework developed in deliverable 3.4, we identify three key dimensions characterising childcare services, which ultimately affect children's take-up of childcare facilities: **availability**, **affordability** and **quality**. These dimensions are further broken down into sub-dimensions. In brief, the availability of childcare services is defined first by the existence of a legal entitlement[5], then by how the childcare is

[3] In Belgium, competences with regard to childcare policies are entirely at the level of the language communities, with funding coming from the regions. In the case of the RRF, each region has presented its plan. Only Wallonia has included ECEC investment in its plan, and accordingly we have only focused on this region (for more details on the Belgian ECEC system, see Annex I).

[4] The budgetary effort variable is expressed in per capita terms, scaled down to the target population, and measures general government public spending per possible beneficiary. In the case of childcare, this means the total spending per child aged 0-3.

[5] The more expansive the legal entitlement, the greater the positive effect. When a child can be refused a place based on

provided (which provider)[6] and by geographical coverage. Affordability is affected by the fee structure set out in legislation that determines the costs for parents and the share of public-private providers[7]. Quality can be operationalised both in structural terms (e.g. maximum group size, child-to-staff ratio and education level of childcare staff) and in terms of process at the organisational/staff level (e.g. what happens in the setting, the play and learning environment, child-teacher and child-child interaction, and interaction with parents)[8]. Based on this analytical framework, the selected countries' institutional settings differ significantly.

The table below summarises the key institutional features of the countries in the study. Briefly[9], what we observe is that the selected countries not only have different participation rates in childcare facilities for children under three years of age and different budgetary efforts, but they also have different institutional settings. Portugal and Germany both have a majority of publicly funded, private not-for-profit crèches. Belgium has a large majority of publicly funded childcare services. Half of the services in Italy and Spain are provided by private actors and half by the public, while Poland has a majority of private providers. In terms of funding mechanisms, these change significantly across countries. In Italy, the municipalities receive funding from the national government. In Spain, the regions are the beneficiaries of the funding, while in Portugal the government supports private not-for-profit providers directly. In Germany, the funding is entirely managed at the municipal level, while in Belgium it is done at the regional level. The net cost for parents also varies significantly across the countries, depending on the support policies for parents and especially for the most disadvantaged households. In terms of quality, in Spain and Portugal low salaries, temporary contracts for staff and the lack of national standards on the minimum number of hours affects the (non-)take-up of childcare services. By contrast, in Germany, Wallonia (Belgium) and Italy the quality is higher, but with large differences among territories and important differences based on the providers (public or private for/not-for-profit). In Poland, no quality standards exist (e.g. no official qualification requirements for staff).

Despite the different institutional settings and budgetary efforts, the countries in the study are affected by similar challenges that hamper the affordability, availability and accessibility of childcare services. As discussed in more detail in Annex I, the asymmetrical geographical distribution of

preferential criteria, such as parental employment, income or siblings, service provision may be more restricted (Yerkes and Javornik, 2019).

[6] Market provision (for profit); state provision; and mixed provision, whereby childcare is provided through formal, private not-for-profit organisations with public subventions.

[7] When the government funds services, in some cases fees are directly set or capped by the government, and in others they are based on a sliding scale, with discounts for certain groups (or no fee for the lowest income households).

[8] Ibid.

[9] In Annex I, we provide a more detailed account of the institutional design of each of the case studies, and present the key challenges.

nurseries both between and within regions characterises all case studies. In terms of providers, in Germany the level of financing varies between territories, as do contributions to enrol low-income children (those from poorer areas or less accessible places). Children from disadvantaged socio-economic groups also face difficulties in accessing childcare services in Wallonia. Financial barriers to access to childcare in part still reduce the benefits of having introduced an individual right to childcare in Germany. In Spain, Poland and Italy, the large share of private providers undermines access for lower-income children. In Spain, the low level of coordination between communities and the national level, as well as the low efficiency of existing income-related criteria to access childcare, negatively affect lower-income households. The low quality of service negatively affects take-up in Portugal and Spain.

Table 1. Childcare provision in Wallonia, Germany, Italy, Poland, Portugal, and Spain: availability, affordability and quality

		Wallonia (Belgium)	Germany	Italy	Poland	Portugal	Spain
Availability	**Legal entitlement**	No	Yes	No	No	No	No
	Main providers	Public (78%) and private for-profit (22%)	Public (33%) and private non-profit (67%)	Publicly funded, public or non-profit (51%) and private for profit (49%)	Public (36%) and private (64%)	Public (3%), publicly funded private non-profit (80%), private for profit (17%)	Public (52%) and private for profit (48%)
	Coverage[10]	48% (0-3 years) 36.8% (0-2.5 years)	28.7% with strong regional differences	26.9% with strong differences across regions and municipalities	17.5% with strong differences between rural and urban areas	48.8% with less coverage in Porto, Lisbon	40.2% with strong regional differences
Affordability	**Funding mechanism**	Comes from ONE in Brussels Capital Region and in Wallonia Financial contribution by parents as well as based on their income (parents' financial contribution)	Regional variation as a result of decentralisation Municipality is responsible for the large majority of funding for ECEC, with limited involvement from the regional and, particularly, federal government	Central government allocates resources to local authorities Costs shared by municipalities and families Discretion in funding (regions/municipalities) Public centre can be directly or indirectly managed by third parties (but publicly funded) Private centres are always privately managed but can receive some public contribution	Communes and other local government units, targeted state grants and EU funds Costs are shared between parents and communes. Regional disparities	State allocates resources to private non-profits	State allocates resources to communities Costs shared, to different degrees, between autonomous communities (ACs)/municipalities and families Discretion in funding (ACs/municipalities) Public centres can be directly or indirectly managed (but publicly funded) Private centres are always privately managed but can be publicly funded
	Net cost for parents (% household income) (OECD)	9% (couple) 6% (single)	5% (couple) 2% (single)	6% (couple) 2% (single)	13% (couple) 8% single	4% (couple) 5% (single)	6% (couple) 7% (single)
	Ad hoc policies for disadvantaged groups	If a family has two children, one of whom is disabled and for whom the family receives increased family	Staggered fees for disadvantaged groups	Depends on municipality	Depends on local services and private initiatives	Free attendance for all children whose families are in the lowest family contribution brackets for	Depends on AC

[10] For Spain and Germany, data on the total number of places available are not provided. However, the numbers presented in the table are based on the assumption that the number of children enrolled is equal to the level of coverage, since the level of demand for places exceeds the level of supply in these countries.

			Wallonia (Belgium)	Germany	Italy	Poland	Portugal	Spain
			allowances, the child represents two units and obtains a 30% reduction				social services and support	
	Supporting policies		Tax relief for parents for each financially dependent child in education, with no age limit. Under certain conditions, tax-deductibility for childcare costs for children under 12 (or even 18 for children with heavy disabilities). Additional benefits are granted by the federal state ('increased contribution')	Subsidies depending on *Bundesland*	Tax deduction (19%) for childcare attendance and 'childcare bonus' (up to EUR 1 500 based on household income)	Family allowance, depending on the household income and 'Family 500+' benefit	Universal child benefit, with progressivity in relation to family income and age of child (highest amount for lowest income – for a child up to 36 months, EUR 149.85) Unemployment allowance Social minimum income	Tax credit scheme for working mothers with children under the age of three (EUR 1 200 per year) Bonus for childcare expenses in authorised centres (EUR 1 000)
Quality	**Structural**	**Educator-pupil ratio**	1:7 (centre-based childcare settings) 1:5 (home-based childcare settings)	1:3.9	Depends on region (varies from 1:5 to 1:10)	1:5 (children under 1) to 1:8 (children aged 1-3)	1:10 (children under 1) to 1:18 (children aged 1-3)	1:8 (children under 1), 1:10-14 (children aged 1-2), 1:16-20 (children aged 2-3)
		Educator ISCED[11]	ISCED level 3-5	ISCED level 6	ISCED level 6	No specific qualifications required	No specific qualifications required	ISCED level 5
		Number of hours	From 06:00 to 19:00	Depends on autonomous *Land*	Depends on municipality	Depends on crèches' organisational regulations	Almost all crèches between 7:00-8:00 and 18:00-19:00	Depends on AC
	Procedural		Educational guidelines at community level Process quality high	Educational guidelines at regional level Process quality high	Educational guidelines at national level Process quality high	No educational guidelines Process quality low	No educational guidelines Process quality low	Educational guidelines at community level Process quality low

Source: Authors' compilation, based on Corti et al. (2022).

[11] International Standard Classification of Education.

The different performances in terms of the share of children aged less than three years in formal childcare, as well as the different budgetary efforts and institutional capacities, also explain in part the different levels of attention that the EU devoted to these countries in the context of the European Semester. As stressed above, reforms and investments included in the RRF plans should reflect the challenges identified in the 2019 Semester CSRs. Accordingly, we might expect that the measures included in the plans and their degree of ambition vary depending on the pre-COVID challenges identified in the CSRs. In this respect, Belgium, Spain and Portugal emerge as best or better than average performers, and did not receive any CSRs on this topic. Germany and Italy' performance is average but only the latter received a CSR. Finally, as the worst performer, Poland received CSRs on childcare. In the case of both Italy and Poland, attention to childcare is linked to support for female employment, rather than tackling inequalities and increasing children's opportunities.

While the pre-COVID challenges certainly affect the likelihood of including ECEC reforms or investments in the RRF plans, a second factor to be taken into account is the size of the RRF envelope. As observed by Corti and Vesan (2023), the larger the size of the envelope, the higher the demand for ambitious plans in line with the Semester CSRs. In this respect, the RRF receipts (relative to gross domestic product (GDP)) of the countries in the study vary widely. Spain, Italy, Poland and Portugal received a larger envelope, equal to EUR 69.5 billion (Spain, 5.8% of national GDP), EUR 68.9 billion (Italy, 3.9% of national GDP), EUR 23.9 billion (Poland, 4.15% of national GDP) and EUR 13.9 billion (Portugal, 6.58% of national GDP)[12]. Conversely, Germany and Belgium received a smaller share of their national GDP, equivalent to EUR 25.6 billion (0.72% of national GDP) and EUR 5.9 billion (1.2% of national GDP) respectively.

With these premises in mind, the table below presents the list of interventions included in the NRRPs of the countries in the study, distinguishing between reforms and investments, and including a reference (where relevant) to the CSRs and the Social Scoreboard.

Table 2. Synoptic table on alignment of NRRPs with the social CSRs, Social Scoreboard and EPSR principles

Country	Social Scoreboard- Children aged less than 3 years in formal childcare (2020)	CSRs 2019-2020	Reform(s) included in NRRP	Investment(s) included in NRRP
BE	Best performer	-	-	4.13 Creation and renovation of early childcare infrastructure in the Walloon region
DE	On average	-	-	C4,1,I1 Investment programme Childcare financing 2020-2021: special fund for child day care expansion

[12] For Italy and Portugal, these figures refer only to grants.

Country	Social Scoreboard- Children aged less than 3 years in formal childcare (2020)	CSRs 2019-2020	Reform(s) included in NRRP	Investment(s) included in NRRP
IT	On average	**CSR 2019(2)** Support women's participation in the labour market through a comprehensive strategy, including through access to quality childcare	-	I1.1 Plan for nurseries and preschools and ECEC services
PL	Critical situation	**CSR 2019(1)** Take steps to increase labour market participation, including by improving access to childcare	A4.2 Reform to improve the labour market situation of parents by increasing access to high-quality childcare for children up to the age of three	A4.2.1 Support for childcare facilities for children up to three years of age (nurseries and children's clubs) under the Maluch+ programme
PT	Better than average	-	-	RE-C03-i01 New generation of equipment and social responses
ES	Best performer	-	C21.R1 New Organic Law on Education	C21.I1 Promoting ECEC

Source: Authors' compilation.

Methodological approach

To assess the contribution of the RRF plans to supporting childcare policies, we first provide a detailed description of the measures included in the plans. To this end, we rely on the database created in the framework of the CEPS RRF Monitor project. The data collected include the following elements:

- type (reform/investment) and size of intervention,
- timeline for implementing the projects,
- level of governance involved (national or sub-national),
- distribution of investment at regional or local level.

The data on the RRF measures are then integrated with the measures included in the CG action plans. As stressed above, the RRF Regulation not only highlights policies for children as a key priority, but also points to the CG as a framework to use in identifying the RRF plans' priorities. At the same time, the Child Guarantee Recommendation explicitly refers to the RRF as an instrument that offers additional Union funding for reforms, investments and policies for children. By looking into the CG action plans, the objective is to explore whether there are any synergies between these two EU instruments.

As a second step, taking insight from the resource-based approach of EuSocialCit (Vandenbroucke et al., 2021), the NRRPs are assessed based on their contribution to children's empowerment by looking at three criteria: relevance, effectiveness and coherence.

- Relevance: we assess the extent to which the proposed measures address any of the challenges of the childcare system, as identified in Annex I.
- Effectiveness: we assess the credibility and feasibility of the measures included in the plans by looking at the system in place (M&Ts) to monitor their implementation.
- Coherence: we assess the degree to which the investments and reforms included in the plans are mutually reinforcing and consistent with the EU objectives.

Our assessment of the relevance, effectiveness and coherence of the measures is informed by 18 interviews with national public officials in charge of drafting the recovery plans at ministerial level (Ministry of Finance and/or Social Affairs), Commission representatives (from the Directorate-General for Economic and Financial Affairs and the Secretariat-General), officials in charge of the country desks and national experts in childcare policies. We use semi-structured interviews to identify the country-specific challenges to be addressed by the RRF, those still left unaddressed, the degree of expected effectiveness of the measures in place, and the coherence between investments and reforms.

Finally, we identify the potential risks that may arise from the measures included in the plans and the potential elements that remain to be addressed after their implementation. This step builds on the combination of the two previous ones, and tries to identify potential obstacles and/or delays currently being encountered in the implementation of the plans.

