

The London School of Economics and Political Science

Why are childcare workers low paid?

An analysis of pay in the UK childcare sector, 1994-2008

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Thesis submitted to the Department of Social Policy of the
London School of Economics for the degree of Doctor of
Philosophy, London, February 2012

Declaration

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Abstract

The thesis examines pay among British childcare workers from 1994 to 2008. It uses childcare as an example of female care occupations and selects the UK as a case study because in recent years childcare services have expanded substantially. As childcare provision has become increasingly formal, the issue of the rewards attached to this type of work has become more pressing.

The thesis asks why childcare workers in the UK have traditionally received low pay and to what extent they continue to do so. It explores the changes in childcare policy that have taken place since the mid-1990s in order to understand whether Government's increased commitment to childcare services has resulted in an improvement in workers' pay. The thesis develops a multi-layered analysis. First, based on a review of policy documents and secondary sources, the thesis examines British childcare policy and identifies the challenges to higher pay in the sector. Second, the thesis investigates changes in the characteristics and pay of the childcare workforce between 1994 and 2008 by using data from the Labour Force Survey (LFS) and from the Early Years and Childcare Providers survey. Finally, cultural assumptions about caring motivations and pay are explored on the basis of data from the LFS as well as findings from interviews with childcare workers.

The thesis makes three main contributions. Using a combination of quantitative and qualitative methods and a variety of information sources, it offers evidence on changes in the remuneration of British childcare workers, paying close attention to the way childcare policy, education policy and labour market institutions influence wage levels. Furthermore, drawing from the example of childcare in the UK, the thesis contributes to the wider debate on the undervaluation of women's work by pointing to some of the institutional dynamics that account for low pay in the sector. Finally, the thesis highlights the direct labour market impact of a childcare and early education policies, thus exploring an important dimension of welfare state analysis.

Acknowledgements

I would like to thank my supervisors for their guidance and support. Jane Lewis has taught me the importance of paying attention to the tiny details while keeping the bigger picture in sight. For her insights and comments, and for encouraging me to pursue my ideas, I am especially grateful. David Piachaud has introduced me to the field of social policy when I was still a master student. Since then, he has tirelessly coached me in the art of making things simpler and clearer. I am thankful for his considerable help in the process of this thesis.

I thank all the workers I have interviewed, for their time, friendliness and willingness to share their experience. Their views and comments have been an invaluable help to my search better to understand their work.

At the LSE, I have benefited from CASE/STICERD's supportive and stimulating research environment. I would like to thank the participants to the Work in Progress seminars for their generous criticisms and suggestions. I am particularly grateful to Francesca Bastagli for all her advice, support and the many stimulating discussions. I wish to thank Kitty Stewart for her encouragements and for the discussions on early years. I am indebted to Sue Coles for her crucial help in more than one occasion. A special thank goes to Tiffany Tsang for her friendship and support. Katie Bates, Cheryl Conner, Joe Joannes and Laura Lane have been of great help in the very final stage of the thesis.

Over the years, I have received important suggestions by many people. I would like to thank Ed Barnett, Francesca Borgonovi, Howard Glennerster, Rod Hick, Jonathan Roberts, Wendy Sigle-Rushton and Jane Waldfogel for reading drafts of part of this work. I thank Wolfgang Keck, Chiara Saraceno and Heike Solga for their helpful comments during the period in which I was visiting at the WZB.

I could not have completed this thesis without several good friends. I would like to thank Giulia Castelli, Francesco Fasani, Judith Fessehaie, Tommaso Frattini, Elena Meschi, Emmi Poteliakhoff, Francesca Santaniello, Beatrice Sbriscia, Tiffany Tsang

and Astrid Winkler for their direct help and for the many conversations on some of the ideas developed here.

My sister Elisa has been a source of continuous encouragement and, despite the distance, was always there at moments when the task seemed impossible.

Florian has listened to my reading this work out loud for many years. For his support, patience and wit, I am deeply grateful.

Above all, I thank my parents, who have been integrating education and care for more than thirty years. I dedicate this thesis to them.

This thesis was supported by the Department of Social Policy, at the LSE, through the Titmuss-Meinhardt Scholarship.

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List of acronyms

ASHE	Annual Survey of Hours and Earnings
BEM	Black and Ethnic Minorities
BTEC	Business & Technology Education Council
CPQS	Certificate in Post-Qualifying Studies
CWDC	Children's Workforce Development Council
CACHE	Council for Awards in Care, Health and Education
CRB	Criminal Records Bureau
DCSF	Department for Children, Schools and Families
ECEC	Early Childhood Education and Care
EYDCPs	Early Years Development and Childcare Partnerships
EYFS	Early Years Foundation Stage
EYP	Early Years Professional
EPPE	Effective Provision of Pre-school Education
GCSE	General Certificate of Secondary Education
GDP	Gross Domestic Product
HNC	Higher National Certificate
HND	Higher National Diploma
LFS	Labour Force Survey
NCMA	National Childminding Association
NMW	National Minimum Wage
NNEB	National Nursery Examination Board
NQF	National Qualifications Framework
NTO	National Training Organisation
NVQs	National Vocational Qualifications
NVQ3	National Vocational Qualification level 3
NVQ2	National Vocational Qualification level 2
NES	New Earning Survey
ONS	Office for National Statistics
OND	Ordinary National Diploma
PPA	Pre-School Playgroups Association
QTS	Qualified Teacher Status
SIC 92	Standard Industrial Classification of Economic Activities (1992)
SOC 2000	Standard Occupational Classification (2000)
SOC 90	Standard Occupational Classification (1990)

Chapter 1

Introduction

In recent years, childcare services have come to the fore of the policy agenda in many Western countries and in particular in European ones. At European level, the 2002 Barcelona Council set targets for childcare provision: at least 90% of children between 3 years old and the mandatory school age and at least 33% of children under 3 years of age (CEU 2002). Most European countries have taken initiatives to increase the availability of services (European Commission 2009) and childcare participation has gone up in several Western countries (OECD 2011). The expansion of services has been especially notable in countries which had historically had lower levels of provision – the UK and (West) Germany are two cases in point (Evers, Lewis, and Riedel 2005).

Services for pre-school children, however, are often not provided nor entirely funded directly by governments. Systems of provision vary substantially across countries, but it is common to find a mixed market system, whereby services are located within public, private, community and voluntary bodies. In addition, public interest in the issue of childcare is articulated differently in different countries, reflecting variations in national contexts and underlying policy goals. So the expansion of childcare services can be framed as related to the wish to facilitate work/family balance, the need to address the issue of child poverty and to promote better social inclusion. Notwithstanding these variations in emphasis, the development of childcare services is almost invariably underpinned by the policy goal of increasing female employment, coupled, in some countries, with that of promoting fertility rates. Indeed, maintaining a high employment/population ratio is seen as a crucial objective in order to sustain economic prosperity and competitiveness in the context of ageing population and rapid globalisation.

The issue of female employment is therefore central to childcare policies and to policy makers' thinking about it. The labour supply argument for investing in

childcare services is well rehearsed: the availability of childcare services has a positive effect on mothers' employment rates. Attendant to this policy focus is a large body of research seeking to quantify such impact, with varying degrees of attention to women's normative orientations and the contextual character of employment choices (among others: Paull, Taylor, and Duncan 2002; Jaumotte 2003; Lewis, Campbell, and Huerta 2008). But childcare services have also another, more limited but nevertheless more straightforward impact on employment. As these services are very labour-intensive, an expansion of provision has inevitably to be met by an increase in employment. Further, given that, in all countries, the childcare workforce is overwhelmingly female, childcare services are themselves a source of female employment. There is therefore a second interrelation between childcare policies and the labour market: the creation or shaping of employment in the childcare sector itself.

Yet employment in childcare typically offers low rates of pay, especially in those countries where a private system of provision is prevalent. Thus, the expansion of childcare services is often attended by the creation of *low-paid* jobs. In fact Morgan (2005) argues that private childcare services are more likely to exist in those countries where the labour market is unregulated because only the presence of a low-wage labour force makes the expansion of private services possible. The USA is the obvious example: with only modest government subsidies, a large childcare industry is sustained by the extremely low wages paid to childcare workers. Forms of childcare employment that enjoy higher relative wages and better working conditions are the exception rather than the norm, as they require substantial government resources, as is the case in the Nordic countries.

This thesis examines the issue of low pay in childcare services. It focuses on the UK, where the expansion of childcare services and the growth of public expenditure devoted to them have been substantial. In the mid-1990s levels of formal childcare provision in the UK were extremely low by international comparison. Since then, the proportion of children enrolled in services has increased markedly, especially among three- and four-year-olds. How has the pay of childcare workers changed in the context of an increased public commitment towards formal childcare provision? What accounts for such change or lack of it? Has the composition of the childcare

workforce varied over time? What are the assumptions about the nature of this work that are implicated in its low pay? These questions capture the main concerns of this study.

My main argument is that childcare work has some unique characteristics and low pay has to be understood in relation to them. Childcare work is performed almost invariably by women and, at a normative level, is a profoundly gendered type of work (Cameron, Moss, and Owen 1999). Further, besides entailing the performance of specific tasks and the undertaking of responsibilities, childcare work involves emotional attachment to the person-cared-for. Childcare work comprises thus both labour and feelings. Although it is *paid* work, it is an activity that is not clearly differentiated from unpaid family care. So, paid childcare work straddles the conventional border between the private world of the family and the public sphere. This may make childcare vulnerable to undervaluation by the market, whose system of rewards pertains the public sphere only.

From a policy perspective, the peculiarity of childcare work arises from it lying at the interface of social policies and labour market policies. Childcare workers are located at the intersect of the labour market and the welfare state. As for every worker, their position and pay is influenced by the characteristics of labour market – its level of regulation for example. In addition to that, childcare workers are the direct providers of a service that pertains, to varying degree, to the welfare state. Indeed, as the issue of childcare has come to the fore on policy agenda, the nature of childcare work – its characteristics and its objectives – has increasingly been influenced by social policies regarding the funding, the regulation and the provision of such services.

In these respects, childcare work is different from other types of work that tend to be poorly remunerated, like retail trade or jobs in call centres (Gautié and Schmitt 2010; Lloyd, Mason, and Mayhew 2008). Childcare work is deeply implicated in the current gendered system of division of labour, both inside and outside the family. Unlike some other personal services, childcare work does not belong exclusively to the private relation between service users and service providers. As the responsibility

for supporting families with children becomes more collective (OECD 2011), childcare work comes to be more directly relevant to the welfare state.

Starting from the unique characteristics of paid childcare work, this thesis seeks to answer the question as to what accounts for its low pay. The approach developed is policy-oriented and multidisciplinary. The thesis combines attention to the policy dimension with the investigation of a number of theoretical propositions. In particular, this study concentrates on childcare and early education policies, as these impact directly on the way childcare services are organised, funded and regulated. As for the theoretical component of the study, it draws on different disciplines and, in particular, merges insights from the literature on care with those commonly found in conventional explanations of the drivers behind low wages.

The remainder of this introduction looks in somewhat more detail the problem of low pay in childcare. It explains why low pay in childcare matters and reviews some of the issues involved. The following section defines the scope of the thesis. The last section presents the thesis structure.

The problem

Policy makers tend to identify the growth of formal care services – whether social care or childcare – as contributing to employment creation. In their view, such an expansion of the labour force is highly desirable. For example, the European Commission has long supported the development of formal care services with the idea that it was an untapped source of new jobs (CEC 1993). For governments wanting to increase both the supply of care services and the number of jobs, low pay and poor working conditions remain, at best, a secondary concern or, as suggested by some scholars, instrumental to the very creation of these services (Moss 1999, 2000). Within a policy approach centred on the expansion of services, low pay becomes a problem only insofar as it discourages labour supply: if pay is too low it may become difficult to attract the necessary numbers of workers.

Economists tend to share this view and consider the issue of the relatively low pay of care jobs a “no-brainer”. David Blau, in his comprehensive economic analysis of the childcare problem, eschews the issue of low pay by explaining that the fact that there

are many women “who are willing to supply their labour for such low compensation, despite the fact that higher-wage jobs are available in other sectors, suggests that there may be some nonpecuniary rewards to being a childcare provider.” (Blau 2001, 9). Here the underlying assumption is that, if the demand for higher wages in childcare existed, the market would rapidly provide for it.

However, scholars from other disciplinary backgrounds doubt that the market alone can be relied upon to improve the pay of childcare workers (Grimshaw and Rubery 2007; Rubery 1997; Rubery, Grimshaw, and Figueiredo 2005). In their views, the functioning of the market is embedded in social and cultural norms and specific institutional arrangements. Wages do not only respond to variations in the labour supply and demand curves. They are the result of a more complicated set of interactions and are likely to be more “sticky” than conventional economic theory would predict. Although this critique applies to the overall analysis of the labour market, when ascribed in relation to childcare it suggests that relatively low wages are unlikely to be a transient feature of this type of work.

There is ample evidence that childcare jobs are prone to poor remuneration, but there are important variations across countries and across types of childcare provision (OECD 2001, 2006). Differences across countries are largely accounted for by variations in the overall distributions of earnings and by differences in the organisation of childcare provision. The Nordic countries tend to couple a compressed distribution of wages with extensive public provision of childcare services. This in turn makes low pay in childcare uncommon. By contrast, in countries in which a private system of provision is dominant, childcare workers tend to receive very low wages. High earnings disparities exacerbate this feature.

More specifically, more substantial public funding is associated with higher qualification levels among childcare workers (OECD 2007, 2001; 2006, chapter 6; Cameron and Moss 2007). And, unsurprisingly, more highly qualified workers have higher earnings. Furthermore, in countries that operate a mix-economy of provision, it is often the case that better working conditions are found in public services as opposed to private ones. So, it is largely expected that the Danish workforce – the most highly qualified across all OECD countries and commonly employed in publicly-run

centres – would earn more than British nursery staff, who have traditionally been poorly qualified and employed mainly in the private sector.

But levels of spending are not the only important factor. The type of childcare services are also very critical: whether services belong to education or, instead, to care. The evidence suggests that those “working closest to the school gate are better trained and rewarded.” (OECD 2006, 158). However, the education/care divide very often overlaps with the public/private sector divide. Educational services tend to be publicly provided, while care services are offered by private organizations of different kinds. As employment in the public sector is often more regulated, with advantageous effects for employees, it is not clear whether the higher pay of workers in the educational segment of provision relates to the philosophy of the service or to the more favourable labour market arrangements.

Despite marked national differences, the issue of low pay in childcare is potentially relevant to all countries. Indeed, recent expansion of services has often been achieved by favouring precisely those forms of provisions that are relatively more poorly paid. For example, since 2005 Denmark has favoured the entry of private for-profit providers. Likewise, in France recent reforms aimed at increasing service coverage for children under three, have encouraged family-based care (*garde à domicile*) instead of expanding municipally run centres (*crèches*). The UK is no exception, as the growth in the childcare sector has explicitly favoured the private and non-profit sector, where wages are lower, over the public sector. This is not to say that these policy choices are *inherently* damaging for the workforce. It is instead to suggest that in a period of welfare contraction, the issue of low pay in childcare is likely to become more salient as governments expand services while trying to keep down their costs.

Crucially, variations across countries and sectors of provision highlight the importance of government intervention. Childcare jobs tend to be poorly remunerated when there is no or limited public funding or regulation. Further, union representation appears to be important. Family-based childcare providers cannot command decent wages if they are bargaining individually with parents. Likewise, childcare settings need to keep wages down in order to maintain fees low enough to

attract parents. Parents, on the other hand, have limited resources and their choices are necessarily based largely on prices, although they naturally tend to think that the childcare provider chosen is suitable for their child. Left to the market alone, the resulting dynamic leads invariably to low wages (Folbre 2006).

But why does it matter if childcare workers receive low wages? Social scientists from different disciplinary backgrounds – education, developmental psychology or social work – see low pay as related to poor quality of services. The starting point here is that within childcare services the identity of the carer plays a major role in the actual delivery of the service. *Who* cares for children influences substantially what kind of care they receive. For example, services led by teachers are found to be more stimulating and overall of better quality than those staffed exclusively by non-qualified workers (Mathers, Sylva, and Joshi 2007; Sylva et al. 2004). As pay and qualifications are broadly correlated, poor pay signals the low status of the job and hampers the possibility of attracting highly qualified workers. Analyses of childcare services also point to the problem of frequent staff turnover (Whitebook 1999). The stability of the relationship between children and carers is generally considered an important aspect of quality, which is especially valued by parents (Mooney and Munton 1998; Roberts 2011). However, low pay is likely to undermine the continuity of care, as the correlation between staff pay and turnover rates in the USA suggests (Whitebook and Sakai 2003). In short, for those who insist on the importance of early childhood services in promoting children's learning and development, low pay can be a factor in reducing the quality of services.

