

# Denmark holds the key to affordable childcare, think tank argues <sup>[1]</sup>

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## EXCERPTS:

Ministers should look to Denmark, not the Netherlands, for ways of cutting the costs of childcare, a new report by the IPPR argues today.

The think tank takes issue with the arguments put forward by Elizabeth Truss, the new childcare and education minister, who favours the Dutch model of childcare as a means of making childcare more affordable for parents.

The cost of a nursery place in the UK has risen by nearly six per cent in the last year. A family where both parents work and earn the average wage spend over a quarter of their net family income on childcare.

Reforms in the Netherlands have led to the deregulation of childminders and led to a relaxation of the adult-to-child ratios, so that carers can look after more children.

However, the report, *Double Dutch - The case against deregulation and demand-led funding in childcare, which compares the system in the Netherlands with that of Denmark*, argues that the UK should be looking at Denmark for inspiration and a childcare system that emphasises quality and not cost-cutting.

The report also proposes that cutting child benefit and other allowances for pensioners would generate sufficient resources to make a major impact on the quality and affordability of childcare.

It says that if child benefit were frozen in cash terms for ten years and the money diverted into childcare, an extra £2.5 billion a year would be available. If winter fuel allowances and free TV licences for pensioners were cut and only available for those on pensions credit, this figure would rise to £4.2 billion a year.

In Denmark, it says, childcare has moved from a system of cash subsidy to one that offers a national entitlement to a childcare place with a high quality provider and capped parental costs, with fee-relief for low-income families.

Parents are entitled to a childcare place when their child turns one until they start school. There is a level playing field on funding and regulation, with a mix of centre-based care and childminders.

The cost of childcare is capped, so that parents pay a maximum of 25 per cent, with a sliding scale of subsidies. Parents pay around £200-£300 a month for childcare, equivalent to 7 - 10 per cent of their disposable income.

Parents are also entitled to generous, flexible leave. Even parents on low-comes are able to take a full year off work after having a baby, the options for childcare are attractive and affordable, and the workplace culture is family-friendly. Most parents receive at least six months full pay, co-funded by employers and the state.

The report, by Graeme Cooke and Kathleen Henahan, (pictured), also highlights that the majority of Danish childcare practitioners hold degrees in child development and earn around £25,000 - £40,000 a year.

They also have a union which upholds professional standards and a commitment from local municipalities to training and development.

It is this focus on highly-qualified staff that enables Denmark to maintain less statutory regulation on ratios, inspection and the curriculum, the report argues.

The report finds that in the Netherlands the cost of childcare is low because Dutch employers pay a third of fees.

Without this, childcare costs for Dutch parents would be among the highest among the OECD countries and dual earner parents would pay nearly as much for childcare as their UK counterparts, while single earner families would actually pay more than those in the UK.

It also says that the rise in the number of children enrolled in childcare in the Netherlands is due to grandparents using their right to new public subsidies.

Nick Pearce, IPPR director, said, 'Childcare in the UK is more expensive and of more variable quality than in many other European countries. Advocates for the Dutch system argue that the UK childcare system delivers poor value for money, for both parents and taxpayers because funding does not follow parental demand, our child-to-adult ratios are restrictive and regulation for childminders is overly burdensome, pushing up their costs.'

'In reality, UK childminders can actually look after up to six children under the age of eight at one time, so long as no more than three are under the age of five and no more than one is under the age of one. The fall in childminder places over recent years have been among those catering for school-aged children, so competition from nurseries cannot be to blame.'

He added, 'Rather than "go Dutch", we would do better to look to Denmark, where parents benefit from high quality, affordable childcare but there is no additional cash payment akin to Child Tax Credit. Denmark spends only a slightly greater share of its national income on children and families than Britain, but it devotes a much greater proportion to parental leave and childcare.'

A Department for Education spokeswoman said, 'Rising childcare costs are a huge issue for parents. It is clear the current system needs big improvements. We have set up the Childcare Commission to examine in detail what reforms need to be made. We are listening very closely to front-line professionals and to parents.'

'We are looking at best practice in countries such as France, Germany, the Netherlands and Denmark, where high quality and greater professional autonomy have been successfully combined. We will be setting out next steps in due course.'

-reprinted from Nursery World

**Related link:** Double dutch: The case against deregulation and demand-led funding in childcare [2]

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