3. Childcare reforms and investments under the National Recovery and Resilience Plans and the Child Guarantee

RRF Belgium

Unlike the other Member States in the study, the Belgian RRF plan is composed of three sub-plans, corresponding to the three federal entities that make up the country: Wallonia, Brussels-Capital, and Flanders. Only the Wallonia plan includes an investment measure for the 'Creation and renovation of early childcare infrastructure', for a total amount of EUR 61.40 million. The purpose is to improve the coverage of early childcare services through the construction and energy-efficient renovation of childcare facilities. The investment provides financial support directly to the *communes* (municpalities), more precisely to those with lower childcare coverage, a lower female employment rate, lower per capita income and a higher share of single parents. Two targets are to be achieved under this intervention. First, by the third quarter of 2023, the operators of 15% of the newly created childcare places (255 out of 1 700) should be awarded works contracts. Second, by the third quarter of 2026, all 1 700 new childcare places should be available in Wallonia, including those created not only as a result of the construction of new buildings, but also following the renovation of existing buildings.

Further details emerge from a reading of the plan presented by the Belgian government. The 1 700 places created and directed towards the municipalities that best fit the criteria (see Table 3 below) will be complemented by the creation of 1 960 places to be financed by the regional budget. In addition, the plan presented by the government identifies the 35 municipalities that best fit the above-mentioned criteria, and thus those that will be the subject of a call for projects. The investment included in the NRRP has been incorporated as part of an investment strategy called 'Plan Equilibre 2021-2026', more precisely within the 'Plan Cigogne +5200', which aims to create more than 5 200 new childcare places. Four additional *communes*[13] have been added to the 35 identified in the plan, thus making 39 *communes* that will benefit from the plan's intervention.

Looking at the administrative acts already published by Wallonia, and more precisely at Article 13 of the ONE management contract for 2021-2025, we see that the main criterion used to distribute the funds is the coverage rate[14]. Article 15 includes other criteria that have been mentioned in the plan approved by the Council (see above), but these are treated as supplementary criteria, as specified in

[13] Amay, Dour, Liège and Merbes-le-Château.
[14] Article 13 states that: 'Eligible projects whose implementation is planned in one of the municipalities targeted by Walloon strand 1 are ranked by municipality on the basis of the subsidised coverage rate, with priority given to the lowest rates'.

paragraph 1 of the same article[15]. As with Italy and Poland, municipalities will have to apply for funding. In the table below, we illustrate the distribution of places across *communes*, the number of places still needed to achieve the 33% Barcelona target as well as the additional investment needed considering that the costs per place are EUR 34 946. As can be observed, most of the *communes* will achieve that target after the intervention.

Table 3. Key statistics on the impact of Belgian RRF investments on the availability of childcare places

Commune	Coverage (2020) (%)	Places (2020)	Places needed to reach 33% target	RRF investment (EUR)	Places NRRP (estimation)	Increase in places (%)	Places gap	Additional investment needed (EUR)
Aiseau-Presles	22.5	60	28	1 533 452	44	73	0	0
Amay	28.0	99	18	1 755 267	50	51	0	0
Andenne	33.7	244	-	1 364 672	39	16	0	0
Anderlues	19.1	62	45	1 600 141	46	74	0	0
Ans	31.2	228	13	1 613 443	46	20	0	0
Bernissart	21.5	63	34	1 586 477	45	72	0	0
Beyne-Heusay	41.6	112	-23	1 273 961	36	33	0	0
Binche	19.1	150	109	1 676 210	48	32	61	2 129 094
Cerfontaine	21.6	26	14	1 551 855	44	171	0	0
Chapelle-lez-Herlaimont	26.5	95	23	1 575 327	45	47	0	0
Charleroi	26.0	1529	410	1 489 586	43	3	368	12 843 912
Châtelet	19.7	178	120	1 639 604	47	26	73	2 565 230
Colfontaine	22.8	134	60	1 736 153	50	37	10	349 856
Comblain-au-Pont	38.2	46	-	1 519 126	43	95	0	0
Courcelles	26.6	206	50	1 527 298	44	21	6	218 208
Couvin	43.5	144	-	1 405 021	40	28	0	0
Dison	14.9	72	87	1 683 650	48	67	39	1 365 358
Dour	31.7	132	5	1 350 997	39	29	0	0
Engis	33.0	62	0	1 473 631	42	68	0	0
Erquelinnes	20.8	52	31	1 567 291	45	86	0	0
Farciennes	13.2	40	60	1 717 687	49	123	11	379 067
Flémalle	30.4	216	19	1 592 280	46	21	0	0
Fleurus	41.7	247	-	1 317 563	38	15	0	0
Fontaine-l'Évêque	32.9	144	0	1 522 118	44	30	0	0
Grâce-Hollogne	18.2	116	95	1 643 949	47	41	48	1 660 574
Herstal	29.6	330	38	1 566 960	45	14	0	0
La Louvière	25.2	521	163	1 507 001	43	8	119	4 175 846
Lessines	23.1	109	47	1 643 833	47	43	0	0
Liège	36.4	1 998	-	1 403 037	40	2	0	0
Manage	10.4	65	140	1 889 907	54	83	86	3 018 590
Merbes-le-Château	11.6	12	22	1 749 548	50	417	0	0
Mons	36.4	839	-	1 455 473	42	5	0	0
Morlanwelz	18.0	86	72	1 672 914	48	56	24	840 742
Quaregnon	15.7	79	87	1 703 434	49	62	38	1 334 948
Saint-Nicolas	30.2	206	19	1 596 210	46	22	0	0
Sambreville	34.1	244	-	1 572 598	45	18	0	0
Seraing	17.0	308	292	1 693 574	48	16	243	8 498 266

[15] The article reads as follows: 'If the criteria referred to in Articles 13 and 14 prove to be insufficient, the projects shall be ranked according to a composite index considering the following criteria according to the following weightings: 1° the overall coverage rate, 10 points; 2° the coverage rate of subsidised places, 35 points; 3° the socio-economic situation of the geographical entity, measured by the average or median income, the single-parenthood rate and the employment rate of the female population, each of these three criteria being worth 5 points; 5° accessibility to meet the reception needs resulting from particular social situations, 10 points; 6° accessibility and location of the infrastructure, 10 points; 7° infrastructure, the energy objectives pursued and the quality of the building, 20 points. The composite index referred to in paragraph 1 is expressed in percent. If the project does not apply for an infrastructure subsidy, this composite index is calculated on the basis of the first six criteria'.

Commune	Coverage (2020) (%)	Places (2020)	Places needed to reach 33% target	RRF investment (EUR)	Places NRRP (estimation)	Increase in places (%)	Places gap	Additional investment needed (EUR)
Verviers	25.4	421	127	1 566 456	45	11	82	2 865 778
Viroinval	16.0	20	21	1 662 278	48	238	0	0
WALLONIA	38.0	34 731	-	61 400 000	1 757	5	0	42 245 476

Source: Authors' calculations based on the *Arrêté du Gouvernement de la Communauté française portant approbation du contrat de gestion de l'Office de la Naissance et de l'Enfance 2021-2025* and WalStat statistics.

As can be observed above in the definition of the municipalities that could benefit from this investment, Belgium has concentrated on those that were lagging behind. Most of the municipalities will achieve the 33% target.

With respect to synergy with the CG, the investment illustrated above is included in the Belgian plan. In addition, the CG includes a series of actions at the level of the Brussels-Wallonia Federation (*Fédération Wallonie-Bruxelles* (FWB)). In 2019, the FWB introduced a new legal framework regarding free education, with a decree enhancing free access to education by limiting the perimeter of school costs that can be claimed for pupils in nursery education and making additional resources available to schools in return. The CG envisages additional measures to gradually extend these efforts. Furthermore, the CG includes a new strategy to improve childcare accessibility that is based on the 2021-2025 programme of the *Office de la Naissance et de l'Enfance* (ONE)[16]. The strategy builds on seven actions:

1. Creating and subsidising new childcare places (in part financed via the RRF), giving priority to disadvantaged areas where coverage is often the lowest.
2. Care reform, implementing a change in practices to improve accessibility and monitor compliance with enrolment criteria in childcare to combat exclusionary mechanisms.
3. Encouraging optimum use of existing care places for the benefit of vulnerable groups, and promoting practices for increased accessibility.
4. Revising the scale of financial contributions from parents in subsidised childcare, with a view to increasing accessibility for the lowest income groups.
5. Building up a local network to make care facilities more open to their neighbourhoods and ensure that more vulnerable children actually use the care services.
6. Initiating activities that develop culture in infants and toddlers.

[16] Office of Birth and Childhood.

7. Enhancing the training of childcare professionals and expanding continuing professional development on themes relating to participation, respect, protection and compliance with the rights of the child and inclusion of children with disabilities.

RRF Germany

As a part of component 4.1, 'Strengthening of social inclusion', the **German** government is incorporating the intervention 'Childcare financing 2020-2021: special fund for child day care expansion', providing EUR 500 million from the RRF and EUR 500 million from the national budget in financial support to the *Länder* (regions), with the aim of creating new childcare facilities and refurbishing existing ones. The investment will lead to the creation of 90 000 additional places. The intervention was already included in the German amendment of the Childcare Financing Act and in the Federal Financial Assistance Act adopted at the end of 2020. By the fourth quarter of 2023, an interim report is expected to be published on approved and newly created childcare places and investments in equipment, while by the fourth quarter of 2025 the *Länder* shall submit their final report confirming the creation of 90 000 places in child day care facilities (*Kindertageseinrichtungen*) and child day care services (*Kindertagespflege*). With respect to the distribution of funds, according to Section 27 of the Law on federal financial aid for the expansion of day care for children (*KitaFinHG*) the only criterion used was the number of children in each *Land*. Like in Spain, once the funds have been allocated to the *Länder*, they have responsibility for the implementation of the federal financial assistance, as they have to produce specific funding guidelines that regulate the application, approval and use of the funds.

In Table 5, we estimate the number of places that can potentially be created based on an average construction cost per place of EUR 20 576[17]. We observe that the RRF will increase the number of public places by 13% on average, with slightly higher percentages in the western *Länder*, typically lagging behind in coverage. Nowhere is the envisaged investment enough to achieve the 33% target in those *Länder* that were already lagging behind.

Table 4. Key statistics on the impact of German RRF investments on the availability of childcare places

Region	coverage (%)	Number of public places	Places needed to reach 33% target	Investment RRF (EUR million)	Places NRRP	Increase in places (%)	Places gap	Additional investment needed (EUR million)
Baden-Württemberg	24.1	79 213	29 253	136.47	12 283	16	16 970	349
Bavaria	27.1	104 590	22 771	159.81	14 383	14	8 388	173
Berlin	41.1	48 040	0	48.86	4 397	9	0	-

[17] We estimate this number based on the average infrastructural cost per place, obtained by dividing the total allocation and total estimated places created. However, since the German legislation specifies that the EUR 1 billion RRF investment will only cover 54% of the total infrastructural costs to create 90 000 new places, we calculate the actual total cost of the investment and then obtain the final average infrastructural cost per place.

Brandenburg	50.5	31 798	0	27.99	2 519	8	0	-
Bremen	25	5 193	1 662	8.48	763	15	899	18
Hamburg	43.3	26 369	0	25.00	2 250	9	0	-
Hesse	25.9	47 379	12 988	76.93	6 924	15	6 064	125
Mecklenburg-Western Pomerania	49.3	19 389	0	17.55	1 579	8	0	-
Lower Saxony	25.2	56 438	17 469	94.41	8 496	15	8 972	185
North Rhine-Westphalia	19.6	101 851	69 633	217.91	19 612	19	50 021	1 029
Rhineland-Palatinate	26.5	30 501	7 481	48.20	4 338	14	3 143	65
Saarland	26.9	6 600	1 497	10.37	934	14	563	12
Saxony	44.8	48 314	0	47.98	4 318	9	0	-
Saxony-Anhalt	53.7	28 196	0	23.43	2 109	7	0	-
Schleswig-Holstein	26.7	20 518	4 841	32.83	2 955	14	1 886	39
Thuringia	49.7	26 113	0	23.78	2 140	8	0	-
GERMANY	28.7	680 502	101 957	1 000	90 000	13	96 906	1 994

Source: Authors' calculations based on *KitaFinHG* (2020), data from the Federal Statistical Office (2022).

Contrary to Spain, the German RRF plan is not linked to the CG. With respect to the latter, the action plan is not yet available and, accordingly, we cannot see if any action is foreseen there.

RRF Italy

Moving to **Italy**, the plan for nurseries, preschools and ECEC services is included in the M4C1 of 'Strengthening the provision of education services: from crèches to universities'. The aim is to increase the supply of childcare facilities by building, renovating and ensuring the safety of nurseries and preschools, to ensure an increase in the educational offer and the available slots for children up to six years old, thus improving teaching quality. The measure is expected to encourage women's participation in the labour market and support them in reconciling family and professional life. In more detail, by the second quarter of 2023, local authorities' beneficiaries of the financing are expected to notify the award of public contracts for eligible intervention, in compliance with the 'Do No Significant Harm' technical guidance. By the fourth quarter of 2025, at least 264 480 new places should be created for educational and early childhood care services (from birth to six years old). To receive the reimbursement, the government will have to provide a list of projects and the number of new places created as a result of each project, as well as a certificate of completion of works.

Contrary to the initial version of the RRF plan, there is no ex ante definition of the envelope to be allocated to early childcare and pre-primary schools, which instead will be defined through the publication of public tenders. The first was published on 2 December 2021 (n. 343) and amounts to EUR 3 billion, which will be distributed as follows: EUR 2.4 billion for the enhancement of infrastructure for the two years and under age group and EUR 0.6 billion for the enhancement of infrastructure for three to five year olds. The public tender also establishes that 55.29% of resources for the strengthening of infrastructure for the two years and under age group and 40% of resources for the strengthening of infrastructure for three to five year olds should be allocated to proposals put forward by local authorities belonging to the regions of southern Italy. The resources are allocated across regions based on two criteria: i) the gap in services for the two years and under age group, understood as the number of places per 100 children in this age group in the regional context (75%); and ii) the population aged two years and under in 2035 (25%).