Concerns about low pay in childcare emanate also from a wider interest in gender equality. As childcare work is performed disproportionately by women, its low monetary rewards contribute to gender inequality. For a long time, the policy solution to this gender-unequal outcome has been to encourage women to move out of this occupation (for example Women & Work Commission 2006). Historically, the move into male-dominated and better-paid professions has contributed to a substantial narrowing of pay inequalities between the sexes. However a complete reversal of the sexual composition of the childcare occupation is unlikely to occur as the sex-typing of this type of job has been remarkably stable over time and across countries. Further, the recommendation that women should enter into male

occupations begs the question of *who* is to care for children if this job remains poorly paid. In many countries, notably the USA and some Southern European countries, the answer has been migrant workers (Bettio, Simonazzi, and Villa 2006; Williams and Gavanas 2008; Ehrenreich and Hochschild 2002). Far from solving the problem of low pay, this trend has exacerbated it. The problem is therefore that childcare work, and care work more generally, tends to be poorly rewarded. The accurate analysis by England et al (2002) shows that care occupations in the USA suffer a wage penalty. Those employed in care occupations received lower wages even after accounting for jobs skills requirements and individual education levels. The result is especially stark for childcare jobs.

Low pay thus matters in relation to two sets of concerns – gender equality and high quality childcare services. Such concerns are not antithetical, and, in fact, they meet on several points, and the issue of the workforce is an important area of convergence. Developing high quality childcare services where staff enjoy generous level of pay and favourable working conditions is a policy aim shared by feminists as well as those concerned with the education and well-being of children.

This study has as its starting point the debate on the undervaluation of women’s work and addresses questions that belong to the literature on care and on women’s work. In this respect, thus, the broad context of this study is that of the “complicated rebalancing of unpaid work between the market, state, men and women” (Lewis and Giullari 2005, 78). Nevertheless, the thesis also takes into account concerns regarding the quality of childcare services. Indeed, the issue of the rewards for working in childcare is inevitably confronted with the question of how childcare services are widely understood and viewed.

In this thesis, the term *childcare* is used in order to highlight the particular attention given to the wider issue of the social organisation of care and to bring to the fore the gender dimension within it. However, in recent years the term ‘childcare’ has been replaced by other terms, like ‘early childhood education and care’ (ECEC) (OECD 2001, 2006; Eurydice 2009) or, in the British context, ‘early years’. The new terms reflect an understanding of early childhood services as combining both care and education. For those advocating a stronger emphasis on children’s learning and

development, the term ‘childcare’ is indicative of too narrow an approach, whereby early childhood services are organised around the policy objective of parental employment (Kaga, Bennett, and Moss 2010; Sylva and Pugh 2005). These concerns are important, and they will be discussed in relation to the UK in Chapter 3, where the developments of early education and childcare policies will be examined. Indeed, the debate around terminology is itself suggestive of the lack of consensus regarding the role these services play and their objectives. In the context of this study, however, the term ‘childcare’ seems more suitable than ‘early childhood education and care’ because low pay is especially prominent in childcare services, as opposed to educational ones. In addition, when services are integrated, is the ‘care’ aspect of this type of work which seems to be problematic in relation to pay.

The scope of the study

This study focuses on the UK, a country that has witnessed a significant policy change in relation to childcare and early education services. Historically, the UK has been characterised by low government support of childcare services. This was consistent with the commitment of the British welfare state in favour of the male bread-winner model (Lewis 1992). The reconciliation between paid work and care was typically achieved through part-time work for mothers. Childcare arrangements were considered, and in fact were, almost exclusively a private matter and consequently the theme of childcare services was not on the policy agenda of any British post-war government.

But the policy orientation changed radically in 1997. Labour gave unprecedented attention and resources to childcare and early education services. This commitment resulted in the rapid expansion of childcare and pre-school education places for children under five and major investment in a series of initiatives targeting disadvantaged areas. The policy change makes the UK an interesting case study. As public spending increased substantially under the Labour Government, has the pay of childcare workers also increased? A close study of policy changes, matched with evidence on pay levels in childcare has therefore the potential of offering a richer understanding of low pay in this sector.

The UK case is interesting also in relation to the organisation of early childhood services. The UK has traditionally operated a system in which early education and care services were parallel, catering for children of similar age. Reforms enacted since 1998 have moved towards the integration of childcare and education, putting a stronger emphasis on the educational aspect of services (Moss 2010). Thus exploring pay variations over time and across different groups of workers in the UK can shed some light into the factors accounting for low pay. In addition, services are offered by organisations belonging to the public, private and voluntary sectors. Comparing workers employed in the different sector, can, once again, help understand some of the institutional factors behind low pay.

On the other hand, the UK is very similar to all other OECD countries in that early childhood services employ almost exclusively only women. Further, the British workforce is, with the exception of teachers, generally low paid (Cameron, Mooney, and Moss 2002). In this respect thus childcare work in the UK can be considered a pertinent example of what England and Folbre (1999) call “the cost of caring” – the pay penalty that characterises care work relatively to other kinds of work.

It is important to clarify from the outset some limits to the scope of the analysis. In relation to the low pay of childcare workers, the analysis does not compare pay in childcare jobs to pay in other jobs. Such comparison usually involves devising a methodological strategy that makes adjustment for the fact that jobs vary in terms of their pay-relevant characteristics and their skills demands. Instead, the analytical focus of the thesis lies on the institutional mechanisms and the dynamics that have resulted in low pay in the precise context of childcare work in the UK. This is not to say that the evidence presented here cannot be relevant to other examples of care work. It is rather to clarify that the analysis will be focused on childcare only.

The scope of the thesis is also limited to the UK case. Although cross-country comparisons help uncovering the assumptions underpinning childcare services (Moss 2010), a comparative analysis would have gone beyond the manageable scope of this thesis and had therefore to be excluded. Nevertheless, examples from different countries are used for illustrative purposes, especially in relation to policy.

The analysis focuses on services for children below the age of 5. Childcare services can encompass, and often do, also after-school provision for older children. Similarly to childcare services for younger children, out-of-school provision has expanded substantially in the last years. However, in the case of out-of-school services, policies are often developed within the realm of education, and therefore not always in conjunction with childcare policies. In order to contain the scope of the policy analysis, only policies regarding children under five were included. Nevertheless, many of the arguments developed in this thesis are relevant to workers employed in out-of-school services.

The structure of the thesis

Chapter 2 develops the theoretical framework that guides the empirical analysis. It starts by discussing the gender dimension of childcare work and moves on to examine the interaction between gender and pay. Further, it draws on an interdisciplinary literature to identify two aspects of care work – its skills and motivation content – that make it vulnerable to poor remuneration. The research questions are then presented.

Chapter 3 provides an in-depth analysis of childcare policies in the UK since 1997. The first part describes British childcare and pre-school education provision and highlights the relationship between the structure of the services and the workforce. The second part focuses on recent policy changes, with the objective of exploring how policy contributes to the structuring of early childhood services and their workforce.

Chapter 4 is methodological. It draws on the research questions developed in Chapter 1 and Chapter 2 to present a more “operational” version of them. Further, it presents the case for a mixed-methods strategy, illustrating the advantages of using both data from the Labour Force Survey (LFS) and the Childcare Providers’ Survey, together with data from interviews with childcare workers. Finally, the chapter explains in detail the methodology followed in preparing the LFS data and in carrying out the interviews.

The empirical analysis appears in the next four chapters. Chapter 5 and 6 draw mainly on LFS data and focus on changes in the childcare workforce and its pay from 1994 to 2008. In this respect therefore, they relate more closely to Chapter 3, and the policy changes described therein. On the other hand, the analyses presented in Chapter 7 and 8 rely on both the quantitative and qualitative data to address the questions developed in Chapter 2.

Using mainly data from the LFS, Chapter 5 investigates variations over time in childcare workers pay levels and examines possible differences in trends among groups of childcare workers. Chapter 6 focuses on the profile of childcare workers, in particular their demographic characteristics and their qualifications.

Chapter 7 starts by looking at the relationship between qualification levels and pay in childcare. In the second part, it offers evidence on the demands of childcare work as perceived by workers. Chapter 8 addresses the theme of motivations, and tests two propositions regarding the relationship between pay and caring motivations.

Chapter 9 concludes by reviewing the main findings in relation to the theoretical issues presented in Chapter 2 and the research questions. It reflects on the analytical approach used, highlighting potential new research questions. Finally, it discusses the policy implications.

Chapter 2

Care work and pay: a conceptual framework

Introduction

This chapter discusses the theoretical literature that can help explain why childcare is low paid. Its immediate aim is to delineate a set of propositions that will guide the empirical analysis. More broadly, the chapter sets out the perspective adopted by this thesis. The problem of low pay in childcare can be addressed in a variety of ways. Indeed, the issue of low pay belongs to the much wider theme of the distribution of rewards within the labour market. Within economics, the emphasis is generally on individual characteristics – preferences and productive attributes – and the underlying assumption is that wages are mainly the result of economic forces within the labour market. Other social sciences, however, are more concerned with the role of social actors and institutions in shaping the structures of rewards for labour.

The approach developed here is multidisciplinary. Its aim is not so much to identify *one* set of factors responsible for low pay, as to develop an understanding of how different factors overlap and interact in the process of influencing wages. The analysis, as will be made clear when the methodology is explained (Chapter 4), is at the level of the individual. That is, the unit of analysis is chiefly the individual childcare worker. In this respect, the approach is in line with conventional microeconomic analysis of the labour market. However, this thesis seeks to offer an institutionally informed and culturally rich analysis, whereby careful attention is given to the *context* in which individual workers are placed. The point is not to “isolate” one mechanism, but to explore how economic forces, institutional factors, cultural assumptions and social norms reinforce or attenuate each other to result in low wages in childcare.

Within this multidisciplinary approach, the thesis maintains a gender perspective. Childcare, and care more generally, is a profoundly gendered issue. As an activity, women tend to do more of it, irrespective of whether it is located in the formal or informal sectors. Women spend more time than men performing unpaid care work within the household (Lewis 2009, 51-59; Crompton 2006; Bianchi 2011). Likewise, the paid childcare workforce is overwhelmingly female (Cameron and Moss 2007). The gendered aspect of childcare emerges also in relation to care as a responsibility. Social norms around care are very different for men and women (Duncan et al. 2003; Himmelweit and Sigala 2004), resulting in different patterns of employment and, within employment, in different occupational choices between the sexes (England 2005). Adopting a gender perspective thus means focusing on “the way in which caring work is deeply implicated in our current sex/gender system” (Fisher and Tronto 1990, 35).

This chapter reviews theoretical contributions on care work and low pay. Because women are so disproportionately involved in care work, it is mainly feminist scholars who have led the exploration of the issues underpinning the low rewards attached to childcare. This review will concentrate firstly on the literature on care, with the objective of highlighting the specific characteristics of care work. In particular, it devotes some space to discuss the problematic relationship between care and the market. Sections 3 and 4 are devoted to the themes of skills and motivation respectively and develop some theoretical implications about their role in low pay. Section 5 presents the research questions pursued by the thesis, and Section 6 concludes.

Gender issues: care as women’s work

Feminist scholarship has thoroughly explored the nature of caring, starting from its pervasiveness in women’s lives and, linked to this, its role in defining women’s identities. In this literature there is a tension between the complexity and variety of everyday caring experiences, and one unifying factor: that, wherever and however care is done, it tends to be done by women. Care is provided in the public domain – hospitals and nurseries – and in the private one – by parents to children. Within the public domain it can be the state, or the market or the voluntary sector supplying it, and carers can be relatives, friends, professionals as much as volunteers (Leira 1994).

This thesis is concerned with a particular type of caring work: waged care work with children. While remaining mindful of its specific empirical application, paid childcare work is viewed here as belonging to the broader social activity defined as *care* (Folbre 2009; Leira and Saraceno 2002; Daly and Lewis 2000; Fisher and Tronto 1990; Finch and Groves 1983). That is, the thesis takes the view that paid childcare work is not very different from other forms of caring – formal and informal, paid and unpaid, contractual and non, etc. (Folbre 2009; Himmelweit 1999). This is not to deny that the nature of care does change according to the circumstances under which it is provided. Much of the feminist literature on caring has illustrated in great detail the way in which care is shaped by the specific arrangements in which it occurs – caring is highly contextual. However, a broad view of care helps to identify the specific, if not unique, features of care. Furthermore, a unifying notion of care straddles the usual analytical categories we employ, overcoming a number of dichotomies – e.g. public/private, formal/informal, paid/unpaid – which have long been shown to mystify rather than illuminate the analysis of care work.

If paid childcare work is considered as a specific example of caregiving, the insights emerging from the analysis of *all* caring activities become relevant to this study, irrespective of whether they emerged in relation to different specific examples of care work. Thus, by considering paid childcare work as belonging to the broader activity which is care, I am able to draw on other analyses that use such broad concepts but have emerged in relation to other forms of care work, for example unpaid elderly care. In the remainder of the section I review feminist scholarship's insight into the nature of care work. Even though these contributions do not always address the question of rewards for care work, they contribute to our understanding of why it tends to be poorly remunerated.

Care is a complicated concept and activity. Graham's seminal contribution demonstrated how "caring demands both love and labour, identity and activity" (1983, 13). This pointed out the double meaning of caring: care *for* and care *about*. While the former refers to the activity of tending to another person's emotional and

physical needs, the second centres around the desire for the other person's well-being. This early insight has remained a central tenet of the literature on care. Care thus involves both relationship and activity. This makes it difficult to define its boundary. Indeed *caring* can mean being available for someone, without the actual performance of a care-related task. Time use studies have highlighted this problem in relation to parental childcare: being around while a child plays with another child can indeed be defined as *passive* care or *secondary* activity (Folbre and Bittman 2004; Folbre and Yoon 2007). Within the sphere of paid care work, the relational aspect of care raises problems in relation to the organisation of labour. Narrow time frames, fitting only the performance of routine tasks, prevent workers from developing the more relational aspects of caring and leave little opportunity to comfort, entertain and stimulate care receivers.

As an activity, care “requires the integration of menial, mental and emotional skills” (Leira 1994: 189) because it involves the simultaneous performance of different tasks. For example, a routine task like feeding a baby can involve scientific knowledge on children's dietary requirements as much as emotional and mental skills in the form of stimulating the child and making her feel comfortable. But the conventional hierarchy between manual skills and mental and emotional ones tends to create a stratified workforce (Duffy 2011). The risks of segmenting care work are visible and have been widely documented (e.g. Abel and Nelson 1990). In particular, both the quality of care and the satisfaction of care workers are compromised if unqualified workers are left to provide the bulk of direct care under the close supervision of more trained staff (for an example from nursing, see Davies 1992).

Care is embedded in socially constructed personal obligations and in the process of (gendered) identity formation (Finch 1989; Finch and Groves 1983; Graham 1983; Ungerson 1983). Indeed, the obligation to care is experienced differently by men and women, with women facing much stronger pressures to care than men do (Land and Rose 1985; England 2005b). But, as Land and Rose (1985) argued, genuine care requires genuine choices – the caregiver needs to be able to choose not to care. They referred to women's unpaid family care and called for “good alternative services”. In her history of paid care work in the US, Duffy (2011) points out that white women

moved away from caring occupations as soon as alternative occupations became open to them.

From a philosophical perspective, Tronto (1993) suggests that care, as a notion, value and activity, is intrinsically relational. Insofar as care embodies the notions of need, of interdependency and interconnectedness, it undermines those opposite ideals of individuality, autonomy and self-sufficiency, which are commonly treated as worthy values. The fact that care is profoundly relational calls for analytical approaches that can take into account the importance of human connections for personal well-being (England 1993). Feminist scholars have long argued that economics is ill equipped to analyse care, because its theory of human action is centred on a notion of self-interest (Nelson 2005; England 1993; Folbre and Nelson 2000). Care's orientation toward others has also practical implications. Folbre (2001) notes that carers, by developing an emotional attachment towards those they care for, become “prisoners of love” and hence reluctant to withdraw their services in order to demand more recognition and remuneration. This mechanism, she suggests, leaves care workers with little bargaining power.

Feminist scholarship has uncovered the labour aspect of caring – caring is hard work. In this respect, this literature expanded the debate on domestic labour and identified care as a specific dimension of unpaid work (for a review, see Knijn and Ostner 2002). Yet, there remains the issue of care work invisibility. In particular, from a political economy perspective, one of the central issues is that care work value is not fully recognised, despite its being essential to all economic activities and, more generally, to human well-being. In relation to care activities taking place within the family, the underlying issue has been that when measuring Gross Domestic Product (GDP) the conventional accounting system does not include them, because they do not have a *market* value (see, among others, Folbre 2006b). This problem is in part solved when care activities take place in the public sphere, as is the case with childcare work. Childcare workers receive a wage and parents pay for the service offered – these money flows are accounted for in the standard measure of GDP. But the market system tends to underestimate the value of activities, whose benefits are diffuse and therefore consumption cannot be exclusive for those who pay. A well-cared for child will benefit from the care received. This effect can, in part, be reflected in the price of the service provided. But those around a well-cared for child

will also indirectly benefit. For example, a child who has learnt how to interact with others, who has developed cognitive and emotional skills will benefit all those around her, including her siblings, friends and schoolmates. These spill-over effects however cannot be captured in the price system, thus leading to an underestimation of the value of care work (Folbre 1994, 1994; England 2005).

Overall it seems clear that care work raises several problems and it is unlikely to be bought or sold as any other commodity. Care work responds to a basic and unavoidable human need, but its pervasiveness makes it difficult to define it precisely or to isolate it from other activities. In addition, care work is inherently relational. The identity of the caregiver is inseparable from the care work itself. Furthermore, 'care production' is, in fact, a co-production, whereby the person cared-for participates in the relation (Stacey 1980). The next section explores in greater detail what happens when care work enters the market arena, and, as in the case of paid childcare workers, is exchanged for money.

Care and the market

As care shifted from unpaid to paid work, feminist scholars have debated the desirability of this change and its implications (Knijn and Oster 2002). Even though early feminist research on unpaid kin care had dispelled romanticised views of care within the family, feminist scholars have illustrated at length the risks of a commodification and marketisation of care.

The purpose of this section is to outline some of the problems that arise when care is commodified and its provision organised via the market. Before starting, however, I follow Leira and Saraceno (2002: 58) and draw attention to the ambivalence of the term 'commodification'. 'Commodification' does not distinguish between care allocated through market forces and through public services. In both cases it is paid workers who provide the care, whether they are employed by private employers or by the state. However, and this is Leira and Saraceno's point, it is only when care *provision* is allocated through the market that full commodification occurs. In this case, the market allocates *both* the provision of care and the labour that constitutes it.

By contrast, care remains a public good if the care receiver does not have to *purchase* care.

But why are market mechanisms not conducive to an adequate supply of good quality care? At the heart of the problem lies what Baumol famously referred to as the “cost disease of services” (Baumol and Bowen 1965, Baumol 1967). He pointed to the fact that productivity in the service sector lagged behind manufacturing, which, in turn, increased the costs of services relative to the rest of the economy. His analysis remains especially pertinent to care services (Himmelweit 2005, Folbre 2006b), because, so far, it has proved difficult to increase the productivity of care through technology (Goos and Manning 2007).

If productivity fails to increase in the care sector, its wages cannot rise without an increase in costs. However, wages elsewhere in the economy will grow, in line with of productivity. As a result, in the long-run, care sector workers will be attracted by higher wages elsewhere, and the supply of care labour will diminish. Alternatively, wages in the care sector will have to keep up with wages in the whole economy. This way, the production of care will become increasingly expensive relative to the production of other goods and services. This will be reflected in prices: higher labour costs will have to be passed onto consumers.

The question then arises as to how consumers’ demand responds to higher prices. Will families devote an increasingly proportion of their budget to care services and childcare in particular? Not surprisingly, the evidence is mixed. Indeed, the demand for childcare is, as shown by Lewis, Campbell and Huerta (2008), highly contextual and inextricably linked to patterns of maternal employment and cultural norms around proper mothers’ behaviour. Moreover, there are sharp differences across families depending on income. Nevertheless, US evidence suggests that expenditures on childcare have increased relative to family income (Folbre 2006a; Blau and Currie 2006). But for families on low income, increases in the price of childcare lead to switching to informal care (Blau and Currie 2006).

Furthermore, spending patterns are profoundly gendered and responsibility for spending on children remains that of women rather than men (Pahl 2000). This has

implications for childcare expenditures, in particular if families do not pool resources in one pot (Pahl 2005). Childcare is more likely to be unaffordable if it is paid out of the mother's earnings, as women tend to earn less than men. More generally, the lack of complementarities in parenting between the sexes means that it is women's time, rather than men's, that is at the centre of the trade-off between paid and unpaid work (Joshi 1998). But if the decision between paid work and childcare is framed as pertaining to the women alone, the costs of formal childcare are measured against the woman's wage, rather than family income (Connelly 1991).

Higher female earnings will thus increase the demand for childcare. Evidence from Britain confirms this, as formal childcare is used relatively more by couples in which *both* husband and wife are in full-time, well-paid employment (Joshi et al 1995; Hansen, Joshi and Verropoulou 2006). The evidence from the US is similar (Blau and Currie 2006). However, if mothers have to pay the full cost of their children's care, they will be able to enter the labour market only if their wages are higher than the wage of the paid childcare worker. For women on low wages, on the other hand, formal childcare is likely to be unaffordable. The resulting class division is especially stark in the US (for a thorough analysis, see Shalev 2009), but arises also in the UK context (Duncan 2005; Ball et al 2004). If paid carers' wages were to rise in line with other wages and childcare prices consequently go up, fewer women would be able to afford them.

Besides increasing prices, care providers can, in order to reduce costs, reduce quality standards. A home care worker visiting 10 elderly in a day is cheaper than a worker who visits five only. Likewise, a reduction in staff to children ratios allows costs to be contained. Cost-reduction strategies may be more viable than increases in prices, because prices are much more visible to consumers than quality. Care services are difficult to monitor. They are an experience good, but third parties, as in the case of childcare, often buy them. If good quality care needs to be responsive to a person's needs, quality will necessarily require continuity and will be the result of a repeated interaction process rather than something that can be fully judged ex-ante. Finally, the meaning of quality is inevitably elusive, as people's understanding of quality care is shaped by contextual factors (Dahlberg, Moss and Pence 1999). International

variations in the definition of high quality childcare provision are a case in point (OECD 2006).

Overall, if care provision is allocated via the market the resulting scenario is one in which the demand for care outstrips supply, care expenses become an increasing portion of families budgets, the pay of childcare workers lags behind that of workers elsewhere in the economy and there are pressures for keeping care standards low. These effects are likely to be uneven across social groups, with higher income household able to afford high quality care at the expenses of low wages in the care sector.

Public spending can, clearly, attenuate these problems, most obviously by supporting families in accessing the care they need. And indeed countries vary precisely in the extent and ways of government involvement, as the comparative literature on care services describes in depth (for example, Gornick and Meyer 2003; Anttonen, Baldock, and Sipilä, 2003). But even when governments pay entirely for the cost of care services, increasing wage costs will create the constant need for greater public funding. Thus, even when care is only partially commodified and care services are provided outside the market, an “economic strategy for caring” will require public spending on care to grow as much as GDP (Himmelweit 2005). This in turn raises the question of how to create the political conditions that support such increasing public spending on care (Folbre 2006b; Shalev 2009). Divisions across women, along the lines of class and income, are likely to stand in the way of political mobilization, as women on relatively higher earnings gain from paid carers’ low wages (Shalev 2009).

Against this backdrop, feminist scholars have identified several mechanisms that contribute to keeping paid care workers’ wages down (England 2005a; England and Folbre 1999). Empirical evidence suggests that occupations that can be defined as “nurturant work” or “interactive service work” are found to be affected by a pay penalty even after controlling for the effect of individual human capital factors and the sex composition of the occupation (England 1992, chapter 3; 2005; England, Budig, and Folbre 2002; for evidence on the UK, see Perales 2010). These results support the hypothesis that caring *per se* is devalued because it “is *symbolically*

associated with women and mothering, and this association affects people's sense of how much that job should be paid" (England, Budig, and Folbre 2002, 457).

In particular, two sets of issues appear to contribute to the undervaluation of care work. The first relates to the skills involved. Indeed, if caring is associated with mothering, the underlying idea could be that caring is a 'natural' activity, which does not require skills. The second issue relates to love, or motivation to care. Ideas of love and care are likely to clash with ideas of money and pay. The next two sections elaborate these insights further and examine in more detail how skills and motivations could interact with pay.

Skills in childcare work: problems of recognition

The notion of skills is a central analytical category used to explain the pay hierarchy. For example, the development of professions can be viewed as the struggle for an exclusive claim on a specific and recognised body of knowledge and skills.

Likewise, the conventional way of thinking about differences in pay is based on human capital theory. Here, again, the theme of skills figures prominently, as individuals who acquire more human capital are, by definition, 'more skilled' and their earnings are relatively higher. In respect to policy, the notion of skills again occupies a central position, with much education policy aimed at increasing skills levels.

However, the concept of skills is not clearly defined: it is widely used without much consensus on what it effectively means (Green 2010). Indeed it is often employed as a synonym of competence, human capital, qualification, knowledge or ability. Here I follow Green's (2010) proposal and I interpret 'skill' as an individual attribute that has three features. It is productive, because by using skills one is able to produce value. Skills are also expandable, because they can be enhanced in various ways, most usually by training or experience. And, finally, skills are social because they are socially determined. In relation to care, all these three features are somewhat problematic and this has repercussions on the levels of compensation that care can command.

Sociological research has long documented how the skilled status of different types of work is socially constructed. In respect of women, “skills definitions are saturated with sexual bias” (Phillips and Taylor 1980, 79) and indeed the scholarship on comparable worth has offered extensive evidence on how the evaluation of skills is confounded with workers’ sex (England 1992; Steinberg 1990; Acker 1989). In addition, decisions about which jobs are skilled or unskilled are likely to be influenced by the bargaining power of workers. In the past, when trade unions’ influence was much stronger than nowadays, job grading systems were substantially affected by unions. But, as women were less likely than men to be covered by trade unions, their jobs were often classified as less skills-demanding than men’s despite being rather similar (Craig et al. 1982). The status of skilled labour is therefore contested, and cannot be regarded as immutable, neutral or simply driven by technology.

National variations in the definition of childcare work further corroborate the point. Starting from rather different disciplinary perspectives, both Kremer (2007, 2006) and Cameron and Moss (Cameron and Moss 2007) show how childcare services in different countries are underpinned by different ideals and discourses. For example, Kremer (2006) contrasts the ideal of professional care prevailing in Denmark with the ideal of surrogate mother that prevails in Flanders. If childcare services are seen as offering something different from family care, workers are more likely to be viewed as professionals and be relatively better paid, as is the case in Denmark. By contrast, if the objective of childcare is that of reproducing a home environment, workers need to resemble mothers, and payment becomes less salient. Likewise, Cameron and Moss illustrate how the characteristics of the childcare workforce vary considerably among countries, depending on the prevalent discourse around childcare. When childcare services belong to the pedagogical or educational traditions, workers are highly trained and tend to be relatively better paid. On the other hand, countries in which childcare services are considered welfare issued concerned only with working mothers or disadvantaged children, staff are invariably less qualified and paid less. Comparative studies therefore offer further examples of how the skilled status of childcare work can be altered by historical and national specific factors like social policies.

Views on the skills required by childcare work are closely related to the question: how are such skills acquired and developed? Clearly, a notion of care as consisting merely of feelings promotes the idea that caring is part of the natural disposition of women. This romanticised view, as Graham (1983) has shown, strips caring of the labour activity necessarily involved in it. If care is the result of a natural disposition or a personality trait, caring skills cannot be acquired or developed. But even the view that care work is hard work does not necessarily lead to an emphasis on training. Historically the establishment of formal occupational qualifications has been crucial to the development of several women's professions like nursing or midwifery (Witz 1990; Davies 1995). Studies about the undervaluation of women's work suggest that low accreditation and development of skills through formal training is an important institutional mechanism perpetuating the view of caring skills as natural (OECD 1998; Grimshaw and Rubery 2007).

Although there is agreement on the importance of training, it remains problematic to build a discourse linking the caring work with specific skills and knowledge. A source of problems is the fact that care work, and childcare work in particular, requires 'loving, thinking and doing' (Leira, 1994). Yet notions of competence, skills and knowledge have found limited application when it comes to the 'loving' component. While discussions of the caring that takes place within the family tend to emphasise this emotional aspect, when caring activities take place in the public domain, it is the emotional aspect that is overlooked. The invisibility of 'emotional labour' and the fact that it remains uncompensated is a central concern of the literature in comparable worth (Steinberg and Figart 1999a; 1999b; Steinberg 1999). Although both streams of research have uncovered the strain and the effort that 'loving' requires – thus dispelling romanticised views of caring – the ability to deal with other people's emotions remains unexplored as far as its learning process and its place in the landscape of skills are concerned.

The literature on skills and in particular on soft skills has devoted some attention to the question of whether emotional labour should be considered skilled or not. Following the seminal work of Hochschild (1983) on flight attendants, this debate interprets emotional work as 'emotional management', that is the capacity of regulate one's emotions and feelings so that they are appropriate to the situation at hand or in

line with prescriptive organisational rules. Emotional work defined in this way finds ample application to almost the entire spectrum of personal service occupations, from sales staff to nurses (Bolton 2004). Although such broad application highlights the almost ubiquity of emotional work, it nonetheless risks of conflating the issue of autonomy with that of skills (Payne 2009; Hampson and Junor 2010), thus offering little insight into what kind of skills underpins the emotional aspect of care work and that are necessary to the performance of care.

What about the ‘doing’ and the ‘thinking’? Is it easier to link these aspects of care work with a discourse around how these skills and knowledge can be acquired? The answer to this second problem is, in part: yes. The practical aspect is perhaps the least problematic. Changing nappies, warming up bottles and overseeing children playing are quite straightforward, albeit crucial, tasks, which can be learnt and mastered. The type of knowledge underpinning such ability can be called *functional knowledge* (Cameron and Boddy, 2005).

More contentious is the role of *professional knowledge*, which, for the purpose of this discussion, I would define as the ability to apply theoretical knowledge to the specific case at hand. This requires knowledge of *both* the theory and the specific context in which the theory has to be applied. Yet it is *abstract* knowledge, as opposed to context-specific, that enjoys higher social prestige, thus creating an incentive within each profession not only to control the body of knowledge relevant to its field, but also to pursue higher degrees of abstraction and to emphasise the general, as oppose to specific, validity of such knowledge (Abbott, 1991). Needless to say, higher degrees of abstraction are often achieved at the expense of applicability.

In care work the emphasis is reversed: care work is inescapably anchored to specific – at the level of the individual – knowledge. Appropriateness cannot be traded-off against general validity. Wærness (1984) indeed argued that the *type* of knowledge and skills relevant to care work are different from conventional notions of abstract knowledge and skill acquisition. Likewise, in her analysis of nursing, Davies (1995) suggests that the sense of connectedness and inter-subjectivity embodied in care results in a “concrete and contextual cognitive orientation”. Highly contextual

knowledge, however, hardly accrues respect and esteem, other than by the people cared for (and their parents in the case of children). This tension creates well-documented dilemmas for workers in the care professions (Davies, 1995) and also poses the problem of what role abstract knowledge should have in the training of childcare workers (e.g. Calder, 1995; Cameron and Boddy, 2005).

Thus, professionalization can enhance the status of childcare workers by creating a link between caring skills and formal knowledge. However the caring side of the practice risks being overshadowed by conventional professionalism. If childcare workers are seen as professional, they will require formal training in order to be guided in their work by a well-defined body of knowledge. But this may leave unnamed all those competencies that take into account the particularities of the person in need of care.

Finally, there is the issue of whether caring skills – however defined – are in fact productive, in the sense of producing value. As the previous section showed, caring activities are likely to have a low *market* value. Nevertheless, societies can place a great importance on the fact that children are well-cared for, kept healthy, safe and intellectually stimulated. This is indeed one of the rationales typically underlying governments' spending in childcare (OECD 2006). In relation to skills, it is also important that there is recognition that the fact that children are well-cared for, kept healthy, safe and intellectually stimulated is the *result* of care work and that such work requires learning, skills and knowledge.

Overall then, skills can be implicated in the low wages of childcare work for a variety of interconnected reasons. Training systems are hard to develop, and historical examples suggest that women's occupations have experienced additional difficulties in establish accreditation mechanisms. The design of an appropriate training system is further complicated by the fact that care work requires different *types* of knowledge. In particular, the contested role of abstract knowledge undermines claims to professional status. And yet, it is clear that if childcare work is seen as requiring caring motivation only, it will not command high pay. And it is to the issue of motivation that the next section turns.