Assuming that the fund's distribution criteria across regions will be the same in the second tranche, and considering an average infrastructural cost per place of EUR 16 000, in Table 4 we provide some estimates on the number of places created, the increase in the provision of public places, the persisting gap and the additional investment needed to achieve the target. With 225 000 places created, Italy will almost double its supply of public places, and will almost fill the gap to achieve the 33% target in many regions. Positively, the distribution of funds and therefore places accounts for the territorial asymmetries, where the regions lagging behind are expected to increase their number of public places the most. However, in order to compensate for the remaining regions, an additional 67 371 places should be created, and thus an additional infrastructural investment of EUR 1 billion is needed (see table below).

Table 5. Key statistics on the impact of Italian RRF investments on the availability of childcare places

Region	Public coverage (%)	Number of public places	Places needed to reach 33% target	Investment NRRP (EUR million)	Places NRRP	Increase in places (%)	Places gap	Additional investment needed (EUR million)
Piedmont	16	14 245	15 507	193	12 051	85	3 456	55
Aosta Valley	31	902	68	2	117	13	-	-
Liguria	16	4 595	4 651	100	6 222	135	-	-
Lombardy	15	35 394	42 473	361	22 573	64	19 899	318
Trentino-Alto Adige	18	6,087	5 073	114	7 154	118	-	-
Veneto	12	13 021	23 394	215	13 452	103	9 941	159
Friuli-Venezia Giulia	14	3 400	4 730	84	5 272	155	-	-
Emilia-Romagna	29	28 865	4 441	107	6 683	23	-	-
Tuscany	21	16 114	9 575	111	6 929	43	2 646	42
Umbria	20	3 716	2 573	17	1 044	28	1 529	24
Marche	18	5 957	4 844	112	6 977	117	-	-
Lazio	16	20 008	22 590	194	12 112	61	10 478	168
Abruzzo	12	3 552	6 216	149	9 313	262	-	-
Molise	18	1 056	913	123	7 687	728	-	-
Campania	5	6 452	40 863	492	30 734	476	10 129	162
Puglia	7	6 142	21 623	285	17 803	290	3 821	61
Basilicata	11	1 145	2 290	144	9 029	789	-	-
Calabria	3	1 413	14 130	271	16 932	1 198	-	-
Sicily	7	7 998	31 395	415	25 922	324	5 473	88
Sardinia	12	3 675	6 690	112	6 994	190	-	-
ITALY	14	183 737	265 398	3 600	225 000	122	67 371	1 078

Source: Authors' calculations based on Pnrr Istruzione and ISTAT (2020).

The RRF investment in childcare is accompanied by the Italian CG action plan. The latter defines the Italian strategy for children, including the provision of childcare policies. The objective of the CG action plan is to extend the supply of full-time places in early childhood education services to over 33% and towards the target of 50% for new nurseries and early childhood sections by 2030, developing fair and sustainable accessibility in the birth to three years age group and gradually abolishing nursery fees. The RRF investment is thus expected to be accompanied by a series of legislative actions to be adopted in the CG framework.

The first action consists of: i) the definition by 2030 of homogeneous criteria for access to public and private certified childcare services that benefit from public funding; ii) the coordinated development of Equivalent Economic Situation Indicator (ISEE)-based scale fee systems; and iii) the establishment of maximum levels of financial contribution by families to the operating costs of the services, with a view to gradually extending free access to childcare services up to the ISEE amount of EUR 26 000.

Second, the CG plan promotes the development of region-municipality guidance by 2026 for awareness raising, promotion and family outreach activities for children's education services. To this end, the RRF investment is accompanied by additional national funding, including the National Fund for the integrated system 0-6 (Decree No 65, 2017), the Municipal Solidarity Fund (Law No 178, 30 December 2020), the Fund for nurseries and preschools at the Ministry of Interior (Article 1, paragraph 59 et seq., Law No 160, 27 December 2019) and the European Social Fund Plus (ESF+).

RRF Poland

Of the sample of countries in the study, Poland and Spain are the only ones that include both reforms and investment projects in the domain of childcare policies. In the case of Poland, both are included in sub-component A4, 'Increasing structural matching, efficiency and crisis resilience of the labour market', of the component on 'Resilience and competitiveness of the economy'.

With respect to the reform included in the plan, the purpose is to increase the accessibility of childcare facilities for children aged up to three, while ensuring a high level of education and quality standards in the provision of services. To this end, the reform included in the plan is organised along three lines:

1. streamlining the management of domestic and external funds for the creation and functioning of childcare facilities,
2. implementing stable, long-term domestic financing of childcare services for children up to the age of three,
3. introducing a set of binding minimum education and quality standards for childcare facilities.

Concretely, the Polish plan proposes an amendment to the law on childcare and the establishment of a dedicated multiannual programme for the creation and functioning of childcare facilities. The amendment to the Act of 4 February 2011 was adopted in the first half of 2022 and creates a single management system under the Maluch+ programme, bringing together domestic financing, the ESF+

and the RRF under the same umbrella. A second amendment to the 2011 Act is also expected to introduce a framework for quality standards for childcare, including binding educational guidelines and standards of care services for children under three years of age, which will then be publicly consulted and agreed upon by the Ministry of Family and Social Policy and stakeholders. In doing so, the intervention aims to ensure a high quality of ECEC. Finally, by the second quarter of 2024, the reform plans an additional amending act to the Act of 4 February 2011 to ensure stable long-term funding from national resources for the establishment and operation of childcare services for children up to the age of three.

Moving now to the investment, EUR 0.38 billion has been allocated to ‘Support for childcare facilities for children up to three years of age (nurseries, children’s clubs) under Maluch+’. The objective of the investment is to increase the availability of childcare facilities for children aged three years old or younger by subsidising the construction costs of childcare facilities and setting up a financing management system. Based on the Annex to the Council Implementing Decision on the approval of the assessment of the NRRP, Poland has committed to create or renovate 47 500 places in nurseries and children’s clubs by the second quarter of 2026. The funds will be distributed per municipality, based on the share of children up to three years of age not covered by childcare over the total number of children not covered in the country, and on the inversed ratio between income per capita in a given commune and the average local government unit income per capita in Poland. At the same time, the redistribution formula includes a minimum allocation of 10 places to each municipality without any care places, which will constitute the final allocation of places financed by the NRRP. As in the case of Italy, even though places are pre-allocated, municipalities have to apply for funding. If they do not apply, the unused funds may be distributed among local government units, public institutions, natural persons, legal persons and organisational units without legal personality. The RRF-financed funding can only be used for the construction, reconstruction, extension or renovation of a building, and for the purchase of equipment. In the table below, we illustrate the distribution of places across provinces, as well as the places gap that will persist after the RRF to achieve the 33% Barcelona target.

Table 6. Key statistics on the impact of Polish RRF investments on the availability of childcare places

Province	Coverage (2021) (%)	Places (2021)	Places needed to reach 33% target	RRF investment (PLN million)	Places NRRP	Increase in places (%)	Places gap	Additional investment needed (PLN million)
Lower Silesia	29	22 030	3 330.83	107	2 982	14	348.83	12.51
Kuyavian-Pomeranian	18	9 765	7 857.99	92	2 576	26	5 281.99	189.42
Lublin	16	8 717	8 743.63	91	2 532	29	6 211.63	222.76
Lubuskie	23	5 679	2 622.15	41	1 142	20	1 480.15	53.08
Lodz	17	10 684	9 536.75	107	2 984	28	6 552.75	234.99
Lesser Poland	20	20 798	13 951.66	171	4 769	23	9 182.66	329.31
Masovian	24	41 277	14 752.38	231	6 450	16	8 302.38	297.74
Opole	23	5 503	2 242.43	42	1 163	21	1 079.43	38.71
Subcarpathian	17	9 695	9 326.86	108	3 017	31	6 309.86	226.28
Podalskie	18	5 708	4 748.05	49	1 377	24	3 371.05	120.89

Province	Coverage (2021) (%)	Places (2021)	Places needed to reach 33% target	RRF investment (PLN million)	Places NRRP	Increase in places (%)	Places gap	Additional investment needed (PLN million)
Pomeranian	19	14 192	10 156.39	114	3 180	22	6 976.39	250.19
Silesian	19	21 340	15 714.05	184	5 137	24	10 577.05	379.31
Świętokrzyskie	14	3 868	5 387.18	53	1 465	38	3 922.18	140.66
Warmian-Masurian	14	4 789	6 774.86	65	1 821	38	4 953.86	177.66
Greater Poland	18	19 151	15 865.30	185	5 156	27	10 709.30	384.06
West Pomeranian	23	9 181	4 272.11	63	1 749	19	2 523.11	90.48
POLAND	20	212 377	135 282.60	1 703	47 500	22	87 782.62	3 148.06

Source: Data retrieved from Polish government website.
Note: Figures in the government file are provided for each municipality. Following the territorial division of the National Official Register of the Territorial Division of the Country (*Teryt*) and ISO 3166-2:PL codes, we have been able to group these figures by province (*voivodeship*).

As we can observe in the table above, the distribution of the investment financed by the RRF accounts for the territorial asymmetries in the distribution of services, with the higher number of places created in those provinces with the lowest coverage rate of ECEC for children under the age of three. Still, the RRF investment is not enough to achieve the 2002 Barcelona target of 33%.

Finally, with respect to the CG, the Polish action plan does not include any specific measures to strengthen childcare facilities and access to services.

RRF Portugal

The **Portuguese** plan includes a number of measures with a direct impact on children and young people. Notably, the plan envisages an increase in the capacity of childcare facilities and subsidies to low-income households as an incentive to promote preschool and nursery participation. This is part of the third component of the Portuguese plan, 'New Generation of Social Services and Facilities', with a total budget of EUR 417 million, aimed at upgrading and expanding the social care services network. While the plan does not indicate how much should be allocated to childcare under this component, the tender notice of November 2021, which allocates EUR 247 million, earmarks EUR 64.9 million (26% of the total) for crèches. At the same time, the plan does not include a clear target for the number of new places to be created in crèches, but simply refers to an overall number of 28 000 places to be created or renovated in social facilities for children, the elderly, people with disabilities and families by the first quarter of 2026. In Corti et al. (2022), we did some crude estimates to grasp the magnitude of this investment. The standard cost per new crèche place is EUR 9 675. Therefore, assuming that the ratio of funding earmarked for crèches in the 2021 tender (26% of the total) is also applied to the remaining line budget of EUR 170 million, a maximum of 11 100 new childcare places could be created.

As illustrated in the table below, RRF investments are expected to increase the availability of childcare places in Portugal by 9%. At the moment of writing, we do not have information on how the funds will be distributed within the territories. As stressed above, two areas of the country are lagging behind: the north (city of Porto) and Lisbon (cities of Lisbon and Setubal). To catch up with the best-performing regions, these two areas would need around 30 000 new places, which is still below the target set by the plan for the entire country. An additional investment of EUR 184 million would be needed to compensate for regional asymmetries.

Table 7. Key statistics on the impact of Portuguese RRF investments on the availability of childcare places

Region	Public coverage (%)	Number of public places	Places needed to reach equal coverage (60%) between unserved regions (Lisbon and Norte) and the rest of the country	Investment RRF (EUR million)	Places NRRP	Increase in places (%)	Places gap	Additional investment needed (EUR million)
Norte	37.43	30 707	18 514	N/A	N/A	N/A	N/A	N/A
Centro	60.04	29 236	-	N/A	N/A	N/A	-	-
Alentejo	63.73	10 263	-	N/A	N/A	N/A	-	-
Algarve	53.90	7 011	-	N/A	N/A	N/A	-	-
Lisboa	46.78	41 063	11 604	N/A	N/A	N/A	N/A	N/A
PORTUGAL	46.00	118 280	30 118	110	11 000	9	19 118	184.97

Source: Authors' calculations, based on GEP, *Carta Social Capacidade das Respostas Sociais – Continente, Ano 2020*, and INE, *Estimativas anuais da população residente, 2021*.

With respect to the link to the CG initiative, the RRF plan does not contain any explicit reference to this. The former is currently not available, which makes an assessment impossible.

RRF Spain

The **Spanish** plan includes a EUR 677 million investment in childcare as part of component 21 of 'Modernisation and digitisation of the education system, including early education for 0-3 years of age' as well as a reform: a new Organic Law on Education.

In relation to the reform, the Spanish government has incorporated a new Organic Law on Education modifying almost the whole education system, including early childhood education, compulsory primary and secondary education and baccalaureate. The measure was already adopted in the first quarter of 2021, i.e. before the submission of the RRF plan. The main changes implied by the approval of this law for early childhood education include the progressive implementation of the first cycle of ECEC through the public provision of services, and the extension of free education to the extent possible. Moreover, it focuses on pupils at risk of poverty or social exclusion, with the aim of 'gradually implement[ing] the tendency to extend ECEC free access, prioritising the access of pupils at risk of poverty and social exclusion and the situation of low schooling rates'(third additional provision). Finally, it is the first time in Spanish history that the first cycle of ECEC has been recognised as an educational stage, since it is provided that the government will regulate the curriculum and the minimum requirements of the two cycles of ECEC that refer to the qualifications of all workers, the pupil-teacher ratio and the number of places available.

Moving to the investment, the objective of the above-mentioned measure is to provide affordable public places for children in areas where there is higher risk of poverty or social exclusion, and rural areas, especially for children aged between one and two years. EUR 519 million has been allocated to cover the infrastructure costs to create 65 382 new publicly owned places for children below three years, which should increase the average coverage of public places by around 27%. EUR 147 million has been allocated to cover the running costs of 40 000 of the newly created public places. The funds will be distributed in three tranches. By the fourth quarter of 2023, the whole budget of the investment should have been awarded to the regional or local authorities, and by the fourth quarter of 2024, all places should have been created.