Motivation to care and money: an uneasy mix

Whereas looking at skills highlight the labour dimension of care, a focus on motivation shifts the attention to love. Feelings of love and affection provide the sense of connectedness which, according to Fisher and Tronto (1990), is essential to *caring about* – the first phase of the caring process. This aspect of caring also has an impact on the outcome of the caring activity. Folbre and Weisskopf (1998) argue that it is only caring activities based on feelings of affection and concern that can deliver a sense of self-worth to the care recipients by confirming that somebody cares for them.

How does this motivational aspect of caring activities play into the issue of monetary reward? Economists have identified two mechanisms that could be at work and could explain why the idea that care work is based on love results in it receiving low pay. First of all, low pay acts as a screening device: if the pay is low, only the individuals who have the strongest feelings of concern and affection will choose to provide care (for an application of this argument to the public sector, see Besley and Ghatak 2003; for an application to the case of nursing, see Heyes 2005).

The logic underpinning this explanation is that of ‘wage-compensating differentials’. The argument runs that jobs are characterised by intrinsic non-monetary rewards or penalties. Workers forego pay in order to receive the non-monetary rewards – for example prestige or enjoyment. On the other hand, workers will receive a compensatory pay premium if they choose disagreeable jobs – for example work in a loud environment or underground. Since workers in caring occupations are intrinsically motivated and hence derive satisfaction in helping people, it is possible to pay them less money.

Second, once the appropriately motivated people are working, their pay should be kept low, because an increase in pay would crowd out their motivation (Frey 1998; Frey and Jegen 2001). Frey distinguishes between intrinsic and extrinsic motivation, defining the first as the motivation to perform an activity without any apparent reward except the activity itself, while extrinsic motivation is the type of motivation triggered by external incentives. External incentives diminish intrinsic motivation because individuals perceive an external intervention either as reducing their self-

determination, or as devaluing their involvement and competence. Le Grand (2003) suggests that this disincentive is likely to emerge when individuals already receive full monetary compensation for their work. Instead, when they receive fairly little monetary compensation – as in the case of token payment – an increase in pay is likely to be perceived as acknowledging and supporting workers' intrinsic motivation.

Underlying these explanations is the idea that money represents self-interest and selfishness, while altruistic motives belong to a sphere of moral sentiments which cannot be associated with money. Nelson and Folbre (Folbre and Nelson 2000; Nelson 1999) have forcefully argued that money itself should not be set in opposition to caring motives. They develop two connected points. First, money exchange has different social meanings, and not all of them are related to selfishness (in particular: Nelson 1999). Money exchange, for example, can take place within the family *alongside* altruistic concerns. Folbre and Nelson's second important point is that motives themselves are mixed, as people tend to act upon a complicated combination of motives rather than upon just one. In the case of childcare workers, the self-interested motivation of earning a wage can be mixed with the sense of responsibility towards the children cared for or intrinsic enjoyment for the work.

Waged childcare work, as all forms of work for pay, is motivated by contractual rewards and therefore contains a strong aspect of self-interest (Folbre and Weiskopf 1998). Self-interest is often contrasted with the altruistic nature of unpaid care within the family. But family care is not necessarily always "out of love". Feminist literature on family obligations made it clear that care work could be performed without feelings of love but out of sense of duty within family relations (Millar and Warman 1996). Waged care work is thus not anomalous in being characterised by a variety of motives: care within the family is rarely the outcome of spontaneous love only. This is not to say that the motives behind care within the family are similar to those of paid care workers. Rather the point is that motivations are mixed and that the selfishness/love dualism is likely to be misleading (Nelson 1999).

As discussed above, pay has different functions. Pay represents the reward for the work done, but is also a means for living. Thus, the fact that caring activities are

compensated gives the possibility to engage in such activities to those who need a living. If working in childcare does not offer high enough wages, it will be impossible for many caring people to choose this occupation. The need for an independent living is however gender-biased, insofar as the economic independence of women has historically been deemed less relevant than that of men (Kessler-Harris 1990).

Although women's caring experiences can and often are enriching and rewarding, the fact that responsibility for care is inscribed into women's identity has historically undermined gender equity. Within an economic perspective, the way in which identity can act as a constraint is explored by Akerlof and Kranton (2000). By adding the argument of identity to the well-known individual utility function, they show that individuals have an identity gain when they abide to their prescribed role; however this can have detrimental effects if the behaviour prescribes actions that are not likely to increase the individual's utility. Their framework effectively captures the idea (which sociologists have long been familiar with) that people can be trapped in the social category to which they belong.

Taken together, these ideas point to some explanations of low pay for childcare work. We would expect low pay in childcare, because workers trade-off pay for their intrinsic enjoyment and motivation to work with children. Although such a trade-off applies to many jobs, in the case of childcare the trade-off is considered starker. This is because conventional ideas about care out of pure love lead to a view whereby caring motives are seen as incompatible with money. Within this view, the rewards for care work should be mainly non-monetary.

Further insights as to why childcare workers are low paid emerge also from examining the interaction between motivation and gendered norms. If women experience stronger pressure than men to exhibit caring motives, they will experience greater social sanctions for moving away from an ideal of care out of love only. For example, if women in caring occupations are expected to be more caring than their male colleagues, they may find it more difficult to negotiate over pay. The contrast between caring motives and wage is less pronounced when pay is viewed as a living. However, if women's financial independence or their financial contributions to the

household are considered less important than men's, women will be less likely to ask for higher wages. Gendered norms therefore *reinforce* the notion that caring motives conflict with money.

Women's wages

So far, the chapter has explored the nature of care, why it is problematic in relation to the market and the ways skills and motivations to care may interact with pay.

However, it has largely left unaddressed the question of what pays is. This section attempts to illustrate, albeit briefly, how gender and pay interact.

Pay serves multiple purposes and is the result of the complex interaction of economic forces, social assumptions and cultural constructs. Most importantly, wage serves as a social practice that constructs and represents a crucial set of gender relations (Land 1980; Kessler-Harris 1990; Figart, Mutari, and Power 2002; Grimshaw and Rubery 2007). The concept of wage, and the gender prescriptions contained within it, has changed over time, as the historical account of Kessler-Harris (1990) illustrates.

Despite historical and national variations, it is possible to trace two persistent discourses around wages: wage as a price, and wage as a living (Figart, Mutari, and Power 2002). Considering wage as a price focuses on the worker's contribution to production. Wage as a living, on the other hand, indicates that the purpose of wage is that of providing support for an independent living. These discourses thus broadly correspond to two distinct but overlapping functions of wages (Rubery 1997). Wages serve to allocate workers with various levels of productivity to different jobs – the “price allocation function”; and wages, by virtue of being the prime source of income, are the main determinant of differences in standards of living within societies – the “social stratification function” (Rubery 1997, 338, 339). Rubery (1997) suggests that wages serve also a third function: they are an incentive used by management to control and motivate the workforce. Different social sciences tend to privilege one function of wages, thus failing to develop an integrated analysis which takes into account all of them and their interaction.

Gender interacts differently with these various functions; yet women invariably end up with wages lower than those of men. Historically the struggle for the family wage

was recognisably underpinned by a discourse of wage as a living. The family wage was the wage earned by the male bread-winner alone that sustained the entire family. It therefore contained gendered expectations: men needed to be able to support their wives and children, women did not. For organised labour, the family wage was a strategy to obtain higher wages. Women wage earners were seen as requiring only self-support, despite the fact that a great proportion of them supported their family members. The prevailing notion was that women's needs were less than those of men's. As Fraser and Gordon (1994) argue, "the family wage was, therefore, a vehicle for elaborating meanings of dependence and independence that were deeply inflected by gender, race and class". The family wage produced a social order in which men could provide for their families and receive the service of women; and women were dependent on men and, ideally, could stay out of the labour force and embrace their domestic role.

But gendered expectations also permeate the other discourse of pay, that of pay as a price for worker productivity. The fight for equal pay embodies this notion, as it demands that women doing the same job as men are paid the same on the basis that women can be as productive as men. This shift in focus has given more prominence to the argument that family responsibilities negatively affect productivity. Within economics the different pay performances of the two sexes have been largely explained (and thus justified) by the unequal division of domestic and care work within the household. Thus, discrimination has been seen as arising only insofar as gender differences in pay are not accounted for by observable factors, like education, occupational choices or employment patterns. This way mainstream economics has devoted far less attention to the fact that choices of education, occupation or employment patterns can and do reflect deeply gendered social norms. Furthermore, a discourse centred on the concept of productivity within the same job does not consider a gender-segregated market that assigns to men better jobs with higher wages relative to women's as problematic.

The "comparable worth" movement during the 1980s altered the terms of the debate and moved the focus from the productive characteristics of job incumbents to the characteristics of jobs themselves. Importantly, the movement called for eliminating the hierarchical nature of the gendered division of labour. By uncovering the

responsibility and skill content of women's jobs, it sought to bring about a revaluation of women and of the work that they traditionally perform. The main insight from the comparable worth movement and the research surrounding it is that the classification of jobs cannot be taken as a neutral process resulting only from technology and by the smooth functioning of the market. Instead, it is subject to potential biases, especially when a job has been subject to strong class-based or gender-based social closure. Analyses of job content have therefore the potential of revealing such biases and also of putting into question the notion of productivity.

A closer look at the pay dynamics *within* firms can also lead to seeing pay as an incentive. Within the employment relationship pay is one crucial aspect of the wage/effort bargain struck between employers and workers (Grimshaw and Rubery 2007). Because management often cannot monitor all aspects of the compliance and effort of workers – what economists refer to as ‘contract failure’ – higher pay is used to elicit workers’ cooperation and loyalty (Grimshaw and Rubery 2007; Rubery 1997). For example, management may use higher pay in order to increase workers’ retention or, as in the case of efficiency wages, to minimise shirking. But gendered assumptions are likely to affect this function of pay as well. If men are perceived as more interested in pay than women are, employers may be more likely to grant higher wages to men than to women. Thus traditional roles within the family, whereby men are seen as the breadwinners and women only earning ‘pin-money’ are likely to influence the use of pay as an incentive (Grimshaw and Rubery 2007). Likewise, a more recent strand of research has highlighted gender differences in self-confidence that impact on the pay negotiation process with employers. If women are less likely to ask for pay increases, they may end up with lower wages (Babcock and Laschever 2003; for an assessment of this hypothesis in the British case, see Manning and Swaffield 2008).

There is a partial overlap between the discourses on pay and the themes that I have identified as common across the different literatures on care – skills and motivation. Clearly, the theme of skills in care work presupposes a conceptualisation of wage as a price reflecting worker productivity. Likewise, a focus on motivation leads to seeing pay as an incentive tool. This thesis will explore to a greater extent these two functions of pay because they pertain to the two themes selected – skills and

motivation. Thus the issue of pay as a living will not be addressed directly. An analysis of childcare workers' income (as opposed to pay) would have gone beyond the manageable scope of this study. Nevertheless it is clear that, in reality, pay serves all these three functions. In particular, the function of pay as a living will emerge in relation to motivations (Chapter 8).

Research questions

The thesis seeks to answer the broad question of why childcare workers are low paid. The approach developed in the thesis has as its starting point feminist scholarship on care work. Within this scholarship care work belongs to the broader social activity which is "care". As such, care work lies within the complex net of family-state-employers-market relations, and therefore needs to be understood in relation to the context in which it takes place. The thesis follows in the steps of this scholarship by paying great attention to the way in which childcare work is embedded into a wider set of social, cultural and institutional structures. In addition, the thesis develops the insights of feminist research on care by seeking to explain childcare workers' low pay in relation to the distinctive characteristics of care work. More specifically, three main themes have been derived from this literature.

The first relates to the role of policy. As the problem of low productivity in care has illustrated, a market system of care provision is likely to lead to poor wages. In this respect, the role of policies is crucial, as it can attenuate the effects of the market. In addition, social policies contain an implicit understanding of what constitutes good care, and how they influence societal views of care work (Finch 1993). Historically, the UK has had minimal levels of publicly sponsored childcare provision. This corresponded to a precise "ideal of care" (Kremer 2007): that maternal care or mother-substitute care was best for children. The expansion of childcare services brought about by the Labour Government since 1997 has signalled a new way of thinking and new, albeit often contradictory, assumptions about what constitutes good care. If the role of the state in shaping the rewards of childcare work is to be understood, care policies and their underpinning assumptions must be examined carefully. Indeed, as Ungerson (2004, 2003, 1997) has extensively illustrated in the case of cash-for-care schemes, the precise policy design and regulatory details matter

greatly because they impact on the position of carers and the rewards to their work. This prompts the need for attention to the way in which the welfare state funds childcare services and contributes to the definition of childcare work. The first research question is therefore:

1) How does childcare policy influence the pay of childcare workers?

This question is exploratory and will be based on the analysis of British childcare policy since the end of the 1990s. More specifically, the aim will be to understand the reforms introduced by the Labour Government and particularly their implications for workers.

The review of the literature on care work has also lead to an important idea: care work has some unique characteristics that make its relationship pay problematic. In particular, I have identified two themes which raise intricate problems in relation to pay. One is the problem of the recognition of skills; the other is the conflict between caring motivations and money.

In relation to the theme of skills, problems arise in regard to both the skill demands of the job and the skills possessed by workers. That is, recognition, or lack of it, operates simultaneously on the demand side and the supply side. So for example, childcare work is seen as easy and undemanding, while the skills brought to the job by workers are not acknowledged because they are not formally accredited by the training system.

Thus, the second research question is:

2) In what way does skill recognition, or lack of it, contribute to low pay in childcare?

The first step will be to examine the relation between pay and those skills that are formally accredited through the qualifications system. However, the question attempts to go beyond a “neutral” notion of skill and to problematize the association between skills and qualifications. Thus, the second step of the analysis will be to explore the contested nature of skill-definition. This means examining the

mechanisms through which cultural assumptions about childcare work are reinforced by institutional structures like the training system.

In relation to the theme of motivation, this thesis seeks to shed light on the interaction between motivation to care and money. It starts from the recognition that motivation is central to care work and moves on to explore whether there is an inherent conflict between pay and *caring about* children. The third research question is:

3) *What is the relationship between pay and caring motivation?*

As for question 2), the attempt is made to go beyond a narrow definition of motivation. Drawing on the insights offered by feminist scholars, the thesis seeks to develop an analysis that sees childcare workers' behaviour as underpinned by a variety of motives and, at the same time, limited by a number of constraints. In particular, attention will be devoted to the context in which childcare workers take the decision to enter into childcare and to the factors, other than pay, that contribute to their caring motivation.

Conclusions

The chapter has discussed the problem of low pay in childcare from a theoretical perspective. It has argued that childcare work and the pay it earns are connected to the wider issues of care and gender. Because care work is disproportionately done by women and is relevant to the definition of their identity, it is mainly gender scholars who take an interest in unravelling the complicated ways in which care work is organised and compensated.

Thus, the first part of the chapter has reviewed the feminist literature on care work in order to highlight what is specific about care work. Such specificities have then been analysed in relation to market mechanisms and this exercise has outlined the economic pressures that contribute to (child)care workers' low wages. From this analysis, two themes have emerged: skills and motivation. The second part of the chapter has examined them in turn, and has considered in more detail how they could be implicated in low pay. In particular, the chapter has previewed some of the

theoretical arguments which will be elaborated at greater length in the later chapters, where the analysis of the theoretical literature will be accompanied by empirical evidence.

The final part of the chapter has presented the research questions which will be explored in the thesis. These questions will be broken down into more “operational” questions in Chapter 4, where the methodology will be discussed. The first question, which is centred on the role of policy aims at offering an institutionally informed analysis of low pay in childcare. In particular, by examining childcare and early education policies, the thesis brings in a level of analysis higher than that of the individual worker. This highlights the institutional context in which childcare workers and their pay are embedded.

The second and third research questions are more directly related to theoretical propositions, rather than to policy itself. The approach taken in answering them is that of developing an analysis which takes into account the specific features of care work. The literature reviewed takes different approaches, from the psychological to the institutional, to explaining low pay in childcare. The empirical analysis will attempt to discover how processes at both the individual and institutional level contribute to low pay.

Chapter 3

The policy context: early childhood services and their workforce

Introduction

The position of childcare workers heavily depends on the way childcare services are organised, financed and regulated, because these factors tend to determine who the carers are, the kind of care provided and the circumstances under which it occurs. Childcare policy is one of the drivers of the institutional arrangements in which the position of childcare workers is embedded.

British childcare and pre-school education provision is complicated, not least because there is a mixture of overlapping services, with different origins, ethos and organisational forms. The first objective of this chapter is therefore to offer an overview of childcare and early education provision. In doing so, I set out the context for the empirical analysis. The second objective of the chapter is to explore how policy contributes to the structuring of early childhood services and their workforce. By examining childcare policy one is able to identify some of the answers as to *why* childcare workers have historically been low paid and why and to what extent they continue to be so.

In the UK, early childhood services have historically featured only marginally among the state's concerns and social policies for children and families. State interventions have instead been motivated by other interests, most prominently the promotion of children's health, the protection of children from neglect and cruelty, the preoccupation with the home environment as an incubator of delinquency, the care of deprived children without families, and the support of families at risk (Hendrick 2005, 115-120). The provision or funding of day-care services was simply not on the public policy agenda of any British post-war government until the end of the twentieth century.

The low level of public childcare provision was consistent with a historical commitment of the British welfare state to favour the male bread-winner model, which defined women's position as mothers and wives rather than as workers (Lewis 1992). British mothers have typically reconciled family responsibility and paid work by taking up part-time work and/or by interrupting employment until their children were in school, and by relying on informal childcare by relatives and friends. In other words, childcare arrangements were considered, and in fact were, almost exclusively a private matter. The issue of childcare crept into the policy agenda only towards the end of the 1980s, following a rapid increase in the number of mothers with young children taking up paid work. Yet policy initiatives under Conservative governments remained marginal.

The scenario has been radically different since 1997, as Labour gave unprecedented attention to early childhood. This commitment translated into several policy initiatives and into an unparalleled level of resources devoted to childcare and pre-school education services. Hence there has been a remarkable shift towards more public responsibility in the field of childcare, signalled, most notably, by the expansion of formal provision. Recent policies have also sought to change the way childcare is organised and practised, and to this end Labour introduced important changes in the way the sector is regulated.

This chapter focuses on the policy developments that have occurred since 1997. Inevitably, however, such developments have to be understood in relation to the situation that Labour inherited. Thus, the next section gives a brief account of childcare and early education services before 1997. The third section is a more detailed account of the policy changes brought about by the Labour Government. This account is organised in chronological order and policy initiatives are discussed first in relation to childcare services and second in relation to the workforce. The fourth section discusses the major challenges faced by childcare workers. The last section offers some reflections on the role of policy in explaining childcare workers' low pay.

Before starting, two important caveats are necessary. The first regards terminology. As mentioned, the UK has a variety of early childhood services. As a consequence,

there is not a single term apt to describe the entire range, here understood as both pre-school education and care services. Traditionally, these were referred to as *nursery education* and *day-care* services. However, language has evolved over the years, reflecting both concrete changes in services and shifts in policy-makers' thinking about them. So, since the 1990s terms like *childcare*, *early years education* and also simply *early years* have become predominant, although their meaning is not always clear. A specific source of confusion is the fact that the term "early years" refers to various age ranges: sometimes it refers to the three to five age group (DES 1990; HM Treasury 2004), sometimes to children aged nought to eight (Sure Start 2003) and at other times to those aged nought to five (Sure Start 2008).

In describing services at different points in time, this chapter adopts the convention of using the specific term in use in the pertaining period. However, the term "early childhood services" will be used when I need to refer to the whole range of provision, thus comprising education and care service for children from nought to five.¹ As for workers, they will be referred to as "childcare workers", although it will become apparent how heterogeneous this workforce is. Finally, policy will be referred to as "childcare policy", irrespective of whether decision-making is located in welfare, health or education departments. This choice is motivated by the belief that it was a shift in *childcare* policy that triggered reforms from 1997 onwards, notwithstanding the fact that policies were also *framed* as, and indeed were, concerning education.

The second caveat relates to whether this chapter refers to the UK in its entirety or to England only. Countries within the UK have, to different extent, autonomy in several social policy areas. For example, the regulation and delivery of social and education services are matters of national policy and this creates differences across countries within the UK. Notwithstanding this diversity, the levels and characteristics of early childhood services before 1999 were broadly similar across the entire UK (Cohen 1990; Cohen et al 2004; Melhuish et al 2006). Since devolution, policy developments in childcare policy have been parallel, as all countries have witnessed a growing interest in early childhood services matched by increased public funding. Policy

¹ Appendix 3 contains a glossary of terms.

differences have emerged mostly in the details of implementation rather than in the overall approach. Thus the chapter can be considered relevant to the entire UK, even though, for reason of space, policy details will be described in relation to England only. In addition, as will be explained, funding for early years services was made available through the tax and benefit system, which remains the responsibility of the UK government.

Early childhood services and their workforce before 1997

Throughout the twentieth century, childcare and educational services for pre-school children developed haphazardly and in the almost total absence of an explicit national policy for children to help parents to take up employment. By the mid-1990s, the resulting system of services was highly fragmented, as there was not a “core” service that the majority of children attended. Instead, children used services of several types, which varied markedly in their availability and their characteristics.

Minimal state involvement meant that direct state *provision* tended to be limited and it targeted either children in need or those from more deprived areas. Likewise, there was sparse and modest public *funding* of services provided by the private and voluntary sector. Besides the lack of a co-ordinated or unitary system of provision, there was no common training among those working in different services. The two factors – the structure of provision and the absence of common training – made the very definition of a ‘childcare’ occupation difficult and contested.

This section has two aims. First, it describes the services available and their pattern of usage as they were in the mid-1990s, so as to offer the reader an account of the system that New Labour inherited. Second, the section examines the structure of training and the qualifications available to childcare workers around the time Labour took office.

The structure of early childhood services

Services varied along several dimensions: geographically, with high variation across local authorities; socially, with a polarisation between high-income families catered for by market provision and a small minority of families at risk catered for by social

services; functionally, with different forms of provision following different philosophies of provision, which were, however not mutually exclusive; organisationally, with a large share of services operating on a part-time or on a sessional basis and only during term time. For the purpose of this brief overview, I draw Drawing on Moss and Penn (1996) and distinguish services according to sector: public sector, voluntary sector and, finally, the private for profit one. This distinction was especially crucial for the workforce, as will be made clear.

Publicly provided services

Within the public sector, services for children were provided by local authorities under the auspices of two distinct and separate departments: education and social services. In both domains, local authorities had considerable discretion in deciding the characteristics and level of provision, resulting in substantial differences in the services available to families (Randall 2004; Audit Commission 1996, 12-15). National legislation permitted, but did not require, local authorities to offer education to children under five. However, in the early 1970s, policy at the national level encouraged provision in deprived urban areas. The aim was to offer an educationally enriched experience to children from more disadvantage background. Although such commitment was not sustained over time at the national level, it influenced the distribution of nursery education provision, which remained concentrated in more urban areas.

Besides geographical variations, educational provision for pre-school children comprised of three types of services: nursery schools, nursery classes and reception classes. Nursery education was originally autonomous from primary education, and catered specifically for children from three to five and took place typically in nursery *schools*. Indeed, a *nursery school* was a free-standing service, with its own management structure – a headteacher and a deputy. *Nursery classes*, on the other hand, had been set up in the 1970s and were attached to primary (infant) schools. Nursery education in nursery classes was a cheaper option, as it shared overhead costs with primary schools (Moss and Penn 1996). Both nursery schools and classes typically operated on a sessional basis, with children attending either one morning session or an afternoon one (Moss and Penn 1996). Data from 1993 show that around 50% of all children aged three were receiving nursery education in nursery

classes or nursery schools (Audit Commission 1996, 9). Among these, only a tenth were actually in nursery schools because nursery classes were much more predominant. Finally, schools generally admitted children aged four in *reception classes*. Although reception classes were not formally compulsory schooling, in 1995, around half of four year olds were in reception classes full-time (Audit Commission 1996, 9).

Because these forms of services were in schools, they were staffed by *teachers*. Working alongside teachers, there was also another occupation group: nursery nurses, whose education level was markedly lower. Their role was subordinate to teachers and they were therefore referred to as ‘nursery assistants’. The two groups worked together as a team, but teachers had the lead (Clift, Cleave, and Griffin 1980).

Besides nursery education, local authorities also ran *day nurseries*. These were under the oversight of social services departments and were mainly catering for the small minority (less than one percent) of children classified as “in need” by social services. In this respect, day-care was a service contiguous to *residential care*. Yet the precise function and role of day nurseries varied across local authorities and over time and this was reflected in changes in nomenclature. For example, during the 1980s, many local authorities’ day nurseries became *family centres*, which signalled a stronger emphasis on supporting mothers as well as offering day care for children. In a handful of well-documented cases, day nurseries evolved into *combined centres* whereby education and care were integrated under one roof (Penn 2000; Makins 1997). Unlike provision in schools, local authorities’ day nurseries were opened all year round, on a full-time basis and accepted children from nought to five. Importantly, they were staffed by nursery nurses only, as social workers were not usually deployed in the direct provision of day-care.

Neither strand of services – care or education – was provided on a universal basis. But public day-care services were certainly more targeted, as they were focused mainly on distressed families. Thus, although the core offer of local authorities’ day nurseries – in their various incarnations – was routine day-care, this service was not aimed at helping parents take up employment. The problem of the care of children

whose mothers were in paid work was unaddressed by public services. This made provision marginal and consequently, the demand for labour in public services was limited and geographically uneven.

Voluntary sector

In the 1990s, *playgroups* were the most common form of provision, both in the number of children catered for and of places available. The playgroup movement had emerged in the early 1960s, when mothers started to set up voluntary groups offering morning or afternoon “sessions” in which children could learn through play. The movement had gained impressive support and increased extraordinarily, but continued to operate only a few times a week with sessions lasting 2.5 hours. As the majority of children attended two or three sessions a week only (DES 1990, Meltzer 1994), playgroups were of little use for working mothers. In addition, the majority of playgroups were managed by parent committees and parents were also typically involved on a rota basis in the actual running of the playgroup (DES 1990). Paid staff was commonly employed on a part-time basis. It was often the case that parents, after becoming involved through their children, became trained staff, but voluntarism remained a defining aspect of this form of service (Baldock 2011: 54; Lloyd et al 1989).

Playgroups relied mainly on parental fees and fund-raising activities. Around one third of playgroups also received small grants from local authorities. Playgroups aimed to offer learning experiences through play activities and, although they were overseen by the Department of Health and Social Services, were therefore seen as providing an educational service. Around 80 percent of playgroups belonged to the Pre-school Playgroups Association (DES 1990), a national educational charity that provided training and gave playgroups a “voice” at the national level. As for their geographical distribution, playgroups grew in those local authorities where there were relatively few nursery education places and better socio-economic conditions (Owen and Moss 1989). As playgroups were widespread in relatively more affluent areas, recruiting staff among service users contributed to give playgroups a distinct middle-class profile.

Besides playgroups, there were a number of *community nurseries*, set up by local community groups to meet the demands of working parents. As with playgroups, these nurseries relied on parental contributions and, to varying degrees, on local authority grants. In a few cases, these nurseries became similar to local authorities' combined centres, in that they started to integrate day care with education, thus offering a more holistic service (Makins 1997).

Finally, large national voluntary organisations like Barnardo's, the Children's Society or the National Children's Bureau, were present in areas of high social need where they ran *family centres* (Moss and Penn 1996). These centres were often partly funded by local authorities social services which did not provide day-care services directly and were staffed by trained and qualified staff (Tizard, Moss, and Perry 1976, 78). Although these national charities had historically been concerned mostly with children in need, at the beginning of the 1990s, they were influential in advocating for government intervention to expand services.

Private sector

The dearth of publicly-run day care services and the fact that playgroups were open only few hours a day meant two things. First, women took breaks during the child rearing years and mothers tended to work part-time (among others, Gregory and Connolly 2008; Joshi, Paci, and Waldfogel 1999; Rubery, Smith, and Fagan 1999; Crompton 1997; Macran, Joshi, and Dex 1996; Lewis 1991). Second, private forms of provision were necessary to cater for those children whose mothers were in paid work. These private forms of provision expanded during the 1980s, as mothers of young children took up paid work in increasingly greater numbers (Moss and Penn 1996).

The longest-established form of private provision was *childminding*. Childminders catered for a small number of children in their own house. This was a private arrangement between the parents and the minder, who was self-employed. Provision was generally full-time, although was often combined with other services – especially nursery education – when children reached the age of three and four.

In the 1980s, the raise in the number of women with higher qualifications and higher earnings was accompanied by a sharp growth in the number of private day-nurseries. This form of provision was full-time and expensive. Moss and Penn (1996) reported fees between £50 and £200 a week in 1995. Thus, private day-nurseries catered essentially for children from dual-earner families on high incomes.

Until the 1990s, there was no national scheme to help parents with the cost of private childcare. The only form of government intervention was regulation. Since the after-war years, childminders had been required to register with local authorities' social services. In the subsequent decades, regulation became more stringent and enforcement stricter. The 1989 Children Act further strengthened registration requirements and obliged local authorities to inspect annually all childcare services outside the maintained sector. Although inspection practices varied across local authorities, the Act contributed to establishing a link between local authorities and private nurseries. However, a private form of provision that remained totally unregulated was that of nannies, who were employed directly by the parents and cared for children in the children's home.

The training system

Within such variety of services, workers had substantially different levels of training, ranging from teachers with degrees or postgraduate qualifications to workers without any relevant qualification. Not surprisingly, a common training system did not exist. The main training scheme for those willing to work with children came into being in 1945 and was overseen by the National Nursery Examination Board (NNEB), which awarded the 'NNEB certificate in nursery nursing' – usually referred to simply as 'the NNEB'. Colleges wishing to offer NNEB courses had to gain the Board's approval. The Board was indeed responsible for centrally deciding the syllabus and administering the examination, and for making sure that colleges complied with the Board's guidelines (Wright 1999). The composition of the Board changed over the years, but included representatives from various government departments, local authority departments and allied associations in the field of health, nursing and children's welfare (Wright 1999).

The training generally lasted two years and was open to young girls aged 16 and over (Wright 1999; Moss and Penn 1996; Penn and McQuail 1997).² Methods of selection varied across colleges, but were commonly based on GCSE or CSE examination results and candidates' interviews (Moss and Penn 1996; Clift et al 1980). The course combined college-based learning with practical placements in approved establishments, like local authorities' day-care nurseries or nursery classes. As for the subjects covered, the course spanned different areas: child development and education; health; and social work. The examination comprised of written papers and continuous in-course assessment of practical work (Wright 1990).

The precise arrangements of the training changed repeatedly over the years, with some matters never fully resolved (Wright 1990). In particular, one set of issues was ever-present: the balance between training that was relevant to specific job roles and more general preparation. This problem is common to almost all vocational courses, but the fragmentation of childcare and education services made them especially intractable.

The variety of services made it impossible for candidates to spend sufficient practical training time in each form of provision and this raised the question of which services were the cornerstone of childcare training (Wright 1999). Should the candidate be required to have training with all age groups? Was it acceptable to award the NNEB certificate to candidates who had not had any experience and observation of children in, for example, residential care or nursery education? In short, the problem was that the "nursery" – intended as a place in which children from nought to five were cared for and educated – did not in fact exist. In its place, there were several, more specialised services and their availability varied widely across the country. This made a common training scheme inherently problematic: it was not clear for which type of work NNEB candidates were trained for. Not surprisingly then, the actual training arrangement often depended on the facilities available in the local authority. Likewise, the employment destinations of qualified NNEB workers varied. Besides local authority day nurseries and nursery education, which had limited labour demand, NNEB nurses were employed in the Health Service, in maternity and

² Boys became eligible as candidates only in 1979.

children's wards, with Social Services, part of home visiting teams or in an advisory capacity for childminders, and, most common of all, were in private families (Wright 1999, 147; Clift, Cleave, and Griffin 1980, 21).

Despite being the most common qualification for those working with children, the NNEB never became a statutory qualification (Wright 1999; Moss and Penn 1996). That is, it was not *required* for any type of work with children. In practice, most day nurseries run by local authorities did only hire NNEB qualified workers. Likewise, the majority of nursery assistants working in nursery schools and classes had the NNEB. But other forms of provision, most notably private nurseries, did not require either the NNEB or other qualifications (Moss and Penn 1996).

Over time, different organisations had developed their own training schemes that were tailored to the services actually provided. This was, for example, the case of playgroups. The PPA had its own training system. It awarded qualifications in playwork, notably also at managerial level, with the "playgroup leader" qualification (DES 1990, 22). However, these qualifications however had little currency outside the playgroup network. Likewise, national charities running both residential and day-care/family centres, for example the National Children Bureau, had developed their own training courses. As for childminders, the National Childminding Association (NCMA) did not run training courses. Instead, it provided material and offered guidance to local groups setting up courses in childminding (DES 1990, 22-23).

Training for nursery education teachers was at the other end of the qualification hierarchy. It consisted of either three or four years of graduate level training, covering primary teaching and nursery teaching together. One problem with this arrangement was that teachers were mostly trained to work with older children and, therefore, lacked the preparation necessary for teaching children below compulsory schooling age (Abbott and Kane 1998; Moss and Penn 1996, Ch. 7; Sylva 1991).