With respect to distribution of the funds, the Sectoral Conference on Education (*Conferencia Sectorial de Educación*) established the criteria for the distribution of the investment from the Ministry of Education and Vocational Training (*Ministerio de Educación y Formacion Profesional*) to the autonomous communities (ACs), and approved the first tranche (EUR 200.79 million). Each community is free to allocate funds to nursery schools and has complete autonomy. The criteria for distribution are the following[18]:

- 40% weight: level of education of the population aged 25 to 64 years, in each AC, according to consolidated data from the year 2020.
- 40% weight: net schooling rates of children up to the age of two years.
- 20% weight: population dispersion, according to the official population figures from the National Statistics Institute as at 1 January 2020.

The percentage resulting from the weighting of the three distribution criteria described above is applied to the population from birth to two years in each AC. Assuming that the same distribution criteria are used for the second and third tranches, in the table below we provide a breakdown of the funding across regions of the entire RRF childcare investment, and indicate the number of places that will be created.

Table 8. Key statistics on the impact of Spanish RRF investments on the availability of childcare places

Region	Public coverage (%)	Number of public places	Places needed to reach 33% target	Investment RRF (EUR million)	Places NRRP	Increase in places (%)	Places gap	Additional investment needed (EUR million)
Andalusia	18.10	39 816	32 782	123	12 069	30	20 713	164.72
Aragon	21.90	6 975	3 537	19	1 818	26	1 719	13.67

[18] BOE (2021), *Resolución de 23 de diciembre de 2021, de la Secretaría de Estado de Educación, por la que se publica el Acuerdo de la Conferencia Sectorial de Educación de 25 de noviembre de 2021, por el que se aprueba la propuesta de distribución territorial de los créditos destinados al Programa de impulso de escolarización en el primer ciclo de Educación Infantil, en el marco del componente 21 del Mecanismo de Recuperación y Resiliencia*, No 312, p. 166415, https://www.boe.es/boe/dias/2021/12/29/pdfs/BOE-A-2021-21761.pdf

Region	Public coverage (%)	Number of public places	Places needed to reach 33% target	Investment RRF (EUR million)	Places NRRP	Increase in places (%)	Places gap	Additional investment needed (EUR million)
Principality of Asturias	20.80	3 775	2 204	13	1 314	35	890	7.08
Balearic Islands	18.10	5 572	4 605	25	2 418	43	2 187	17.39
Canary Islands	10.40	4 756	10 329	40	3 879	82	6 450	51.29
Cantabria	24.10	2 966	1 100	9	861	29	239	1.90
Castile and Leon	16.50	7 645	7 690	38	3 765	49	3 925	31.21
Castilla La Mancha	23.40	11 781	4 843	38	3 717	32	1 126	8.95
Catalonia	24.60	49 536	16 868	111	10 884	22	5 984	47.59
Valencian Community	16.70	20 200	19 830	70	6 837	34	12 993	103.33
Extremadura	28.30	6 922	1 162	21	2 052	30	0	0.00
Galicia	27.30	15 019	3 105	35	3 417	23	0	0.00
Madrid Community	23.70	43 030	16 831	54	5 259	12	11 572	92.03
Region of Murcia	10.00	4 549	10 438	40	3 939	87	6 499	51.68
Navarre, Community of	24.80	4 326	1 430	12	1 173	27	257	2.04
Basque Country	28.80	14 933	2 170	15	1 518	10	652	5.19
Rioja, La	21.50	1 669	897	5	462	28	435	3.46
Ceuta	10.30	302	669	0	0	0	669	5.32
Melilla	14.10	547	737	0	0	0	737	5.86
SPAIN	20.90	244 319	141 227	667	65 382	27	77 047	612.72

Source: Authors' calculations based on Sectoral Agreement of 25 November 2021, figures on education in Spain for the academic year 2019-2020 (Edition 2022) and Spanish NRRP.

As illustrated in the table above, the RRF is expected to increase the total coverage of public childcare places by 27% on average. In particular, the plan is expected to support the ACs that currently have the lowest coverage, such as Murcia, Castilla y Leon, the Canary Islands and the Balearic Islands. This notwithstanding, the allocated amount remains insufficient to reach the target of 33% publicly funded childcare services. Currently, Spain has coverage of around 21%. According to our calculations (see table above), to achieve 33% coverage in all ACs, Spain should create 141 227 new places. However, the RRF only proposes to create 65 382 new places. To achieve this target, we estimate that, based on an infrastructural cost per place of EUR 7 953[19], an additional investment of EUR 612 million is needed.

As in the case of Italy (see below), the Spanish RRF measures should be read together with the CG action plan. The latter includes a series of interventions to strengthen the provision of childcare services in Spain. In particular, the CG defines 12 ECEC actions to be implemented by 2030:

1. Expansion of coverage of the first cycle of early childhood education through an increase in publicly owned places, prioritising access for pupils at risk of poverty or social exclusion, with an extension to rural areas.

[19] We calculated this figure using the infrastructure and running costs included in the Spanish plan for all of the places that will be created (see component 21 of the Spanish Recovery and Resilience Plan for an explanation of the costs included in the investment).

2. Provision of services free of charge for the first cycle of early childhood education for children from families with incomes below the poverty line.
3. Awareness and dissemination measures aimed at families in vulnerable situations to inform them about the benefits of early childhood education.
4. Guidance in the registration and application processes for places, in coordination with social services.
5. Review of the criteria for access to early childhood education centres to prioritise low-income families and other groups in situations of vulnerability.
6. Flexibility of schedules, assistance options and care modalities in first-cycle early childhood education centres, within the framework of educational legislation, seeking to promote the reconciliation of families in vulnerable situations, including single mothers.
7. Regulation of the minimum requirements of first-cycle early childhood education centres by Royal Decree.
8. Development (by educational administrations) of Royal Decree 95/2022 of 1 February, which establishes the management and minimum teachings of early childhood education.
9. State and regional regulatory development of early care as a subjective right.
10. Agreement in the Territorial Councils for Social Services and Health on what services should be included in the public provision of early care, as well as their quality, as a minimum and egalitarian basis for the state as a whole.
11. Development of a comprehensive system of early care services that coordinates health, social services and education actions, and that uses a system of indicators for monitoring, evaluation and continuous improvement.
12. Community programmes to promote positive parenting, through support and guidance to families throughout the cycle of child development.

4. Childcare reforms and investments: relevance, effectiveness and coherence

In the section above, we described the key interventions included in the NRRPs, looking at both investments and – where relevant – reforms. In what follows we provide an assessment of the interventions included in the plans by looking at the relevance, effectiveness and coherence of these measures. In doing so, we intend to reflect on the actual contribution of the RRF as marble cake to the construction and strengthening of European social citizenship.

Are the RRF interventions in childcare relevant?

Based on Article 19 of the RRF Regulation, the Commission's assessment of the NRRPs should primarily be based on the relevance of the interventions, i.e. whether they represent a comprehensive and adequately balanced response to the economic and social situation, taking the specific challenges and financial allocation of the Member State concerned into account; and whether they contribute to effectively addressing all – or a significant subset of – challenges identified in the relevant country-specific recommendations. While the Commission applies this assessment criterion to the plans as such, we apply it to the specific measures related to childcare, i.e. we assess the extent to which the interventions described above respond (or not) to the challenges outlined in more detail in Annex I.

The table below summarises which of the structural challenges (see Annex I) of childcare systems in the six countries in the study have been addressed by the RRF plans. With the exception of availability of places and – in some countries – geographical distribution of service, a large proportion of the challenges remain unaddressed. Apart from in Poland, the lack of structural intervention not only undermines the effectiveness of the measures, but also de facto reduces the capacity of the plans to strengthen EU social citizenship.

Even with respect to the availability of services and geographical distribution, however, we can distinguish different approaches. On the one hand, Italy, Poland, Spain and Belgium allocate their resources based on geographical need, while Germany and Portugal do not. Furthermore, while the former use the RRF resources for additional investments, the latter replace already budgeted expenditure.

Table 9. Relevance of RRF investments and reforms to country-specific challenges

		Wallonia (Belgium)		Germany		Italy		Poland		Portugal		Spain	
		Challenges	Status	Challenges	Status	Challenges	Status	Challenges	Status	Challenges	Status	Challenges	Status
Availability	Legal entitlement	-	-	-	-	-	-	-	-	-	-	-	-
Availability	Main providers	-	-	-	-	High rate of private providers	Addressed	Predominance of private providers	Addressed	-	-	High rate of private providers	Addressed
Availability	Coverage[20]	Regional disparities	Addressed	Regional disparities due to decentralisation	Partially addressed	Low coverage, significant regional disparities	Addressed	Very low coverage, strong disparities between rural and urban areas	Addressed	Lack of places in Lisbon, Porto and Setubal	Not addressed	Strong regional variation, supply does not correspond to equity criteria	Addressed
Affordability	Funding mechanism	-	-	-	-	Structural lack of state transfers to regions	Addressed	Structural lack of state transfers to municipalities	Addressed	-	-	Dispersion and heterogeneity in the levels and types of funding support	Not addressed
Affordability	Supporting policies	Lower attendance of children from migrant background or with low-skilled parents	Partially addressed	Subsidies to most disadvantaged families differ by region High costs, especially affecting low-income families	Not addressed	Do not cover high costs of service Inequalities coming from parents' purchasing capacity and family's education level	Not addressed	Public subsidies do not cover parents' expenses Labour market situation discourages women from taking up childcare services	Addressed	Child benefit does not cover all costs	Not addressed	Income-related criteria to access childcare inefficient Low synergy with flexible working arrangements for parents	Addressed
Quality – Structural	Educator-pupil ratio	-	-	-	-	Depends on region (varies from 1:5 to 1:10)	Not addressed	1:5 (children under 1) to 1:8 (children aged 1-3)	Addressed	1:10 (children under 1) to 1:18 (children aged 1-3)	Not addressed	1:8 (children under 1), 1:10-14 (children aged 1-2), 1:16-20 (children aged 2-3)	Addressed
Quality – Structural	Educator ISCED	Low levels of staff qualification	Not addressed	-	-	-	-	Low levels of staff qualification	Not addressed	Low levels of staff qualification	Not addressed		
Quality – Structural	Number of hours	-	Large regional variation	Large regional variation	Not addressed	-	-	Lack of minimum standards	Not addressed	-	-	Lack of minimum standards	Addressed
Quality	Procedural	Low salaries and remuneration of care workers	Not addressed	Regional disparities, variation in pay rates and quality depending on provider	Not addressed	Temporary contracts, low pay rate compared with preschool teachers	Partially addressed	Lack of educational guidelines	Addressed	Lack of educational guidelines, low salaries	Not addressed	Low salaries and temporary contracts for educators	Not addressed

Source: Authors' compilation.

Italy, Spain, Poland and Belgium

Starting with **Italy**, the RRF intervention in the domain of early childcare can broadly be welcomed as a necessary and targeted intervention. As stressed in deliverable 3.4 (Westhoff et al., 2022), the 2015 reform and 2017 legislative decree represented a key change in early childcare policies in Italy. Yet, without its financial leg, the intervention risked remaining a dead letter. The intervention is largely expected to compensate for the places gap in the early childcare structure, currently estimated to be around 265 398 units, to achieve the target of 33% of public coverage in all regions. With the RRF plan, Italy will create around 225 000 new places. Indeed, in 11 regions the target will (in principle) be achieved.

An additional positive aspect that came with the RRF (though not formally included in the plan) is the adoption of the 'Essential Level of Social Performance' (*Livelli Essenziali di Prestazione Sociale*) as part of the Budget Law (Law No 234/2021). The objective of this provision is to overcome the heterogeneity of service provision across regions, and to reach a guaranteed number of full-time places (public and private) in each municipality or territorial basin equal to 33% of the population aged between 3 and 36 months. In this respect, the fact that the RRF-financed investment (EUR 2.4 billion) is accompanied by an additional national investment (EUR 0.28 billion), and above all by a structural investment of EUR 0.9 billion to cover current costs (mostly teacher salaries), is an additional sign of the relevance of the intervention.

Finally, the link with the Child Guarantee is of utmost relevance, in particular the setting of maximum levels for the financial contribution of families to the running costs of these services, with a view to gradually extending free access up to the ISEE amount of EUR 26 000. This indeed addresses a key concern of the Italian system, notably the affordability of the service provision. In addition, the key focus on the development of region-municipality guidance for awareness raising, promotion and family outreach activities for children's education services is to be welcomed as a relevant measure to address the accessibility of the service via what we call EuSocialCit *instrumental resources*.

Moving to **Spain**, the funding allocation for childcare under the RRF is to be assessed positively, as well as the distribution criteria that correctly address the actual social needs of the system. Even though the allocated amount remains insufficient to reach the target of 33% coverage of childcare services, the increase in public places of childcare facilities with a targeted approach to the regions that are lagging behind is a relevant step towards the achievement of homogeneous coverage in the country. Furthermore, the attention to the public provision of new places is welcomed as a positive novelty of the RRF in a country where the high share of private childcare services undermines the affordability of the service.

The relevance of the RRF intervention is further strengthened by the actions included in the CG action plan, which proposes the expansion of free childcare services to low-income households by reviewing the criteria for access to early childhood education centres. Furthermore, the CG action plan intervenes in the quality of childcare with Royal Decree 95/2022 of 1 February, which establishes the management and minimum teachings of early childhood education. In doing so, Spain aims to address the current fragmentation in terms of structural quality across the regions, and to define procedural quality standards on curricula.

With respect to **Poland**, the interventions in the plan are certainly to be welcomed as a step in the right direction, notably the combination of reforms and investments. As illustrated above, the expected increase is on average around one quarter of the number of public places available. This is certainly a positive novelty, especially in light of the territorial criterion adopted to distribute the funding, which accounts for the share of children up to three years of age not covered by childcare and the income per capita of the municipality. Yet, the proposed intervention only seems to partly address the lack of childcare places in the country. For this gap to be filled, an additional investment of twice the amount allocated in the RRF is necessary.

A certainly positive and relevant aspect of the Polish plan is the reform of the system, which aims to increase the accessibility of childcare facilities. In particular, the reform addresses a key challenge of the Polish system, which is the lack of common quality standards for childcare facilities. In addition, the reform introduces measures for the long-term sustainability of funding for childcare services, even after the RRF, which guarantees the coverage of the current costs and thus the running of the new infrastructure. The reform does not address two key concerns of the Polish system, however, which pertain to the affordability of childcare and the structural quality of its provision. In this respect, contrary to Italy and Spain, the Polish CG action plan is not linked to the RRF and does not envisage any intervention in childcare education services.

Finally, with respect to **Belgium**, and in particular to the investment made by Wallonia in the FWB, the investment included in the plan is to be welcomed, since it addresses the regional asymmetry in the distribution of childcare services and allocates the RRF resources to fill this gap. Furthermore, the Belgian intervention is incorporated into a broader investment strategy for 2021-2026, 'Plan Cigogne +5200', which aims to create enough places to reach 33% coverage in all French community territories and thus overcome the current territorial asymmetries. In fact, the RRF is expected to increase the availability of public childcare places in the FWB by around 5%.

Also relevant are the actions included in the CG action plan that aim to subsidise new places for the most vulnerable groups and review the access criteria to childcare services to increase inclusivity and lower the parental contribution, with a view to increasing accessibility for the lowest income groups.

Germany and Portugal

As also argued in Corti et al. (2022), the RRF in **Germany** is perceived more as an administrative burden than a window of opportunity to develop new, or strengthen existing, policies. The case of childcare is no different in this respect. First, the RRF investment in childcare was already budgeted by the German federal government, and therefore the EU intervention replaces national spending. Second, since the allocation key for the distribution of funds is based solely on the population aged two years and under, without considering regional differences in service provision and the specific needs of the peripheral territories, the intervention risks further exacerbating regional asymmetries rather than reducing them. Third, the lack of intervention in the inclusion of the most disadvantaged groups, often excluded from these services, might result in the further widening of inequalities in access to childcare[21]. Finally, despite the efforts made and the incorporation of the RRF investment into the German plan, the creation of 90 000 places is insufficient to reach the desired 33% public coverage. Based on our estimation, to achieve the 33% target in all German states, an additional 96 906 places should be created, requiring a total additional infrastructural investment of around EUR 2 billion. To sum up, the relevance of the German intervention in childcare is found to be low.

In a similar way, the **Portuguese** intervention also seems to have low relevance. As observed above, the number of potential new places created is not enough to align the coverage of the least-served regions, Lisbon and the north, to the national average. This would require approximately 30 000 more places, i.e. more than twice the number of places planned to be created through the RRF. These places should be publicly funded in order to compensate for the prevalence of private providers and therefore to ensure access to childcare to middle- to low-income families. Funds should be directed, principally, to unserved areas (which is not the case at present), also by sharing financing decisions with local authorities. Overall, the lack of a territorial criterion for the distribution of funding, combined with the low level of investment, reduces the relevance of the envisaged intervention.

[21] (DGB, 2021) 'Stellungnahme des Deutschen Gewerkschaftsbundes zur Umsetzung des deutschen Aufbau- und Resilienzplans (DARP) Partnerschaftliche Konsultation am 02.12.2021'. Available at: https://www.dgb.de/downloadcenter/++co++d443467c-569a-11ec-8a9f-001a4a160123

Are the RRF interventions in childcare effective?

Assessing the (expected) effectiveness of measures included in the National Recovery and Resilience Plans means looking at the credibility and feasibility of the measure included in the plans. In this respect, the main novelty of the RRF is in the design of the NRRPs, which are performance-based contracts agreed ex ante between Member States and the Commission. To monitor their implementation, the Commission assesses Member States' fulfilment of milestones and targets. M&Ts are result-driven implementation steps proposed by the Member States and agreed upon with the Commission in operational arrangements, which serve to monitor, in a granular way, the progress of implementation of a reform or an investment. Member States submit payment requests and receive disbursements based on a positive assessment by the Commission of satisfactory fulfilment of the M&Ts linked to the instalment concerned.

It follows that, to ensure effective monitoring and implementation of the NRRPs, the definition of M&Ts should be clear and realistic, and the related indicators relevant, acceptable and robust. At the same time, since the (non-)fulfilment of M&Ts is the sole criterion to justify the (non-)disbursement of the RRF tranche, it is in the interest of both Member States and the Commission that the indicators in the OAs remain within the control of the former and are not conditional on external factors such as the macroeconomic outlook or the evolution of the labour market.

Against this background, the question is whether the M&Ts related to childcare measures respond to the criteria described above and are appropriate to monitor the implementation of the plans. The response to this question is negative for all Member States in the study. The table below provides a summary of the M&Ts in each RRF plan.

Table 10. Milestones and targets of childcare reforms and investments

Country	Measure	Milestones (M) and Targets (T)
Belgium	Creation and renovation of early childcare infrastructure of the Walloon region	**3Q2023 (M)** Award of works contracts by operators (crèches) for 15% of newly created childcare places, i.e. 255. **3Q2023 (T)** 1 700 new childcare places created as part of the early childcare infrastructure in Wallonia.
Germany	Investment programme Childcare financing 2020-2021: special fund for child day care expansion	**4Q2020 (M)** Amendments to the Childcare Financing Act and the Federal Financial Assistance Act (*KitaFinHG*) for the extension of day-care for children have entered into force. The *Länder* have adopted the federal rules and made them more specific in their *Länder* regulations. **4Q2023 (M)** Publication of interim report on approved and created childcare places and investments in equipment (§ 30 (2) and (3) *KitaFinHG*). The relevant *Länder* have reported to the federal government on the state of implementation, including on funding, number of childcare places and amount of subsidised equipment, in accordance with monitoring and guidance obligations. **4Q2025 (T)** Submission of final report by the *Länder* on implementation, after completion of checks on the use of funds. The report confirms that 90 000 newly funded childcare places for children prior to school entry have been created in child day care facilities (*Kindertageseinrichtungen*) and child day care services (*Kindertagespflege*) throughout Germany.
Italy	Plan for nurseries, preschools and ECEC services	**2Q2023 (M)** Award of contract and territorial distribution for nursery, preschool and ECEC services. **4Q2025 (T)** Creation of at least 264 480 new places for ECEC services (from birth to six years). With the plan for the construction and redevelopment of kindergartens, the goal is to increase available places, enhancing the educational service for children up to six years old.

Country	Measure	Milestones (M) and Targets (T)
Poland	Support for childcare facilities for children up to three years of age (nurseries and children's clubs) under Maluch+	**2Q2022 (M)** Creation and deployment of an operational IT system (or the expansion of an existing system) to support projects of the final recipients of the financial support, namely entities creating and running childcare institutions, at every stage of their implementation. **2Q2026 (T)** Creation and development of infrastructure in the field of childcare for children up to three years of age, consisting of: i) construction or renovation of nurseries and children's clubs (in accordance with the principles of universal design); and ii) purchase of real estate and infrastructure (purchase of land or premises). The target applies to the construction of new facilities, as well as to the renovation and adaptation of existing facilities, for at least 47 500 new childcare places.
	Reform to improve the labour market situation of parents by increasing access to high-quality childcare for children up to the age of three	**2Q2022 (M)** Entry into force of an act amending the Act of 4 February 2011 on the care of children up to three years of age. This will streamline the management of the financing by: i) implementing a single coherent financing management system for the creation and functioning of childcare services for children up to the age of three; and ii) bringing the management of funds coming from various financing sources together under the Maluch+ programme. **2Q2023 (M)** Independent analysis of the extent to which existing standards of care and education for children up to three years of age allow access to high-quality ECEC systems. The analysis shall take into account the Council Recommendation of 22 May 2019 on High-Quality Early Childhood Education and Care Systems (2019/C 189/02), and shall be presented in a report to be published by the Ministry of Family and Social Policy. On the basis of the analysis, a framework for quality standards for childcare, including educational guidelines and standards of care services for children under three years of age, shall be prepared and then publicly consulted and agreed upon by the Ministry of Family and Social Policy and stakeholders. Entry into force of an amendment of the Act of 4 February 2011 on the care of children up to three years of age shall make the framework binding for childcare providers, following the outcome of consultations and agreement of the Ministry of Family and Social Policy and stakeholders.
Portugal	New generation of equipment and social responses	**1Q2026 (T)** Creation of at least 15 000 new places and renovation of the remaining places for children, the elderly, people with disabilities and other vulnerable people, in nurseries, residential care homes for older persons, domiciliary support services, centres for activities and empowerment for inclusion, and autonomous residences. In the case of construction of new buildings, the new buildings shall have a primary energy demand of at least 20% below the requirements of nearly zero-energy buildings.
Spain	Promoting early childhood education and care	**4Q2023 (T)** Budget award to regional/local entities of EUR 670.990 million to promote the first cycle of early childhood education through the creation of new publicly owned places **4Q2024 (T)** Promotion of the first cycle of early childhood education through the completed creation of new publicly owned places (new construction and/or reform/rehabilitation and equipment for at least 60 000 places compared with the end of 2020, and of these operating expenditure for up to 40 000 places until 2024).
	New Organic Law on Education	**1Q2021 (M)** The objective of the Organic Law on Education is to establish a renewed legal system that, under the principles of quality, equity and inclusion, increases educational and training opportunities and contributes to the improvement of educational outcomes

Source: Authors' compilation, based on Annexes to the Council Implementing Decision on the approval of the assessment of the NRRPs.

Based on the table above, what emerges is that the level of detail provided in the Annexes to the Council Implementing Decisions varies significantly across countries.

With respect to the investments, there is one problem that is common to Italy, Spain, Poland, Germany and Belgium. In all five cases, the agreed M&Ts are very similar. The countries commit to report on the award of work first and then on the number of places created. Specifically, the agreement on an aggregated target at the national (or state) level might risk missing asymmetric implementation of the envisaged measures across territories.

The case of Italy (the country most advanced in the implementation phase) can shed light on the risks related to the choice of these M&Ts. Indeed, despite the huge resources allocated to the three years and under age group (EUR 3 billion) and the ambitious objective of 33% coverage in all municipalities, the scenario that emerges from the current implementation status shows that part of the structural weaknesses characterising Italy's nursery school supply system risk remaining unresolved. The system for allocating RRF resources shows various critical issues that could affect both the achievement of the NRRP's objectives and – above all – the reduction of territorial gaps in the essential level of services in different areas of the country (Corti, 2022).

A first figure reflecting these critical issues emerged already in the first half of 2022, with the decision to reopen the tender notice three times to allow for greater participation by local authorities, especially from the south. Despite this intervention, the ranking of approved projects to be financed, six months behind the initial objective of March 2022, shows that many of the municipalities with no or marginal supply did not participate in the tenders, or preferred to concentrate – especially in the south – on kindergartens rather than nursery schools[22].

The combination of delays in public procurement and the non-presentation of valid projects for nurseries by local authorities, especially in the southern regions, risks undermining the objective to guarantee 33% coverage in all territories. Yet, the decision by the national government to allow derogations from the regional plafond of places that was originally set and to allow municipalities to use the resources for the creation of new places in preschools instead of nurseries, thus missing the initial objective of the intervention, cannot be monitored against the target agreed with the Commission. The latter indeed does not specify any territorial criteria for the distribution of funds, nor does it earmark a fixed quota for nurseries.

The lack of territorial target thus risks undermining the effectiveness of the measures, and represents a limit of the Commission's capacity to monitor implementation of the plan. At the same time, faced with delays due to the slow absorption by the most disadvantaged territories, the rigidity of the agreed M&Ts might incentivise Member States to accelerate their implementation of the plans, disregarding the territorial impact of the measures.

An additional problem seems to emerge in the case of Portugal and in part again Italy. The agreed targets indeed remain vague on the exact number of places to be created in childcare infrastructure. In the case of Italy, 264 480 places are to be created in both childcare services and pre-primary schools. As observed by the Italian Parliamentary Budget Office (*Ufficio Parlamentare di Bilancio,* 2022), many municipalities presented projects to create new pre-primary school places, and the government itself approved a derogation to the initial act that defined a specific threshold for places to be created in childcare services. Again, as stressed above, the fact that the target agreed with the Commission remains vague on this matter represents a risk for the effectiveness of the measure. Even worse, in

[22] Nursery schools are for pupils that have not yet reached the age of 5, which is the age of enrolment in kindergardens

Portugal, the 15 000 new places and renovation target includes places for children, the elderly, people with disabilities and other vulnerable people.

Moving to reforms, we observe a significant difference between Spain and Poland. In the first case, the milestone agreed with the Commission in the OAs is extremely vague, and does not include a clear understanding of how the Spanish government will reform the education system, in particular childcare. Even though one might argue that the reform had already been approved when it was included in the plan, the margin for proper monitoring by the Commission remains limited, and no reference is made to the implementing acts that need to be adopted to concretely implement the Organic Law on Education. The opposite emerges from the Polish case. The level of detail that can be found in the milestones agreed with the Commission is much higher than with Spain. The Commission agreed with the Polish government on a clear pathway to reform the law regulating childcare in Poland. It is also clearer from a right-based perspective which dimensions of childcare facilities will be strengthened by the new provision, and accordingly how citizens might be empowered by the new intervention.

Are the RRF interventions in childcare coherent?

Assessing the coherence of the interventions in the plans is not an easy task. As stressed above, it refers to the alignment between the reforms and investments, and their consistency with the EU objectives. Again, Article 19 of the RRF Regulation specifies that the Commission's assessment of the plans should be based on whether a Member State's NRRP contains measures for the implementation of reforms and public investment projects that represent coherent actions. In principle, we might expect that, accordingly, RRF investments are accompanied by the relevant reforms to address the challenges of the system.