The system of training was therefore fragmented, as courses and qualifications varied in content, length and currency within the system of services. With the exception of teachers, qualifications tended to be at a low level. The NNEB required a two-year vocational training course, but was not accepted as a valid entry requirement for

higher education or for higher professional training. In fact, the NNEB led to only *one* qualification at a higher level – the Certificate in Post-Qualifying Studies (CPQS). However, the CPQS had only been set up in the late 1980s and was available only in a few higher education colleges. Thus, it did not offer a comprehensive solution to the problem.

Another qualification, established only in 1989, was the Business & Technology Education Council (BTEC) diploma in nursery nursing. The BTEC was a two-year vocational course similar to the NNEB, but it was slightly more selective and was offered in far fewer colleges (Moss and Penn 1996). Unlike the NNEB, the BTEC qualification allowed progression to the Higher National Diploma (HND), a vocational qualification at post-secondary level offered in polytechnics.

The only degree-level qualification outside teaching emerged at the beginning of the 1990s and was offered in a handful of universities (ex-polytechnics). These “Early Childhood Studies” degree programmes encompassed both “care” and “education” philosophies and imparted specialist knowledge appropriate to working with children from nought to eight (Calder 1990; Fawcett and Calder 1998). However, all these initiatives were partial or exceptional and could do little to offset the general low level of qualifications that characterised employment in childcare.

The training system was therefore not organised around the principle of progression. There was not a qualification that prepared better academically qualified students for posts of responsibilities. Career advancement for childcare workers was very rare and invariably meant either becoming a teacher, a nurse, or a social worker. However, training that was specific to childcare hindered such career choices.

Against this backdrop, the introduction of a system of National Vocational Qualifications (NVQs) added another layer of qualifications. NVQs were introduced in the late 1980s, but in the childcare sector they emerged more slowly. NVQs were competence-based qualifications – to gain it the candidate needed to be assessed as being capable of his or her job to defined standards (O'Hagan, Griffin, and Dench 1998). NVQs could be obtained in colleges or directly in the workplace. This way, the distinction between initial training and in-work training disappeared, and the

emphasis shifted from the learning process to the performance outcome. The linchpin of NVQs was the assessment, which consisted of the observation and recording of performance at work, or a simulation of it (in case the NVQ was gained in college) (West and Steedman 2003).

The development of NVQs was partly responsible for the dissolution of the NNEB in 1994 (Wright 1999). The government assigned the task of defining the job standards underpinning the NVQs to “Lead Industry Bodies”. However in the field of childcare and of care work more generally, there was no such existing organisation of employers. Thus, the government created a Care Sector Consortium which included representatives from various private and public sector organisations related to care services (Calder 1995). This arrangement meant that the NNEB Board had lost its main function – deciding and regulating the content of nursery nurses training. This way, the longest established qualification in childcare disappeared, replaced by, arguably, a weaker form of training – a point which will be developed in the next section.

A fragmented workforce

By 1997, several reports had documented the inadequacies of childcare and early education services in the UK (for example, Cohen 1990; Meltzer 1994; Audit Commission 1996). Public provision was scarce and divided between day-nursery services – with social and welfare aims – and nursery education, which, instead, put stronger emphasis on children’s learning. Childcare as a service for working parents existed almost entirely in the private sector, either through childminders or private day-nurseries.

The well-documented fragmentation of services was matched by a disparate workforce working with children under five. Four groups of workers were clearly identifiable. First, there were teachers, qualified at degree level or post-graduate level. They were employed typically in the maintained sector only. Their working conditions were generally favourable, as they worked only term time and were covered in terms of social security and pension benefits (Moss and Penn 1996). Their training was centred on educational aims, but was not necessarily considered appropriate for working with pre-schoolers.

Second, qualified nursery nurses were another identifiable group of workers. They had gained the NNEB or similar qualification in childcare. Their training was rooted in the social services tradition and had strong emphasis on the health and well-being of the child. Qualified nursery nurses were, in the main, employed in the public sector, either in day-care or in education. In both cases, pay was set according to local pay scales, and covered also sickness, annual leave, and pension benefits. Pay was slightly higher in day-care, where employees generally worked longer hours and had shorter holidays. In schools, qualified nursery nurses had a teacher as direct line manager, while in day-care it was either a more senior nursery nurse or a social worker (Moss and Penn 1996, DES 1990). Qualified nurses were also employed in the private sector, although here they generally occupied senior management roles. Working conditions within the private sector varied, but were altogether worse in comparison to the public sector, especially as far as social security was concerned (Moss and Penn 1996).

The third identifiable group of staff was unqualified workers, employed mainly in the private sector or as childminders (Moss and Penn 1996, Mayall and Petrie 1983). For them, there was no legal requirement to be qualified. Finally, there were playgroup workers, who constituted a separate group with its own hierarchy and training system (DES 1990, Lloyd et al 1989).

Notwithstanding these differences, the great majority of those working with children had low-level qualifications. The lack of professional training was particularly acute among those working with babies and toddlers. Professional training at degree level existed only for teachers. But teachers were employed in the public sector, while, by the end of the 1990s, many of the services had developed in the private and voluntary sectors. Underpinning such an inadequate system of services was a central feature of the British welfare state, namely its supporting a strong male-breadwinner family model (Lewis 1992). It was when this underlying assumption about the role of women was finally abandoned that childcare services started to change.

Changes in the provision of childcare and early education since 1997

The Labour Government elected in 1997 brought about substantial changes in the field of childcare policy, which were marked by the publication of *Meeting the Childcare Challenge* in May 1998 (DfEE and DSS 1998). Labour's initiatives signalled a significant departure from previous governments' policies. They changed a core idea informing the role of the state, namely that childcare arrangements were exclusively a private responsibility.

The term 'childcare' assumed a new connotation: while 'child care' (two words) had traditionally indicated those services focusing on children's welfare and catering for the minority of children in foster or residential care, the 'childcare challenge' referred to day-care services for preschool children whose parents are at work. Furthermore, the Labour Government's strategy focused on strengthening pre-school *education* provision, with the aim of promoting children's early learning, in the context of tackling social exclusion and child poverty. So, the policy goals were mixed, but nevertheless care and education services for children under five became a legitimate and important area of policy intervention.

This commitment was sustained in both Labour's second and third terms in office and led to a vast programme of interventions backed up by large public investments. In what follows I will give a chronological account of these reforms, while seeking to highlight their implications for the workforce.

Labour's first-term: laying the foundations

Labour's National Childcare Strategy (DfEE and DSS 1998) identified three key objectives: promoting good quality childcare, making it more affordable, and increasing its availability.

In order to help parents to meet childcare costs, the government introduced a childcare subsidy in the form of a childcare component attached to the Working Tax Credit – also referred to as the Childcare Tax Credit. Low income parents working at least 16 hours were eligible and the actual amount depended on household income, cost of childcare and number of children, but not on any characteristics of the

childcare provider. All forms of registered provision were covered: centre-based settings, playgroups and childminders alike.

The idea behind the subsidy was to increase low-income parents' ability to purchase childcare at market prices (Waldfoegel and Garnham 2008). Importantly, the subsidy was capped at 70 percent (later 80 percent) of childcare fees, within a certain maximum value. This way, the scheme introduced an incentive for parents to look for the cheapest option and for providers to compete on price rather than on quality.

In addition, in 2000, pre-school education became a free entitlement of 12.5 hours a week during term time for all four year-olds. In theory, the entitlement could be used across all providers as long as these complied with a new Code of Practice, which required much greater emphasis on the 'educational' (as opposed to 'care') aspect of provision (QCA and DfEE 1999, 2000). In practice however, 80 percent of children aged four were already enrolled in either nursery classes or, the majority, in reception classes. Thus, they received their entitlement in maintained sector schools (DfES 2003, Table 3; 2005, Table 3). It is however noteworthy that attendance rates increased precisely in non-maintained settings, albeit from the much lower rate of around 15 percent. Monies were made available directly to providers via local authorities, which distributed the funding on the basis of the number of eligible children attending each setting (West 2006).³

Although children could access the entitlement in maintained and non-maintained settings alike, the payments to providers were different. Primary schools with primary classes received slightly higher funding than private, voluntary and independent providers (NAO 2012, West, Roberts and Noden 2010). The difference in funding per child is small, but nursery classes, as it will be explained below, operated with a different staff to child ratio and could share overhead costs with the primary schools they were attached to. Funding for nursery *schools* in the maintained sector – which must employ a headteacher and have no shared overheads – was

³ It should be noted however that initially funding was made available through the 'Early Years Development and Childcare Partnerships' (EYDCPs) scheme, which aimed at including voluntary and private sectors providers into the planning phase of childcare and nursery education expansion at local level. The partnerships were however considered ineffective and subsequently abandoned (Penn and Randall 2004; Lewis 2004).

considerably higher. Beside these differences across sectors, and within each local authority, the funding mechanism did not take into account providers' differing costs per child. So a private nursery employing a teacher did not receive higher payment than a nursery with staff with minimum qualifications.

The tax credit and the free entitlement became the core interventions of the childcare strategy. The most substantial share of public resources was devoted, over the years, to these two initiatives (Brewer, Crawford, and Dearden 2005). These two initiatives, with their separate funding arrangements, reflected two distinct aims underpinning the childcare strategy. On the one hand, there was pre-school education, aimed at strengthening children's school readiness. On the other, there was childcare, whose goal was to promote mothers' employment (Lewis 2003). This sustained the view that childcare was for working parents and the nursery education was for pre-schoolers (Moss 2010). With this view was also the long-standing notion that issues concerning quality were of greater relevance to educational provision than they were to care services (Cohen et al 2004: 63). Indeed, providers offering the entitlement had to comply with the precise guidance on early years *education* in order to receive public funding (QCA and DfEE 2000). By contrast, eligibility for the tax credit was linked to parents' employment status and working hours and was not related to the quality of provision purchased.

The policy objective of increasing the quality of provision was thus mostly concerned with pre-school education. Regulation was strengthened considerably, albeit unevenly across types of provision. In particular, providers from different sectors had to comply with differing child: staff ratios (Ofsted 2001; DfES 2001a). In school-based provision, these were higher, to reflect that better qualified staff (i.e. teachers) were employed. In the private and voluntary sectors, on the other hand, ratios were lower, with fewer children for each member of staff (Munton et al 2002).

By distinguishing between forms of provision, rather than by staff qualification, the regulation did not introduce any incentive for non-schools providers to hire teachers or graduates, as the higher costs could not be offset by a higher ratio.

With regard to services for children aged three to five, the regulatory requirements introduced by Labour did not concern the structural aspects of provision only (e.g.

staff to children ratios). Instead, regulation specified the actual principles and practices that were to guide the delivery of the free entitlement. That is, regulation regarded the *process* of childcare work. The “Curriculum Guidance to the Foundation Stage” (QCA and DfEE 2000) required workers to plan learning activities and to observe and document children’s progress. This way regulation affected directly the content of childcare work and gave greater prominence to the educational goal of services.

Labour also launched a number of other initiatives, which were not implemented nationally, but targeted children living in the most deprived geographical areas. The Sure Start programme was certainly the most prominent and well-known one. However Sure Start was not firmly part of the childcare strategy, but a response to the policy goal of reducing child poverty through early intervention (Eisenstadt 2007). Increasing the availability of childcare places became a key objective of the programme only later on (Lewis 2011). Other programmes included the Early Excellence Centres, which offered extended day care integrated with early education, and the Neighbourhood Nurseries Initiative (NNI), which channelled funding to set up nurseries in the most deprived areas, where limited financial viability discouraged the private and independent providers (Bertram et al 2004; NNI Research Team 2007).

Lastly, Labour’s initiatives in the early years sector included a myriad of different opportunities for shorter-term funding, for example start-up grants for new childminders and childminders’ networks, funds for information services and staff training (Lewis 2003; Cohen et al. 2004).

In the “flurry of activity” (Moss 1999, 230) that characterised the first term of Labour in government, relatively less attention was given to the issue of the childcare workforce. From the outset, Labour acknowledged that “childcare is a low status, low pay occupation” (DfEE and DSS 1998, 13), but the issue was framed exclusively in relation to the expansion of services.

The problem therefore was that the poor status of the occupation would “make it difficult to recruit people of the right calibre to the profession and to retain them”

(DfEE and DSS 1998, 13). Government's preoccupation was that the growing numbers of alternative sources of employment coupled with women's rising qualifications were bound to reduce the pool of people available to work in childcare (Rolfe et al. 2003; Cameron, Owen, and Moss 2001; Cameron et al. 2001). The issue of low pay was addressed only in passing, and Government made clear that the introduction of the National Minimum Wage (NMW) would ensure that "childcare workers' pay does not fall short of a decent minimum" (DfEE and DSS 1998, 24).

Policy effort concentrated especially on recruitment, leaving the problem of retention largely unaddressed. It was envisaged from the beginning that New Deal programmes would offer opportunities to train in childcare (DfEE and DSS 1998, 15). In particular, employment in childcare was seen as particularly suitable to lone parents (DfEE and DSS 1998, 23). In line with these views, the Sure Start recruitment campaign was targeted at people not in work, and also tried specifically to attract men into the sector (Osgood 2005). Margaret Hodge described the key message of the campaign: "It is all about saying 'you can do this if you have got a way with kids' and bringing people in and then hopefully, through professional development when they are in a particular setting, enhancing quality" (HC 2001a, Question 460).

A better qualification system was considered necessary to increase the attractiveness of working with children, and the Government set out to develop a "climbing frame to help people enter, move and progress in the sector, as well as to move to other related occupations" (DfEE and DSS 1998, 26). There was no mention about *what kind* of training or qualifications should actually be put in place, despite the fact that the Curriculum Guidance for the Foundation Stage was very detailed about the content of childcare work. The fact that increased regulation may presuppose a better qualified workforce was never acknowledged.

Policy related to qualifications in childcare needs to be understood in the context of the broader developments taking place in education policy and, more specifically, in relation to the expansion of NVQs and the role of the National Qualifications Framework (NQF). Both the NVQs and the NQF had been introduced by the Conservative Governments of the late 1980s and early 1990s, but remained central to

Labour's education and employment policies (Wolf 2004). The institutional mechanisms described hereafter therefore refer also to the years under the Labour Government.

As already mentioned, the NVQs were characterised by an assessment regime based exclusively on observation and evaluation of performance at work (West and Steedman 2003). Candidates were assessed on the basis of the competence they showed in performing the job. The standards of competence were set nationally by employers and defined at a level from one to five, with higher levels corresponding to greater mastery and proficiency. NVQs required less educational infrastructure than other vocational qualifications. At the minimum, candidates needed to register with a certified training provider, who would be in charge of arranging for an assessor to evaluate the candidate performance (O'Hagan, Griffin, and Dench 1998; Moss and Penn 1996).

In the 1990s the NQF was also established. It classified all qualifications – vocational and academic alike – at one of five levels, reproducing the structure of the NVQs across all available qualifications (Robinson 1996, 1997). In the case of childcare, the old NNEB qualification was pitched at level 3, together with other vocational qualifications like the BTEC diploma in childcare, but also together with academic qualifications like A-levels (QCA 1999). So someone with an NNEB and someone with A-levels were both said to have qualifications at level 3. This *notional* parity was highly criticised (Robinson 1996, 1997) and had substantial repercussions on the vocational education field. The NQF was crucial because regulation used the language of 'levels', without specifying *which* qualification was required. The NQF made very different qualifications become equivalent, despite the different educational content they had and the varied recognition from employers they received.

The introduction of the NQF contributed to the increase of the popularity of NVQs. Progressively, vocational qualifications became known by their "NVQ-equivalent" level. In addition, the funding system favoured the expansion of NVQs at the expense of other qualifications (Wolf 2004). The funding was also organised in a way that put pressure on training providers to reduce standards. Put simply, training

providers received funds on the basis of the number of qualifications awarded. In competence-based qualifications, a candidate can only pass or fail, so the pressure to grant a pass is enormous (Wolf 2011, 87).

Having explained the context in which NVQs developed, it is easier to understand their role in the childcare sector. NVQs were introduced in the childcare sector in 1992, but notably they did not cover all the progression stages and were offered only at level 2 and level 3 (Calder 1995). Implementation problems hindered their take up, and in particular there were difficulties related to funding and access. In a sector like childcare characterised by small workplaces, self-employment and generally low pay, it was unrealistic to expect either candidates or employers to finance NVQs (O'Hagan, Griffin, and Dench 1998). However, the NVQs' structure fitted the childcare recruitment strategy launched by Labour because they did not require any previous qualification and could be gained on the job. Their design met the Government's desire of "bringing people in without any qualification" and then train them up. Labour funded training opportunities to gain NVQs at level 2 and level 3 (HC 2001*b*). With considerable government back-up, NVQs in childcare started to expand.