As observed above, only Poland and Spain have coupled investments in childcare with a reform of the institutional setting. In the cases of Italy and Belgium, the reforms are formally included in the action plans for the CG. In contrast, in the cases of Portugal and Germany, we have no indication of any intervention.

While in Portugal and Germany the lack of reforms accompanying the investments certainly limits the childcare intervention in the plans, the cases of Italy and Belgium are interesting. With respect to Italy, the explicit link between the RRF plan and the CG is completely in line with the strategic approach to childcare policies that the country has been engaged in since 2015. Sabatinelli and Pavolini (2021) provide a good explanation of the politics behind family policies, especially after COVID-19 and the adoption of the RRF plan. In this respect, it is not by chance that Italy's RRF investment is largely coherent with the ongoing reform of the childcare institutional setting, including the decision to allocate a structural budget for the hiring of qualified personnel to work in childcare facilities. A similar situation can be seen in Belgium, notably in the FWB, where the RRF investment has been introduced to finance the creation of a number of places, as already envisaged by 'Plan Cigogne +5200'. This notwithstanding, when the RRF plans were adopted, neither Italy nor Belgium had presented their CG plans. Therefore, when the Commission approved both plans there was no reform accompanying the investments.

Against this background, to better understand the link between the reforms and investments it is worth looking at the drafting process of the NRRPs. Corti and Vesan (2023) observe that the investments were discussed at a technical level earlier in the drafting process, while the reforms were the object of a more political debate, centred on alignment with the CSRs that only started in the Member States at the beginning of 2021. As put by the Commission itself, the key object of the discussions on investments was compliance with the eligibility criteria set out in the RRF Regulation, more than the CSRs. If these conditions were met, the Commission did not interfere with the national priorities set by the governments.

The result is that, even in those countries where projects were not planned, the investment projects included in the plans were rarely a novelty (Corti and Vesan, 2023). One of the factors explaining this lack of novelty is the contextual conditions in which the NRRPs were adopted, characterised by a combination of time constraints to present the plans and limited human resources at both the national and European level to prepare them. The result is that in those countries that already had a coherent plan to reform their childcare facilities before the introduction of the RRF, the latter became the channel through which the interventions were included. This was the case for Italy, Belgium, Spain and Poland. In contrast, in those countries that did not have a discussion already underway, the RRF investments simply became an additional investment that either replaced national spending or increased the availability of a system.

Interestingly, the Commission's assessment of the reforms was largely based more on the CSRs than on coherence with the proposed investments. In this respect, contrary to what one might have envisaged, there was no hierarchical steering from the Commission asking Member States receiving a higher envelope to implement structural reforms. The setting of the social priorities within the NRRPs can be described more in terms of cooperation than of mere imposition. One might argue that this was facilitated by the fact that the countries knew in advance the challenges they had to address, and that the Commission adopted a collaborative approach from the beginning. Yet, as observed in the case of childcare, not all Member States received CSRs on childcare, but Spain still included a reform, and not all Member States that received a CSR adopted a reform (e.g. Italy). As put by one of our interviewees talking about how the CSRs' conditionality was applied: 'There was an element of judgement and of political appreciation. It was not realistic and not even appropriate to say that we wanted a country to address all the CSRs' (Corti and Vesan, 2023).

This is not to say that the Commission did not push for the introduction of certain interventions, but rather that the initial input was provided by the Member States based on their priorities. In this respect, in the beneficiary countries, the RRF was considered an important opportunity, a 'trigger' and a tool for the implementation of social reforms that would either not have been adopted because of lack of adequate funding, or would have been further delayed. Overall, the RRF was seen as a push to do what had been postponed or delayed for certain reasons, used by domestic actors to 'speed things up' (Corti and Vesan, 2023).

5. Conclusions

The purpose of this working paper was to shed light on one of the most recent instruments put in place by the EU to support the post-pandemic recovery, the Recovery and Resilience Facility. This new financial tool represents a novelty since it accompanies financial support to positive conditionality, linking access to the EU's financial disbursement to the implementation of structural reforms, in line with the European Semester's country-specific recommendations and the EU objectives. In line with the objectives of WP3 of the EuSocialCit project, we zoomed in on a specific policy area, namely childcare policies, which the RRF Regulation recognises as a key priority. We analysed the extent to which the RRF plans support the development of childcare policies, as well as their role in strengthening social citizenship.

To this end, we reviewed the measures included in the National Recovery and Resilience Plans to strengthen the supply of public childcare services in six countries: Belgium (Wallonia), Germany, Italy, Poland, Portugal and Spain. While the countries represent a mixed sample of high and low performers in terms of coverage of public and private childcare facilities, they vary significantly in terms of quality of system, monetary investment, affordability and availability of services, which ultimately impact accessibility (see Table 1 and Annex I for details). Furthermore, the limited provision of public early childhood education and care, notably in Italy, Poland and Spain, undermines efforts towards ensuring children's positive development and wellbeing. This has the effect of augmenting, rather than reducing, inequalities of life chances, as well as narrowing opportunities for parents, in particular mothers, to enter or stay in the recovery labour market. The countries in the study also differ in terms of quality (both structural and procedural), with Germany, Belgium and Italy spending on average, per child, substantially more than the others.

At the same time, similarities seem to characterise the six countries, especially when it comes to internal territorial disparities in the provision of services, which vary significantly across regions and between urban and rural areas. Furthermore, all countries – albeit to a different extent and depending on the child's age – are characterised by the problem of affordability, with high costs for parents. Finally, the countries differ significantly in terms of the RRF envelope received, with Poland and Portugal being among the high beneficiaries, Italy and Spain among the medium beneficiaries and Belgium and Germany among the low beneficiaries.

What emerges from our analysis is that all six countries have included childcare investments in their plans. These investments might increase ECEC coverage in these countries, while also reducing existing territorial inequalities. Italy is the country with the highest budgetary effort in this area, expected to more than double its provision of public places by 2026, followed by Spain, which will increase its supply of public places by almost 30%, then Poland (22%) Germany (13%), Portugal (9%) and Belgium (5%). In terms of territorial distribution of investments, Belgium, Italy, Poland and Spain include an explicit territorial criterion in their childcare fund allocation key, accounting for the *ex ante* unequal distribution of services. By contrast, this criterion is not considered in the allocation key of the German investments, nor in the case of Portugal.

Overall, we might conclude that prima facie some positive news has come from the NRRPs in terms of willingness and ability to strengthen the availability of childcare systems. The RRF has certainly been a game changer in Italy, where the inflow of EU financial resources opened a window of opportunity to finance infrastructural projects that otherwise would have remained on paper. Good news also comes from Spain – a country that undertook a social investment recalibration in the late 2000s, then reduced investment as a result of the Great Recession conservative austerity reflex, and is now using the occasion of the RRF to strengthen its supply of public services and especially to address its territorial asymmetries. Poland and Belgium are positive cases, with both countries taking the territorial dimension into account in their allocation of RRF investments. Mixed assessments emerge in the cases of Portugal and Germany, where the increase in public ECEC places is good news and a social investment turn has already been seen, but the lack of territorial attention in the distribution of funds might widen internal asymmetries.

Moving to reforms, our analysis shows a mixed scenario. Poland has introduced an important reform aimed at reviewing the financing framework and introducing a set of binding minimum education and quality standards for childcare facilities, in line with the 2019 Council Recommendation on High-Quality Early Childhood Education and Care Systems (see Annex II). Spain has adopted measures to support the most disadvantaged children and guarantee them free access to childcare. It recognises childcare as an educational service and introduces structural and procedural quality standards for childcare facilities. Yet, the remaining countries do not significantly engage with the structural problems characterising their childcare systems, at least in the framework of the RRF. While we have observed countries like Italy and Belgium de facto engaging in a set of important reforms in the framework of other EU initiatives, such as the Child Guarantee, the expected coherence between reforms and investments within the RRF still does not seem to be an assessment criterion concretely considered in the Commission's assessment.

An additional aspect worth mentioning is the monitoring system, and the capacity to monitor and track the implementation of – and results achieved by – the RRF-financed measures. Our analysis of the milestones and targets indeed shows a common pattern that is worth reflecting on in the review phase of the functioning of the RRF in mid-2024. The M&Ts in their current form seem too vague and over-aggregated to allow proper monitoring by the Commission, and there appears to be some inconsistency in the level of detail requested from Member States when reporting on the implementation of their measures. As observed also by the European Court of Auditors, some M&Ts lack clarity or do not cover all key stages of implementation of the measures, and the approach in setting them was not always harmonised across Member States (European Court of Auditors, 2022).

Going back to the question of whether the RRF can be conceived as a new instrument to enhance the EU's role within the social citizenship marble cake through the deployment of a positive conditionality approach, the answer is mixed. The RRF certainly represents an important novelty for the European integration process from a political, institutional, financial and operational perspective. This is also true with reference to the development of Social Europe, since the RRF has opened new political and institutional rooms to the multilevel coproduction of social policies. The provision of fresh financial resources indeed represents an important input for the adoption and implementation of welfare initiatives that would probably have otherwise remained on paper, especially for those countries with limited fiscal capacity.

Our empirical research shows that the RRF has only partially contributed to reinforcing Member States' compliance with the social country-specific recommendations. A significant proportion of the measures included in the NRRPs are not aligned with the social CSRs, and some CSRs are not translated into specific measures. Similarly, not all the vulnerabilities and challenges of the policies in the study are addressed by the NRRPs. The fact itself that the M&Ts remain largely vague and asymmetrically capable of tracking the implementation of reforms and investments across countries increases Member States' discretion when implementing the measures, and reduces the capacity to move away from a management approach to EU spending ('how much have we spent?') to the achievement of policy objectives ('what we have accomplished with our money?') (OECD, 2008). Certainly, one might argue that the RRF money is fungible and Member States can use it as they want, even to finance projects already planned or to extend existing ones. Yet, fungibility does not imply that the RRF is worthless. Therefore, efforts should be made to improve the functioning of the RRF system.

As with any new instrument, the RRF is also a case of trial and error. This paper provides positive evidence that this instrument can represent a cornerstone of the construction process of European social citizenship. At the same time, we have shed light on the key limits of the RRF in its current design. We are still on time to adjust the route.

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Annex I – Key institutional features and challenges before the pandemic in selected countries

Portugal is by far the country that guarantees the highest number of places to children under the age of three in childcare facilities (around 50%). Although 60% of places are publicly funded, only a small share of children (living in the poorest households, according to national criteria) have free access, and fees are paid depending on a family's income. Inequalities in access are still persistent, with higher-income households having disproportionately greater access (OECD, 2017). This is mainly determined by two factors.

First, the lack of places/supply in the regions of Lisbon, Porto and Setubal. These metropolitan areas are also those with the highest share of private providers: 41% in Lisbon, 32% in Porto and 44% in Setubal – compared with the national average, which is less than 20%. The provision is particularly limited in those areas within the cities where lower-income families live.

A second problem with the Portuguese system relates to the way in which the government allocates its financial contribution to early childhood education and care (ECEC) services. The Ministry of Labour and Social Security (*Ministério do Trabalho, Solidariedade e Segurança Social* (MTSS)) provides the funding directly to providers, once they are accredited to run their operations. However, the amount of the contribution by the MTSS does not cover the total cost per child. As a result, providers usually privilege the enrolment of children from middle- to high-income families (whom they can charge a maximum fee) to increase their revenue.

There are further drawbacks to the Portuguese system. Services are generally of low quality, as testified by the absence of standards and limited public expenditure devoted to ECEC (0.5% for childcare and preschool education, which is among the lowest levels of spending in the OECD countries), while nevertheless having a high percentage intake (Eurydice, 2021). Lack of educational guidelines and low levels of staff qualifications and salaries are among the main factors undermining quality. The absence of a specific curriculum or pedagogical guidelines, or standards for the learning environment or parental participation, leaves providers to apply their own practices and organisation, making the system incoherent. More importantly, because of the absence of an overall pedagogical framework, inclusion practices are very rare.

Finally, Portugal has other welfare policies targeting children, but these interact poorly with the childcare services. For example, the child benefit, a universal allowance, is paid monthly until the child is 16 years old, with amounts based on income and composition of the family and the age of the child. This is certainly a positive measure because it reduces the risk factors of children's learning outcomes and wellbeing. However, it does not cover all costs encountered by parents to enrol their children in childcare services (and other basic needs).

Spain is in principle the second highest-performing country, with a coverage rate of around 40.2% for children under three (Spanish Government, 2021). Contrary to Portugal, in Spain only around half of the services are funded publicly, with significant cross-community variation. The percentages indeed vary, from places available for 48% of under three year olds in Andalusia to 21% in Murcia, 23% in the Canary Islands and 24% in Asturias and Castilla y Leon. This problem is underpinned, in part, by very wide dispersion and heterogeneity in the level and type of funding that supports ECEC services. There is significant variation in the degree of stable commitment to this funding among the autonomous communities, and the economic burden has often been transferred to municipalities and families, resulting in fewer childcare slots and reduced enrolment rates in times of economic downturn.

The expansion of the provision of childcare services based on local initiatives has resulted in wide variations in supply that do not respond to equity criteria. In this respect, the low level of coordination at both community and national level represents a limit. The higher costs of privately provided childcare facilities, which represent half of the total offer, in part explain the significant inequalities in participation rates across terciles. In this respect, the existing income-related criteria to access childcare, which are meant to support lower-income households, are not efficient. The income thresholds established for preferential, more affordable or free-of-charge access are usually very low, while public provider fees remain too high for many families (Save the Children, 2019). Not all vulnerable children are reached, as shown by the lower enrolment rates in municipalities with lower average yearly income per capita.

Another limit of the Spanish system relates to the low salaries and temporary contracts of childcare educators, which negatively affect the quality of service. Further, the lack of national standards on the guaranteed minimum number of hours reduces take-up of the service if the community ECEC on offer cannot meet a family's specific needs (e.g. if the family only needs a few days or hours of childcare each week, with timings that change in response to an atypical schedule).

An additional limit is the low synergy with flexible working arrangements for parents. In this respect, according to Save the Children (2019), the lack of administrative and organisational flexibility may also lead parents to decide not to use ECEC services at all if the economic costs outweigh the benefits. The orientation of Spanish childcare policies has been towards (standard) work-life balance objectives.

More than 50% of children with employed mothers attend first-cycle ECEC, compared with 31% of children whose mothers are unemployed and just 24% of those with inactive mothers[23].

Germany has, in principle, the third-best coverage (31.3%). Since the 1990s, Germany has gradually expanded the right to childcare. Notably, the 2008 Child Support Law established a universal legal right to ECEC for all children from the age of one, which officially came into force on 1 August 2013 (BPB, 2021). Between 2006 and 2015, the proportion of children aged one and two using ECEC services increased from 29.4% to 48.5%, with further increases between 2015 and 2020 (Bertelsmann Stiftung, 2022). However, this share drops significantly if we consider children below the age of one, which explains why Germany is not among the countries with the highest rate of childcare coverage.

The majority of childcare services in Germany are publicly funded. This said, the German system also presents various drawbacks affecting children aged one to three. First, in Germany, the funding structures for childcare are characterised by significant regional variation as a result of decentralisation, with municipalities generally responsible for the majority of the funding. The result is that access to – and quality of – childcare services depend strongly on where a family lives. In municipalities that have lower financial resources, less funding will be available for childcare, or costs for parents might increase. Similarly, subsidies to the most disadvantaged families for childcare differ by *Land* (region). In some regions there are general subsidies for all children, or childcare is free up to a certain number of years for families with several children; in others, childcare provision is completely free, up to a certain number of hours. In addition, there are various regional funding arrangements for lunch provision and additional services (Bertelsmann Stiftung, 2021).

Costs remain a significant barrier to ECEC access in Germany, particularly for low-income families. Some 31% of families with children under three years of age with a low net equivalent household income indicate that fees are a barrier to accessing ECEC (DJI, 2021). Through the 2019 Good Daycare Facilities Act, parental contributions are required to be staggered according to social criteria, including parental income. Nevertheless, the precise determination of how fees are staggered depends on the legislation set out by the *Land*, and parents of children under three from lower-income families remain less likely than those from other families to use ECEC (West et al., 2020). Some aspects of childcare provision may disproportionately benefit socially privileged groups, such as the common prioritisation

[23] Unemployment refers to the situation when someone is willing and able to work but does not have a paid job. Inactivity refers to People not in employment who have not been seeking work within the last 4 weeks and/or are unable to start work within the next 2 weeks.

of double-income households where both parents are working (BPB, 2021). Overall, therefore, despite the legal entitlement to ECEC in Germany, financial barriers to ECEC remain significant.

With respect to providers, as in Portugal, the provision of ECEC is strongly governed by the subsidiarity principle, and by the principle of diversity of providers. Only about one third of children in Germany are in publicly provided care, with the majority using ECEC services provided by not-for-profit private organisations traditionally run by the church (Bertelsmann Stiftung, 2021). Pay rates for staff can also vary immensely by provider, with an impact on the quality of service. This difference in quality is reflected in the high degree of variation in the number of hours of care that children are entitled to. According to Bertelsmann Stiftung (2021), time entitlement to care is also defined at *Land* level, with 10 of the 16 *Länder* – mostly eastern – specifying a minimum number of hours per day. Similarly, requirements regarding the child-to-staff ratio exhibit large regional variation according to *Länder*-specific regulations (BPB, 2021). As a result, the de facto quality of childcare that children are entitled to varies immensely across Germany.

Italy has a lower coverage rate (around 26.9%) in comparison to Portugal, Germany and Spain, falling short of the 33% Barcelona target. This is mainly influenced by the strong regional differences within the country. Despite Law 107/2015 and subsequent Decree 65/2017, which define nurseries and supplementary services as 'services of public interest', the ECEC system in Italy remains decentralised. Public nurseries are run by the municipalities in accordance with the general criteria defined at regional level, either directly or indirectly (through third parties and private non-profit organisations), and the organisation and financing of childcare services are the responsibility of the regions in their own territories. Municipalities also define the criteria for admission to ECEC. Regions must provide (either directly or more often delegating to the provinces and municipalities) services and assistance to pupils (canteens, transportation, textbooks, aid to the less wealthy, and social and health assistance) out of their own budgets, and must finance plans for the building of schools. Because of a structural lack of state transfers over the past decades, the different regions have decided to organise financing of the service provisions themselves. This has resulted in significant territorial disparities, not only in terms of service coverage, but also in the type of service (public or publicly funded private). While the northeast (34.5%) and central (35.3%) regions of Italy show higher coverage, the northwest shows slightly lower numbers (31.4%), and the southern regions (14.5%) and islands (15.7%) stand out for their low coverage. The Emilia-Romagna region, on the other hand, stands out from the rest with the best coverage (36.4%), and Campania (9.3%) and Calabria (10.1%) in the south are the worst performers (ISTAT, 2021). Moreover, as in Spain, half of the services are provided by publicly funded providers, while half are provided by private providers, with strong regional differences.

One of the limits of the Italian system is the high cost for parents. Although Italy offers support to families via tax deduction (equal to 19%) and childcare allowances (up to EUR 1 500 per child annually, with no distinctions across regions), families pay an average of EUR 1 581 per year for each of their children enrolled in childcare. This figure, which is equal to one fifth of the expenditure incurred to provide these services, varies greatly in the different areas of the country: it is highest in the centre-north, where it is around EUR 1 600 to 1 700, with a peak of almost EUR 1 900 in the northeast, while it drops to around EUR 600 to 700 in the south. These amounts are quite significant if we consider that according to the Ministry of Education, 12.8% of families who do not use nurseries report having made this choice because they cannot afford the costs.

Another limit of the Italian system is the purchasing capacity of parents. According to ISTAT (2020), the frequency of nursery attendance remains below 14% for children of families in the poorest income brackets (first and second quintiles of income distribution), while it rises to 20% and 26% in the third and fourth income brackets respectively, and reaches 35% in the fifth income bracket. This, combined with the fact that differences exist according to a family's education level, with the baccalaureate and secondary school leaving certificate being under-represented among families that do not access childcare (31.8% and 18.7%, respectively, compared with 39.5% and 24.2% of all families), demonstrates that inequalities exist in the Italian system.

Finally, although standards for quality (in particular process) are high in Italy, making running costs per child at the highest level among the countries studied (together with Germany), the temporary nature of childcare educators' contracts and their low rate of pay compared with preschool teachers might reduce the quality of the service provision. In order to tackle this issue, the 'Iori' Law establishes the minimum requirement of an ISCED level 6 qualification[24] for childcare educators. However, the lack of adequate funding for the related degree course risks there being shortages of qualified staff.

Poland has the lowest coverage rate (17.5% in 2020). The coverage rate in 2020 for children up to three years old varied greatly by region, from 11.3% in the Świętokrzyskie Province, 12.2% in Warmia and Masuria, and 13.1% in the Lubelskie Province, to 25.6% in Lower Silesia, 21.4% in the Opolskie Province and 21% in Mazovia (Statistics Poland, 2022, retrieved from Westhoff et al., 2022).

The Polish childcare system faces three main challenges. First, there is a predominance of private providers and a lack of availability of public places. This leads first to the existence of inequalities in access to services, especially in those municipalities with lower availability of public places, and second

[24] In the International Standard Classification of Education (ISCED), level 6 corresponds to a bachelor's degree or equivalent tertiary-education level.

to the existence of high costs for parents since, despite the existence of public subsidies for private services, these do not cover the total amount to be paid by parents, who have to bear some of the costs (Westhoff et al., 2022).

The second drawback of the system is the difference between rural and urban areas (European Commission, 2020a). As Westhoff et al. (2022) point out, while 18.4% of children attended ECEC in urban areas in 2019, only 3.7% of children did so in rural areas.

Third, the labour market situation of women in Poland limits the take-up of childcare services. In most cases, Polish mothers do not benefit from flexible working hours that would allow them to reconcile work with childcare obligations (12% of working women, compared with approximately 40% in the EU28) (Westhoff et al., 2022). Twice the percentage of women in Poland as in the EU do not have the option to decide on their working hours (Westhoff et al., 2022; European Commission, 2020a). Moreover, in connection with this challenge, the tax and benefits system that exists in Poland leads to the refusal to take up a low-paid job, because it would lower the total household income for single mothers and women with potentially low wages (ibid.). On top of this, the 'Family 500+' benefit, which provides PLN 500 per month for each child, contributes to the unprofitability of working for mothers. This has also been confirmed by the European Commission (2020a), which considers that limited access to childcare is another factor affecting the low participation of women in the labour market.

In **Belgium,** the language communities are the responsible bodies for educational policies. The French community (FWB), which is the one we are looking at, had a high level of coverage in 2020, at 48.4%. Yet, this varies across provinces. Brussels-Capital had a coverage rate of 41.1%, while Walloon Brabant (*Brabant wallon*) had 62.1%. The coverage rate in 2020 was 57.4% in Hainaut, 48.1% in Liège, 57.1% in Luxembourg and 56.7% in Namur. Consider also that the rate increases significantly due to the fact that in Belgium the legal entitlement to at least 23 hours per week of pre-primary education free of charge starts from the age of two and a half. The coverage rate decreases slightly if we look at the rate for children aged under two and a half years (around 38.1%), again with differences across provinces (36.4% Brussels-Capital, 32.8% Hainaut, 35.3% Liège, 42.6% Luxembourg and 43.7% Namur).

Despite the positive situation in the French community, some challenges were identified that needed to be addressed, as well as some areas where there was room for improvement. Children from disadvantaged groups, such as those with a migrant background or with low-skilled parents, showed lower ECEC attendance (European Commission, 2020b). Differences between municipalities, resulting in inequalities for disadvantaged groups, are also confirmed by Biegel et al. (2021). In addition, there is a lack of a holistic approach to the treatment of childcare and preschool education workers (Peeters et al., 2017) and the sector has difficulties in attracting young people, mostly due to the low salary and the low remuneration of care workers. Moreover, as pointed out by Plantenga et al. (2013), the level of qualifications needed to become a childcare worker is lower than in most European countries.

Annex II – Brief history of the EU's role in childcare policies

Since the end of the 1990s and the beginning of the 2000s, the European Union has been at the forefront of the debate on the future of the European welfare state. As broadly discussed in deliverable 3.3 (Alcidi and Corti, 2022), social investment policies were put at the core of such debate and, accordingly, the idea that welfare states should be progressively recalibrated. Increasing attention has been placed on welfare provisions that help to 'prepare' individuals, families and societies to respond to the changing nature of social risks in advanced economies, by investing in, maintaining and protecting human capabilities from early childhood through to old age, rather than pursuing policies that only 'repair' social misfortune *ex post*. As stated above, the lynchpin of the social investment approach was the idea of the work-family life course (Kuitto, 2016). Indeed, social investment policies intervene over the entire life course of an individual (from birth to toddler, child, young adult, adult and older adult) to break the cycle of disadvantage, to smooth life transitions and to facilitate women's participation in the economy.

Despite the intellectual effort to create a new architecture for the 21st century welfare state, conceived as a combination of inclusive income protection schemes, activation policies and educational services, codified in the report for the 2002 Belgian Presidency of the EU, 'Why we need a new welfare state', the EU social investment agenda initially remained largely focused on (active) employment policies. As detailed in deliverable 3.3 (Alcidi and Corti, 2022), the European Employment Strategy (1997) and Lisbon Agenda (2000) were largely concerned with labour market flexibilisation and employment and social security. Initially, it was the Dutch and Danish flexicurity paradigm, presented as 'an alternative to sheer flexibilisation, deregulation and the degradation of social standards and social cohesion' (Bekker et al., 2008, p. 68). Even the conclusions of the Barcelona Council in 2002, which set the ambitious targets to provide childcare to at least 90% of children between three years old and the mandatory school age by 2010, and to at least 33% of children under three years of age, were primarily aimed at implementing the 1997 Employment Strategy. These targets were in fact included as part of one of the three priority actions identified by Member States in 2002, notably the one dedicated to active policies to achieve full employment. Specifically, early childcare was conceived as part of the implementation plan of the 1997 Employment Strategy, and as a way to remove disincentives to female labour force participation (European Council, 2002, p. 12).

In part, the initial lack of initiative on early childhood education and care (ECEC) is related to the limited legal competences of the EU to act in this field. The legal obligations regarding the right to ECEC are outlined in Article 14 of the Charter of Fundamental Rights (CFR), which regulates the right to receive free compulsory education, and are further encompassed in children's right under Article 24(1) to 'such protection and care as is necessary for their wellbeing'. The right to education is also enshrined in the United Nations Convention on the Rights of the Child (Article 28) and the European Social Charter (Article 17). At the treaty level, Article 3(3) of the Treaty on European Union (TEU) states that it is the Union's aim to protect the rights of the child, and Article 151 of the Treaty on the Functioning of the European Union (TFEU) aims to support the development of human resources with a view to lasting high employment and the combating of exclusion, including improving equality of opportunities for all children living in the EU.

2013 Recommendation on Investing in Children

It is not by chance that the first EU initiative that invested in ECEC took the angle of combating child poverty. ECEC in fact only entered the European agenda in 2013, with the launch of the Commission Recommendation on Investing in Children: breaking the cycle of disadvantage (European Commission, 2013). It recommends that Member States organise and implement policies to address child poverty and social exclusion, promoting children's well-being through multidimensional strategies. Its focus is, in fact, to combat child poverty. To this end, Member States are invited to develop integrated strategies based on three key pillars: i) access to adequate resources; ii) access to affordable quality services; and iii) support to children's right to participate.