Labour supported the creation of a National Training Organisation (NTO) specific to the Early Years sector. It included representatives of the private, public and voluntary sectors and associations like Pre-school Learning Alliance⁴, National Childminding Association and the National Day Nurseries Association (Abbott and Pugh 1998: 13). One of the task of the NTO was to revise the standards underpinning the NVQs, in order to take into account changes in regulation and thus in the demands of the job.

Regulation on staff qualification was set in accordance with government's backing of NVQ2 and NVQ3. Labour legislated regarding minimum qualification requirements, but it applied to the setting, not to the individual worker. It remained therefore possible to be working in childcare without possessing a relevant qualification. At setting level, the requirements were as follows. Managers and deputies were to have

⁴ The PPA changed its name in 1995 to Pre-school Learning Alliance.

a qualification at level 3. Likewise, all supervisory staff were to be qualified at level 3. Half of the rest of the staff were required to hold a qualification at level 2 (DfES 2001a; Sure Start 2003a, 2003b).

In the year running up their introduction, the requirements about supervisory staff had been subject to a long debate. Initially the Government had proposed to introduce only two standards, one for managers and deputies – qualified at level 3 – and one for half of the rest of staff – qualified at level 2. But the sector protested against the notion that staff holding a level 2 qualification could be even considered ‘qualified’. *Nursery World*, the leading magazine in the sector, launched the campaign ‘Stop the drop’ and asked for more stringent requirements – 50 percent of staff qualified at level 3 and all support staff qualified at level 2 (Wiltsher 2000). In addition, they pushed for managers and deputies to have at least 2 years’ experience. The argument was that all staff *responsible for children* had to be qualified at level 3. That was the level, for example, of the old NNEB, which had trained people to *enter* into working with children. Support staff, on the other hand, were not directly responsible for children, but rather were in charge of *assisting* in the overall provision. *Nursery World* thus argued that qualifications below level 3 were acceptable only as far as support staff were concerned (Thomson 2000; Mercer 2000).

The campaign ran for the whole of 2000, but the Government made only the concession of requiring staff *responsible for other workers* to be qualified at level 3. According to the minister, the standards were to be considered as minimum requirements, and therefore were not meant to highlight best practices (Hodge 2000a 2000b). Thus, the opportunity for introducing a powerful incentive to raise qualifications had been missed.

By the end of Labour’s first term in office, plans were in place for a NVQ at level 4. There was confusion, however, as to whether it was a qualification open to managers only. The NVQ4 meant to be equivalent to 2 years of higher education. Among policy makers, the idea was that this qualification could enable practitioners to move on to become qualified teachers (HC 2001a, Question 100). But this vision was

inconsistent with the mixed economy of provision, because teachers were employed almost exclusively in schools.

Labour's second term: finding a compromise

Labour's second term was mostly dedicated to the implementation of initiatives launched during the first term. It was also during the second term that the childcare strategy was reviewed and that the different policy initiatives were evaluated, reformed or expanded. The Treasury introduced major changes in the tax and benefit system in Spring 2003 and increased the financial resources spent on the childcare tax credit by raising both the average amount and the number of families benefiting (Brewer, Crawford, and Dearden 2005, 151). The expansion of the childcare system was thus ensured by subsidising parents' demand.

In 2004, the early years education entitlement was extended to all three year-olds, which allowed the private and voluntary sectors to benefit to a greater extent than before. While schools had been able to accommodate three-quarters of four-year olds, by 2005 the majority of three-year olds received the entitlement from the private and voluntary sector (DfES 2005a, Table 2).

Because the focus remained firmly on expansion and on the creation of more childcare places, the strategy towards the workforce was framed accordingly. Concerns were, once again, about staff recruitment. Interestingly, the Government took the view that employers did not have difficulties in finding *qualified staff*, rather it was a general lack of applicants that risked hampering growth in childcare places (DfES et al. 2002, 21). In relation to regulation, the prevailing view was that "Vigilance will be required to ensure that neither difficulties in expanding the workforce, nor regulations, act as a brake on market growth" (DfES et al. 2002, 14).

Developments in relation to the quality of provision were somewhat disparate. In 2002 the childcare sector saw the launch of a new vocational qualification at tertiary level – the "Early Years Sector Endorsed Foundation Degree" (DfES 2001b). Foundation degrees had been promoted across different vocational fields with the intent of creating an intermediate level qualification in higher education. They were

two-year courses designed for working practitioners, requiring weekly attendance but were compatible with full-time work. Policy makers in the childcare area presented the foundation degree as a stepping-stone towards qualified teacher status, despite government commitment to a mixed economy of provision (DfES 2001, Foreword). The Foundation Degree specific to the early years sector had been promoted by the Early Years NTO. However, it was dismantled in spring 2002 alongside other industry NTOs. In this way, the early years sector lost its voice on matters regarding qualifications.

In relation to work practice, no further statutory regulation was introduced. However, in 2002, the 'Birth to three framework' (DfES and Sure Start 2002) was published. This guidance was aimed at all practitioners working with babies and toddlers and provided information on child development and assistance for effective practice centred on play and learning. The novelty was in the emphasis on stimulating activities: children were not only to be in a warm and protective environment but also to be offered a wide range of stimulating experiences which could enhance their development and learning. It was the first guidance document addressing work with children under three, which had been traditionally considered particularly unattractive and usually allocated to younger trainees and more inexperienced staff (Abbott and Langston 2005).

A piece of research that was very influential in the policy debate about the quality of childcare was the Effective Provision of Pre-school Education (EPPE) study. Since 1997 EPPE had followed 3,000 children receiving care and early education in different types of services with the objective of assessing the impact of different forms of provision on children's outcomes. Interim results based on observational assessment of the various settings indicated that best practices were to be found in integrated centres, nursery schools and nursery classes (Sylva, Siraj-Blatchford, and Melhuish 1999). Result of the outcomes for the children that emerged in the mid-2000 confirmed that those who had attended higher quality settings had better outcomes, especially in relation to cognitive developments. Crucially, EPPE pointed to the role of *teachers* in offering high quality early education and care (Sylva et al. 2004).

These results were widely cited in policy documents, but the government had to reconcile somehow its commitment to a mixed economy with a vision of quality closely linked to the presence of teachers. In 2004, the government's long-term vision for childcare services was unveiled with the publication of *Choice for parents, the best start for children: A 10-year strategy for childcare* (HM Treasury et al. 2004). The *Strategy* admitted "the single biggest factor that determines the quality of childcare is the workforce" (HM Treasury et al. 2004, 4:44). It was the first time that the objective of reforming the workforce was given precedence over that of devising appropriate regulation.

The Government acknowledged the importance of teachers in enhancing the quality of provision, but also introduced the idea that the presence of *graduates* rather than specifically *teachers* had beneficial effect on provision. Two possible ways forward were outlined. One option was to have 'early years teachers'. This would have entailed reinforcing teacher training for the early years, perhaps by devising a specific training track. Another option was to create a specific early years professional qualification at the graduate level and to ensure that all day-care settings were led by a graduate professional.

By the end of Labour's second term, the issue of the workforce had gained more prominence and the Government started to address it, with particular attention to the problem of not having enough graduates in the sector. It set up a new government agency, the Children's Workforce Development Council (CWDC), charged with training and more generally of overseeing the Children's workforce, but the CWDC's remit did not include teachers. The creation of a dedicated agency helped to increase the visibility of the theme of the workforce but also moved away from the sector-led approach that had existed until then.

Beginning of Labour's third term: too late to reform the childcare workforce?

In its third term in office, Labour took forward the proposals outlined in the *10-year strategy* (HM Treasury et al 2004) and enshrined them in a major piece of legislation. The 2006 Childcare Act gave local authorities a statutory duty to survey local needs and secure sufficient childcare, which was defined as encompassing both educational and care provision for children under five.

Importantly, the Act indicated that local authorities should not set up their own funded childcare provision if an alternative provider already existed or was willing to offer the service.⁵ Thus Local Authorities were given a central role in facilitating the market, but were made “provider of last resort”, with the exception of educational provision by schools. The emphasis on commissioning childcare services to the private and voluntary sector was particularly relevant in light of the pledge to increase the number of Children’s Centres to 3,500 by 2010 (Daycare Trust and TUC 2008). Local Authorities’ duties in relation to private and voluntary providers consisted in offering information, assistance and training.

The Childcare Act also introduced the Early Years Foundation Stage (EYFS), a single regulatory and quality framework bringing together the previously separated requirements. The EYFS combined the Curriculum Guidance to the Foundation Stage and the Birth to Three document.⁶ Under this new regulation all providers catering for children from nought to five were obliged to follow the EYFS framework. This included childminders as well as all other types of settings. Thus the initiative integrated ‘education’ for three and four year-olds with ‘care’ for babies and toddlers. In common with the curriculum for the foundation stage, the EYFS required practitioners to plan activities and to observe children in a systematic way, in order to record their progress and difficulties. As for interaction with children, it was to combine child-led activities with moments in which the adult had a more prominent role in stimulating learning.

This approach had already been in place for the three to five age group, but was new for work with younger children. For this segment of provision, it was the first time that regulation was being used not only in relation to some structural aspects of provision, like staff to children ratios or health and safety requirements; it was also

⁵ Part 1, point 8 “Powers of local authority in relation to the provision of childcare” (HC 2006).

⁶ The EYFS applied only to England. Wales introduced the Foundation Phase Framework for Children’s Learning, which however covers only 3 to 7-year-olds and is not a statutory curriculum. Likewise, Scotland maintained the distinction between children under 3 and those above. The “Curriculum for Excellence” was introduced in 2004 as a non-statutory framework guiding teaching practice with children from 3 to 18, while the document ‘Birth to three: supporting our younger children’ offered guidance to those working with babies and younger children. Northern Ireland is yet different because compulsory schooling starts at the age of 4. Thus the ‘Foundation Stage’ is the school curriculum for year 1 and 2 and is fairly similar to the English *Curriculum Guidance*.

used to ensure that the interaction between workers and children reflected an approach which was centred on children's development and learning.

But while the Foundation Stage had been part of the National Curriculum, the EYFS was not, which signalled how provision for the under five was not an integral part of the education system. This, in turn, made it more difficult for teachers to train for the early years, as the foundation stage was no longer formally on a par with subsequent key education stages.

As for inspections, all early years providers – defined as providing childcare or education for children under five – had to register with Ofsted. Ofsted was given the responsibility of inspecting all settings against the EYFS, with a system of evaluation organised in four grades: inadequate, satisfactory, good and outstanding. However, provision offered in nursery classes was to be inspected under a different framework because they were considered part of the primary school to which they were attached (Ofsted 2010). Another incongruity regarded childminders. Although the EYFS introduced a framework common to all types of provision, childminders could not automatically offer the free entitlement for three and four year olds. In order to access this stream of funding, childminders needed to be part of their local childminders' network (Ofsted 2008a, 2008b).

In terms of funding, the first years of Labour's third term saw aggregate spending on childcare and the early years increasing (Stewart 2009). Beside the Childcare Tax Credit, financial incentives to provide employer-supported childcare were strengthened. Through these schemes parents could opt to be part-paid in childcare vouchers, reducing income tax liability, as long as their employer was signed up to a voucher scheme. This subsidising mechanism favoured, once again, private provision.

As provision expanded, concerns about the level of spending *per child* started to emerge (NAO 2006). The funding of the free entitlement was especially contested by private sector providers, who argued that the funding made available by local authorities was falling short of covering the real costs of provision (FSB 2007).

In spring 2005, the Government launched a *Children's workforce strategy* (DfES 2005). The proposals regarding the early years workforce were very similar to those advanced in *Meeting the Childcare Challenge* back in 1998. These were: 1. creating a qualification framework in order to increase career opportunities in the sector; 2. supporting the Government recruitment campaign to expand the workforce; 3. Improving the information given to parents, who, as customers, were “better placed to influence provision on a day-to-day basis” (CWDC 2005, 30). Thus, several old ideas were once again repeated.

There were however two significant and concrete initiatives. One was the creation of the “Transformation Fund” explicitly dedicated to financially supporting employers willing to hire better qualified workers or sponsoring their training. The second was the launch of a new graduate-level category of staff: the Early Years Professional (EYP) (Daycare Trust and TUC 2008).

The option of creating a new professional figure distinct from teachers had already emerged in the *Ten-year strategy* (HM Treasury et al 2004) and the enduring commitment towards the mixed economy of provision made it inevitable. The EYP was defined as a professional figure at the graduate level with expertise in child development that combined aspects of medicine, social work and education. The EYP was not a qualification, but a professional category on a par with the “Qualified Teacher Status” (QTS). The EYP status could only be obtained after a degree, but was accessible via different routes. Applicants were required to have GCSEs at grades A*-C in both English and Maths, which was also a requirement for obtaining QTS. It was meant to be a professional category of the same calibre as that of teachers, but concerns remained that the rigour and the funding of EYP training was lower than of that available to teachers (Ranns et al 2011).

In 2008 there were 35 higher education institutions that could award the EYP status (CWDC 2008). Many of them had offered, since the early 1990s, three year honours degrees in early childhood. However, because students and practitioners could obtain their EYP status via different routes, it was difficult to understand the exact institutional arrangements of EYP training. In addition, funding was channelled in various ways: to applicants via Local Authorities and to colleges and university via

CWDC (CWDC 2008, Hadfield et al 2011). As with the NVQs, it was not clear who was responsible for monitoring and assessing the quality of training provision, a function outside the CWDC remit. Nevertheless, policy makers increased the funding of the EYP in 2007. But guidance recommending that all childcare settings were led by an EYP never became statutory.

The creation of the EYP raised concerns about how it compared to teachers. Teachers were opposed to the EYP status, because of fears of being squeezed out (NUT 2005). Teachers were caught in a double bind: to preserve their pay and conditions on the one hand, and to retain control over the provision of education for three and four years olds in schools on the other. However schools offered nursery education during school hours only (approximately between 8AM and 4PM, term time only). Any integration between education and care required an extension of working hours and was therefore opposed by the teachers union.

Traces of this opposition remained in the cumbersome requirements for staff to children ratios contained in the EYFS and in place since September 2008 (Sure Start 2008, Appendix 2). Ratios for children under three remained unchanged: one member of staff for every three children under the age of two and one for every four children under the age of three. As for qualifications, those with supervisory roles were required to have a relevant qualification at level 3, while half of the remaining staff were to have a relevant qualification at level 2 (Sure Start 2008, Appendix 2). For employers there was therefore no incentive to employ an EYP.

For children aged three and four, regulation was complicated. First of all, school-based provision required the presence of someone with a QTS (Sure Start 2008, Appendix 2), and therefore an EYP could not work in schools other than in the capacity of nursery nurse supporting the teacher. This meant that as far as nursery classes and nursery schools were concerned, teachers were not undercut by EYPs. For all other settings there were different ratios according to staff qualification and, more peculiarly, according to the time of the day. EYPs and QTS were considered equivalent and the ratio was set at one to 13. However, this ratio applied only between 8AM and 4PM. For other staff, the ratio was one to eight. At any time outside the hours of 8AM and 4PM, the ratio was one staff to eight children,

irrespective of staff qualification (Sure Start 2008, Appendix 2). This produced the oddity that an EYP was working with two different ratios: one to thirteen between 8AM and 4PM, and one to eight otherwise. This regulation strongly reduced any advantage of hiring an EYP in lieu of a teacher, something that could be possibly relevant for Children's Centres. In addition, it diminished the incentive to hire an EYP. A supposedly higher salary could be in part offset by a more favourable staff/children ratio. But, if this more favourable ratio could not be in place throughout the entire day, the advantage was somewhat weakened.

Childcare workers have traditionally lacked any form of trade union representation, with the exception of those working in the maintained sector. The EYP had just been launched when the Standards for early years provision were issued in 2008. The CWDC was the only body strongly promoting EYPs – it supported their training and promoted their image and indeed the EYP was their flagship programme. But the CWDC was a government agency whose remit excluded issues relating to remuneration and working conditions (Daycare Trust and TUC 2008). In addition, its leverage within the Government was negligible. More generally, by the time the Government had started addressing the theme of the childcare workforce, the reforms of the childcare sector had already happened, leaving little margin for the “radical reforms” of the workforce promised in the *Ten-year strategy* (HM Treasury et al 2004).

Reforming the childcare workforce: what are the challenges?