Investing in ECEC is conceived as a key tool to reduce inequalities and address the challenges faced by disadvantaged children. Accordingly, high-quality, inclusive, affordable ECEC systems are indicated as a fundamental area for investment to break the cycle of disadvantage and, consequently, Member States are recommended to incentivise the participation of children in these services, in particular those from a disadvantaged background (especially below the age of three years), regardless of their parents' labour market situation.

The 2013 Recommendation certainly represents a step forward in the recognition of ECEC as a key service not only to foster female employment, but also as an educational policy to support the cognitive and societal development of children, especially the most disadvantaged ones. This notwithstanding, its adoption has barely empowered European children with new entitlement. In fact, the Recommendation invited Member States to establish ECEC policies, but without any quantitative targets or quality objectives. The indicator-based framework that accompanies the Recommendation includes only one indicator on ECEC, which is the share of children between the age of four and the start of compulsory education who participate in early childhood education, broken down by gender. At the same time, there is no definition of what a quality, affordable and available service is. It is left to the complete discretion of the Member States how to set up their educational systems.

Under the 2013 Recommendation framework, the Commission also provided operational and financial support to key EU-level NGO networks such as Eurochild, the Confederation of Family Organisations in Europe, the European Anti-Poverty Network and the Platform for International Cooperation on Undocumented Migrants. In addition, as discussed in deliverable 3.3, the Recommendation led to the creation of a special website called the European Platform on Investing in Children for an easier exchange of information and best practices between Member States, stakeholders and institutions. This platform, which operated between 2013 and 2021, was a mutual learning tool where users could share evidence-based practices related to the various aspects of the Recommendation. It also presented concise up-to-date reports on child and family policies for each Member State. Finally, peer review seminars on child and family-related policies were organised at European level as part of the open method of coordination (OMC). In this respect, more specific attention to childcare/ECEC and family support policies was reflected in the European Semester's country-specific recommendations.

In 2014, a report was prepared by a working group composed of European experts on ECEC from 25 countries under the auspices of the European Commission. The report proposed key principles for a quality framework, which was the first statement from the European experts on quality in ECEC. It identified five dimensions of quality ECEC: i) access; ii) staff; iii) curriculum; iv) monitoring and evaluation; and v) governance and funding. A total of 10 statements were made on strengthening the quality of ECEC provision. This document was shared in many countries by local stakeholders engaged in policy advocacy, research and training initiatives. In these countries, the draft framework acted as a powerful catalyst for change by contributing to policy consultation processes that sustained existing reform pathways.

With respect to EU funding, empirical evidence on the use of the European Structural and Investment (ESI) funds to support the implementation of the 2013 Recommendation shows mixed results. In particular, with regard to access to free ECEC, only a minority of countries used the ESI funds during the period 2014 to 2020 to finance infrastructural investments in ECEC and to support the most vulnerable groups. As stated in the 2017 Commission report, some countries used the ESI funds, in particular the ESF and the European Agricultural Fund for Rural Development to increase the available infrastructure, especially for the most vulnerable: Belgium, Bulgaria, Croatia, Hungary Lithuania, Poland and Slovakia (European Commission, 2017). The Asylum, Migration and Integration Fund is also used in some countries to increase the quality of staff training and the dialogue with parents in the case of migrant children: Flemish Community of Belgium, France, Slovenia and Luxembourg.

By contrast, in terms of childcare policies, the Recommendation does not seem to have been reflected in national reforms of the institutional settings. Only a few improvements to the quality of ECEC provisions have been observed since 2013 in Austria, Belgium, Hungary, Ireland and the Netherlands, with ad hoc measures to improve access and support for low-income households. These interventions, however, remain largely targeted to pre-primary school, while childcare services remain organised as they were before the Recommendations.

Legacy of the European Pillar of Social Rights

After the 2013 Recommendation, an important step came with the proclamation of the European Pillar of Social Rights (EPSR), notably with its principle 11 that states that all children have the right to affordable ECEC of good quality. This is in line with the CFR, which recognises that children are independent and autonomous holders of rights, that they shall have the right to such protection and care as necessary for their well-being, and that their best interests are a primary consideration for public authorities and private institutions (Article 24). As observed in deliverable 3.3 (Alcidi and Corti, 2022), despite not being a legally binding initiative, the EPSR also opened a window of opportunity for new EU initiatives in the domain of childcare.

The first initiative adopted in the framework of the EPSR was the 2019 Council Recommendation on High-Quality Early Childhood Education and Care Systems, recommending that Member States improve access to affordable and inclusive ECEC systems, and that they support the professionalisation of ECEC staff. In the first case, the Recommendation defines a quality framework consisting of 10 quality statements structured along five broader areas which coincide with the five areas identified by the Working Group in 2014 : i) access; ii) staff; iii) curriculum; iv) monitoring and evaluation; and v) governance and funding. The framework is guided by two key principles: i) that high-quality services are crucial in 58ontribng children's development and learning and, in the long term, enhancing their educational chances; and ii) that ECEC services need to be child centred. Contrary to the 2013 Recommendation, the 2019 one offers a more detailed illustration of how to design high-quality, inclusive and affordable ECEC. Yet, it does not define any quantitative targets, it maintains the same implementation actions via the monitoring framework in the Social Protection Committee, and it largely relies on peer learning and counselling and thus on the social OMC. Furthermore, it reiterates the complete discretion on whether and how to translate this into the national level of Member States, which have the possibility to use the ESI funds to implement the recommendations.

On 14 June 2021[25], the Employment, Social Policy, Health and Consumer Affairs Council adopted Recommendation (EU) 2021/1004 establishing the European Child Guarantee (CG). The CG is a policy initiative launched with the aim of breaking the cycle of poverty and social exclusion across generations, by protecting children under the age of 18 who experience poverty or social exclusion in the EU. For this reason, European institutions call on Member States to ensure access to a range of basic rights and services, including ECEC. With specific reference to ECEC, Member States are invited to: i) identify and address financial and non-financial barriers to participation in ECEC; ii) take measures to prevent and reduce early school leaving; iii) provide learning support to children with learning difficulties to compensate for their linguistic, cognitive and educational gaps; iv) adapt facilities and educational materials of ECEC to the needs of children with disabilities; v) put in place measures to support inclusive education and avoid segregated classes in ECEC establishments; and vi) ensure transport to ECEC, where applicable.

Contrary to the 2019 ECEC quality framework, the CG foresees a clear implementation process. The Council Recommendation mandates each Member State to nominate a national Child Guarantee Coordinator, who is responsible for overseeing the coordination and monitoring of the CG's implementation (in order to report regularly on progress made by the country to the Social Protection Committee and to the Commission, which will work jointly with the Social Protection Committee on developing a monitoring framework and relevant indicators). Member States shall develop their CG action plans covering the period 2022 to 2030, submit them to the Commission by March 2022 and have them finalised by June 2022. At the time of writing, Austria, Germany, Hungary, Latvia, Lithuania, Portugal, Romania, Slovakia and Slovenia have yet to submit their plans. National action plans can be financially supported by a budget line within the ESF+ (5% is earmarked for this purpose). Member States are required to include in their national action plans how they are going to prioritise ESF+ and other EU funding resources in order to implement the CG. A monitoring report will be prepared by the Commission every two years, and the Commission will review the implementation of the Recommendation and report to the Council by five years after its adoption. The yearly monitoring is done within the framework of the European Semester, specifically in the Social Protection Committee.

[25] In March 2021, the Commission adopted a Communication on the 'EU Strategy on the Rights of the Child', including a series of key actions to be taken by the Commission to better promote and protect children's rights, and recognising the role of ECEC as beneficial for children's cognitive and social development.

As in the case of the 2013 Recommendation, the CG also largely anchors itself to the objective of fighting child poverty. The legal basis for this is Article 292 TFEU, under which the Council adopts recommendations on a proposal from the Commission in conjunction with Article 153(1)(j) TFEU (contributing to the achievement of the Article 151 TFEU objectives by supporting and complementing the activities of Member States in the field of combating social exclusion) and Article 153(2) TFEU. The proposal contributes to combating social exclusion and discrimination, promotes equality between women and men, and protects the rights of the child, as prescribed by Article 3(3) TEU.

Revision of the Barcelona targets

A decisive step towards greater involvement of the EU in the design of childcare policies was taken on 8 December 2022 with the adoption of a new Council Recommendation on Early Childhood Education and Care: the Barcelona targets for 2030. The Recommendation aims to increase participation in accessible, affordable and high-quality ECEC while taking into account the demand for ECEC services and developing in line with national patterns of provision. In doing so, the Recommendation has a twofold objective: to facilitate women's labour-market participation and to enhance the social and cognitive development of all children, in particular of children in vulnerable situations or from disadvantaged backgrounds. The 2022 Recommendation defines a new clear target of 45% for the participation rate of children below the age of three in ECEC[26], as well as a target of 96% for those between the age of three and the starting age for compulsory primary education.

The Recommendation also invites Member States to take steps to make ECEC services available in a way that allows children to participate for at least 25 hours per week. In addition, it invites Member States to provide targeted policies for pupils from disadvantaged backgrounds, as well as children with disabilities, specific needs or special educational needs. It further defines the criteria for quality services, including adequate staff-child ratios and group sizes, professionalisation of staff, quality curricula and learning opportunities appropriate to the specific needs of each category of children and each age group. Special attention is devoted to the territorial distribution – and thus the availability – of services, notably to cross- and inter-regional asymmetries (especially in rural areas), and to the affordability of the services. With respect to the latter, Member States are encouraged to: i) limit out-

[26] For those countries that have not yet achieved the 33% participation rate set in Barcelona by 2022:

- Member States whose participation rate is lower than 20% must increase their participation rate in early childhood education by at least 90%,
- Member States whose participation rate is between 20% and 33% must increase their participation rate in early childhood education by at least 45%, or at least until a participation rate of 45% has been reached.

of-pocket expenses for parents; and ii) where applicable, introduce sliding-scale fees proportionate to family income or a maximum fee for ECEC.

Accessibility is given a prominent place in the new Recommendation, which states that Member States should offer solutions to parents with atypical working hours and to single-parents; improve access to ECEC regardless of the labour market status of the parents; ensure the accessibility of buildings, infrastructure, community support services and transport; proactively provide support and clear information about ECEC services; and offer administrative support in enrolment, with particular attention to parents in vulnerable situations or from disadvantaged backgrounds. In addition, the Recommendation explicitly suggests the introduction of legal entitlements to early childhood education considering the length and adequacy of the parental leave system. Member States are also encouraged to proactively inform parents about the possibilities, benefits and costs of ECEC, as well as the possible financial support available. It further recommends putting in place effective, impartial and accessible complaints procedures for reporting issues or incidents to the competent authorities. The 2022 Recommendation has a specific focus on staff working conditions and skills, whereby for the first time quality services relate not only to educators' professional skills, but also include attractive wages, collective bargaining, high standards in occupational health and safety, and equality and non-discrimination in the sector.

Finally, Member States will inform the Commission of the set of measures taken, or planned, to implement the Recommendation within 18 months of its adoption, and the Commission will prepare a report to the Council within five years on progress made in relation to this Recommendation. While no action plan is foreseen, Member States will report in the traditional European Semester framework. In this respect, the Council has endorsed the proposal of the Commission to improve regular data provision to cover age, gender and household income quintile breakdown of children's participation in ECEC, as well as the time intensity of participation and the participation rate for children at risk of poverty or social exclusion. In addition, the Council has endorsed the Commission's proposal to:

explore the possibility to develop further indicators in cooperation with the EMCO and the SPC and in close cooperation with the Education Committee and the Standing Group on Indicators and Benchmarks, and seek to facilitate the exchange of good practices and mutual learning among Member States, as well as technical capacity-building activities, and continue to support Member States in their efforts to design and implement reforms in the area of ECEC, in particular via the Strategic Cooperation Framework in education and training and the TSI.

The 2022 Recommendation offers a unique perspective on the design of childcare services, centred on the rights of the child. The detailed description of the who, what and how, as well as the explicit endorsement of legally binding entitlements and information mechanisms to facilitate not only formal but also effective access to ECEC services, regardless of the employment status of the parents, is certainly a good example of a rights-based approach to childcare provision. The link between this soft recommendation and the EU funding to support national reforms and investments in ECEC (Article 24.b) opens the possibility for an effective turn in the interplay between EU and national childcare policies. In this respect, however, the fact that the National Recovery and Resilience Plans have already been approved and the operational programmes in the ESI funds have in large part been adopted, de facto places some limits on the ambition of the Recommendation, which again leaves significant discretion to the Member States.

To summarise, the evolution of the EU agenda on childcare policies has seen a specific acceleration over the last five years, especially since the adoption of the EPSR. The brief reconstruction offered in this section points to three main observations. First, in terms of content, the EU initially conceived childcare policies as part of the employment strategy and notably as means to support female unemployment. The Barcelona Council focused on targets that ignore the quality, affordability and availability of services. With the 2013 Recommendation, we observe a shift towards a child-centred approach that sees nurseries as educational services. This approach initially remained anchored to the most disadvantaged groups, in line with the EU competences, but progressively expanded to a more comprehensive understanding of childcare quality in a broader perspective.

Second, in terms of power resources, the 2013 Recommendation did not come with effective empowerment of citizens. The plans did not include any significant changes (with a few exceptions) from a rights perspective. In the case of the CG, the link between EU funding and power resources remains to be explored, since the national governments had to submit their plans by June 2022.

Finally, the most significant change seems to have been introduced by EU funding, which indeed is being used to strengthen the provision of childcare facilities (the policy outputs) in the beneficiary countries. Against this background, the Recovery and Resilience Facility, as the first instrument that links the soft recommendations mentioned above, notably the CG, with the EU funding, poses the question of whether this can reinforce the EU's capacity to steer national reforms and introduce new forms of social entitlement by means of positive fiscal conditionality.