The previous section has set out to give an historical account of the reforms introduced by Labour since it took office in 1997. It is clear that Labour's commitment to the early years was unprecedented, both in terms of the money spent on it and the number of initiatives introduced. This wave of reforms however fell short of addressing squarely the issue of the workforce and failed to introduce significant reforms affecting the position and characteristics of those working in the sector. This section discusses the factors that militated against more vigorous policy changes.

The Labour Government's Childcare Strategy had three key policy objectives – increasing availability, quality and affordability. Clearly, in a context of limited

public resources, there is a tension between the three objectives. In particular, a trade-off arises between cost-containment and quality. This is nothing new, and the literature on elderly care points to similar policy dilemmas (for example, Ungerson and Yeandle 2007).

A further issue regards the way in which quality was pursued. As observed by West (2006) policy-makers saw regulation of early childhood services as assuring quality, notwithstanding the difficulties in defining quality and its elusive nature. Labour certainly made large use of regulation and quasi-regulation via guidance and established a stringent monitoring and inspection system, making the English childcare sector one of the most regulated in Europe. Leaving aside the much larger issue relating to the ubiquitous use of regulation (Power 1997) and the intricate question of what quality is (Tanner, Welsh, and Lewis 2006), the question arises as to *what* precisely Labour regulated.

More specifically, it is useful to distinguish between types of regulation. First, there is regulation of the service itself. This type of regulation specifies *what* service should be provided and *how*. Examples are numerous: regulation about the security of the premises, the safety of equipment, children to staff ratios, but also regulation requiring staff to observe and record what children do, and to prepare a plan of activities.

The second type of regulation refers to the workers supplying the service - *who* should it be? Examples could include vetting procedures, which include a criminal record check, but also, more importantly regulation about initial training and entry qualification. For example, in schools, only teachers can offer the early education entitlement. This means that the state has set a rule about *who* is to provide the service. Finally, there is regulation about the conditions of employment, which influences the terms under which labour is exchanged. The national minimum wage is a form of regulation of this kind, but examples could include the right to a certain number of training days or entitlement to social benefits.

Labour privileged the first type of regulation: prescribing directly and extensively how the service was to be delivered. By contrast, it has tried to minimise

interventions about *who* should be supplying the service and the related employment conditions. In relation to qualifications, the previous section has reported how the requirements introduced in 2000 were contested by several associations in the early years sector (Mercer 2000; Thomson 2000; Wiltsher 2000). In particular, those requirements failed to establish a minimum qualification for working in early childhood services. In addition, requirements were established at setting-level, and not always at the level of the individual worker. For example, certain settings were required to have *half of their staff* qualified at level 2. This way, regulation about qualifications was framed, as much as possible, as relating to the service rather than to the workers. In the case of childminders, no qualification requirement was introduced.

However, regulation of the service and regulation of training and/or qualifications can have profoundly different implications on workers. More extensive regulation of practice can reduce workers' autonomy and initiative by prescribing the way in which the service must be delivered. By contrast, regulation centred on qualifications and training shifts the focus onto the role of workers in delivering the service. From the perspective of a qualified worker, this type of regulation is certainly more empowering.

Another factor that militated against more vigorous policy changes was the training system itself. More specifically, the lack of an organisational body in charge of training made it difficult to develop courses and qualifications at a more advanced level than the NNEB or, later on, the NVQ3 (Pugh 1998). In other industries, especially manufacturing ones, it is often the case that employers or professional bodies contribute to the organisation of training. That is the case for example of the Business & Technology Education Council or the City and Guilds of London. But in the case of childcare work, neither an association of employers nor a professional body actually existed.

In the case of the NNEB, the Board included a number of representatives, coming from various government departments (Health, Education and the Home Office), local authorities and professional associations of those involved either in the training of nursery nurses (e.g. further education teachers) or working with them (e.g.

association of social workers) (Wright 1999). This reflected the fact that nursery nurses were employed in a wide range of *public* services under the responsibility of various departments. But, with such disparate composition, the NNEB Board was a fragile institution, which struggled to coordinate training in a field of work which was never clearly delineated (Wright 1999).

Since the 1990s, the concomitant disappearance of the NNEB, the expansion of private childcare provision and the advent of NVQs further complicated the organisation of training and made the need for a coordinating body more pressing. In particular, the introduction of NVQs required the involvement of employers, as it was employers who had to define the national occupational standards underpinning the NVQ. This meant spelling out what “competent performance” entailed at different levels, so that assessors could be guided in judging candidates.

Yet the reality has been one of great turbulence and confusion. So, since the early 1990s, the interests and views of employers in the early childhood service sector have been represented by (in turn) the Care Skills Consortium, the Early Years National Training Organisation and the Council for the Development of the Children Workforce together with the Care Skills Council.

In a sector characterised by small workplaces, there is little chance of developing a coherent training system or even a few qualifications without an organisation which is well-established. It is notable that private for-profit employers many not have an interest in developing a training system beyond basic level of competences. Indeed, higher qualifications may translate into an increase in wages, with repercussions on employers’ costs. This makes it difficult to imagine how they could contribute in a substantial way to the setting up of an education and training system for the sector.

Finally, it is clear that the regulatory framework and the system of training are interconnected and reinforce each other. It is difficult to introduce regulation setting qualification requirements to work in childcare if there is no training system offering such qualification. At the same time, low qualification requirements reinforce the idea that the sector does not need to develop a training system with more advanced qualifications.

Conclusions

The chapter has examined childcare policy in the UK, paying particular attention to its implications for the workforce. Policy has been analysed mainly “from above”, by looking at policy documents. This analysis sets the context for the research findings of Chapters 5, 6, 7 and 8. In particular, the empirical evidence presented in Chapters 5 and 6 will be discussed also in relation to the policies described here. As has been made clear, childcare and early education provision in the UK remained complicated. Notwithstanding Labour’s attempts to increase the level of coherence of the system, in 2008 there was still a vast range of services – some offered mainly nursery education while others provided full-day childcare – some to be found in the maintained sector while others belonged in the private or voluntary ones.

Pay and working conditions are likely to be influenced by these factors. It is thus necessary to examine this complex system of services carefully before presenting the empirical analysis, as the design of the empirical strategy and the interpretation of the results will be inevitably related to the policy context. In short, childcare workers’ pay is embedded in the complicated context that this chapter has sought to explain.

However, the policy dimension is not only relevant because it provides a context for empirical analysis. Policy is, quite evidently, an important factor behind the low pay of childcare workers. That is, childcare policy is part of the explanation in regard to the question that this thesis has set out to answer – why are childcare workers low-paid and to what extent do they remain so? In particular, the Chapter has drawn attention to two policy levers that are most likely to influence the status and the pay of the childcare workforce.

The first is the mixed economy of childcare. The persistent mixed economy of childcare is likely to have direct implications for workers, for different reasons. First, as discussed in the previous section, a very diverse and incoherent system of provision makes it harder to devise policies that can improve working conditions across the board. Second, the mixed economy of provision partly overlaps with different labour markets, which vary in their levels of wages and quality of working

conditions. Insofar as some segments of provision, most notably the private sector, are characterised by poorer pay and working conditions, a commitment to the mixed economy of provision is problematic for workers – this point is explored in more detail in Chapter 5. Thirdly, and perhaps more fundamentally, market mechanisms tend to allocate care services in a way that does not protect both consumers' and workers' interests (Chapter 2, Folbre 2006, Himmelweit 2005). In relation to consumers, allocation via the market does not guarantee both access and quality. In relation to workers, competition to attract consumers combined with low productivity results in low wages. If the market is relied upon in order to expand childcare services, policies are needed to avoid a low quality and low wages scenario. Were Labour's policies suitable, at least on paper, to avoid poor quality and low labour costs? The chapter has illustrated how Labour heavily relied on regulation to ensure quality. Although quality of services is something important for both service receivers and service providers, the type of regulation adopted was tilted in favour of consumers and did little to protect workers' interests. In addition, the chapter has illustrated how funding mechanisms fell short of creating the conditions for high quality services staffed by well-paid workers. Indeed, demand-side subsidies introduced powerful incentives for parents to shop for the best price rather than the best quality. Likewise, the paucity of supply-side funding discouraged providers from raising quality. These policies added pressure on providers to contain costs, with likely repercussions on workers' wages, as Chapter 5 will document.

This chapter has also pointed to a second policy lever: qualifications. It seems clear that as long as childcare workers hold low-level qualifications, pay conditions are unlikely to improve. Of course, this does not imply that higher qualifications will necessarily bring pay improvements. The relation between pay and qualifications is by no means straightforward and will be explored in detail in Chapter 7. However this chapter has illustrated that the politics around qualifications is complicated by contextual factors, like the actual availability of training. Further, cost containment certainly creates pressures to weaken qualifications or to minimise statutory requirements.

Besides these two policy levers, the chapter has illustrated how several issues are inextricably knotted together. For example, the mixed economy of childcare has

made it difficult to increase qualification standards across the entire sector, while the low qualification requirements supported further expansion of private provision. The objective of the empirical analysis in the following chapters will be to analyse these issues in turn and to explore them in more detail. The empirical analysis will complement the account “from above”, given here, and will offer evidence on the pay and working conditions of childcare workers in the UK. The next chapter explains the methodology used.

Appendix 3 A glossary of terms

Child care and **childcare**: child care (two words) has traditionally indicated those services focusing on children's welfare and catering for the minority of children in foster or residential care (Baldock 2003; Alcock, Erskine, and May 2002). Childcare (one word) has instead been used to indicate routine day-care services for preschool children whose parents are at work. However, this distinction albeit not clear-cut, refers to the British case; other countries vary in their use of language. Labour Government has always used "childcare" to refer to day-care services for working parents.

Childminders: provide care for one or more children in their own home, for all or part of the day. Childminding is a private arrangement, usually between the parents and the childminder and fees are negotiated between them. Childminders ought to be registered. Since 2001, they are registered by Ofsted and receive a short training in first aid, health and safety upon registration (DfES 2001a).

Children's Centres have evolved from different initiatives: Sure Start Local Programmes, Early Excellence Centres, Neighbourhood Nursery Initiatives or from Nursery Schools or Local Authority Day Nurseries. As each centre has its own trajectory and evolution, they vary markedly in relation to their core offer and institutional arrangement (Lewis 2011, Lewis, Roberts and Finnegan 2011). In terms of what is on offer, some centres provide a large number of services. For example, some centres provide childcare and early education for children from nought to five, speech and language therapy and/or function as base for the local childminding network and family visiting scheme. At the other end of the spectrum, some centres offer only *information* on the services available in the area, without actually bringing different services under one roof. In terms of institutional arrangement, some centres are run directly by local authorities, while others are managed by voluntary or private for-profit organisations.

The **Children's Workforce Development Council** (CWDC) was a government agency established in 2005 and responsible for taking forward the government

reform plans about the children's workforce (DfES 2005). The agency covered local authority workers in the children's sector, playworkers, school staff (excluding teachers), youth workers and youth justice workers. It was dismantled in 2012.

Combined centres: emerged in the 1980s and were, in many ways, the prototype for Early Excellent Centres first and Children's Centres later on. They offered integrated service for children from a few months old to five years, thus combining care and early educations. Although numerically negligible, they were influential in informing integrated practice. Usually they were funded by Local Authority services (Moss and Penn 1997; Mankis 1997).

Council for Awards in Children's Care and Education (CACHE): a qualification awarding organisation specialised in the care and education sector. CACHE was established in 1994 as a result of the merger of the National Nursery Examination Board (NNEB) and the Council for Early Years Awards (CEYA) (Moss and Penn 1997; Penn and McQuail 1997; Wright 1999).

Day nurseries provide childcare either full-time or part-time. The term *day* nursery allowed distinguishing them from *residential* nurseries (Randall 2000). Day nurseries cater for children under school age during the day or part of it. Local authority day nurseries used to cater mainly for children in need, upon referral from social services (Moss and Penn 1996; Van Der Eyken 1983). Under Labour, most local authority day nurseries have become Children's Centres. By contrast, private day nurseries (also referred to as "nurseries") charge fees and cater for children from relatively more affluent families in which both parents worked.

Early childhood services: I use this term to refer to both care and early education services for children age nought to five. Other academics and commentators use the term rather similarly, in order to refer to the entire gamut of formal provision, from childminding to nursery classes.

Early education and childcare: from the late 1990s policy document often use this double term in order to indicate both the part-time free provision of nursery education and the subsidised care provision for younger children or for the remaining

hours of the week which are not covered by the free entitlement (e.g. DfEE and DSS1998; HM Treasury et al 2004).

Early education: generally indicates educational provision for three- and four-years old, irrespective of the type of setting. It is often used interchangeably with nursery education.

Early years: the term was introduced in the early 1990s by different organisations working in the field of pre-school education and care (including residential care) (Pugh 1998). The choice of term indicated the intent to overcome differences within the sector in order to construct a common platform to advocate for better policies for children.

Early Years Foundation Stage: name of the national “curriculum” which became statutory in September 2008 (Sure Start 2008). The document contains the set of standards that all early years providers must follow and are inspected against. The EYFS is not part of the *school* curriculum, but it must be followed in reception classes and nursery classes as well.

Early Years National Training Organisation (NTO): national training organisations were industry bodies responsible for advising government on vocational qualifications and training. They were established by the Conservative Government in the early 1990s. Labour created an organisation specific to the early years, responsible for advising government on the reforms of the qualifications system specific to the early years (Pugh 1998). The body comprised several national charities, sector associations and CACHE. However, in 2001 all national training organisations were superseded by larger organisations spanning across different industries.

Early Years Professional status (EYP): professional category created in 2006 by Labour Government and, more specifically, by the CWDC. It is a professional category open to graduates who have GCSEs at grades A*-C in English and Maths. Graduates from different disciplinary backgrounds can gain the EYP status.

However, there are different routes depending on the subjects previously studied and level of experience (CWDC 2008).

Family centre: emerged in the 1980s, when some services for children, run either by local authorities or voluntary groups, started to offer services for families, thus involving parents. Family centres varied markedly in their core offer and their approach, usually depending on the individual centre history. For example, family centres that had previously been play-groups were often self-help groups for families. By contrast, centres that had evolved from day-nurseries were often funded and run by local authority social services (Moss and Penn 1996). Family centres can be viewed as precursors of Sure Start centres.

A **nanny** is a person who cares for one or more children in the children's home. This is a private arrangement between the nanny and the family employing her/him. Nannies can be registered by Ofsted, but registration is not compulsory (SIRC 2009).

National Childminding Association: established in 1977, it supports childminders by offering information and advice to its members. More recently, it has collaborated with CACHE in order to devise a level 3 qualification for childminders, and with local authorities in order to set up childminding networks (Mooney et al 2001).

National Nursery Examination Board (NNEB): national qualification specific to nursery work. It was established in 1945, but in 1994 was replaced by CACHE qualifications (Wright 1999).

Nursery assistant: job title which refers to different jobs depending on the organisation. It used to be the job title of nursery nurses employed in schools, although this practice has changed and nowadays is more common to find job titles like "nursery education officer". Besides school-based settings, nursery assistants are usually qualified at level 2, and have no managerial responsibility (Cameron, Owen and Moss, 2001).

Nursery class: children aged three are admitted in nursery classes, usually attached to a **primary school**. Schools with nursery classes tend to be located in areas with greater economic disadvantage (Moss and Owen 1989).

Nursery education: traditionally offered in schools, the term has come to refer to early education provision in a variety of settings.

Nursery education officer: job title that refers to those employed in schools.

Nursery nurse or nursery officer: job title, usually it refers to workers who do not require any supervision.

Nursery school: stand-alone schools catering exclusively for children aged 3 to 5.

Playgroups used to offer term-time sessions of 2 hours, generally to children aged three. Since the 1990s, playgroups have increasingly extended their provision and many settings have changed their name into pre-school (Lloyd et al 1989; Baldock 2011).

Pre-school Playgroup Association: national charity organisation representing playgroups. It changed its name into **Pre-school Learning Alliance** in 1995. It is the largest voluntary sector provider of childcare and early education.

Chapter 4

Methodology and data sources

Introduction

This thesis has set out to explore the causes of low pay in childcare. The problem is clearly multi-layered and a variety of approaches and perspectives could be employed to address the issues. Drawing on different strands of the literature, Chapter 2 outlined an analytical framework to guide the analysis. Policy changes that have occurred since 1997 were presented in Chapter 3. The chapter thus set the scene for the empirical study. All of the empirical chapters will use data from the UK and part of the exercise will be devoted to examining the changes that have occurred since 1994.⁷ This chapter builds both on the analytical framework of Chapter 2 and on the policy context analysis of Chapter 3. The aim here is to present the specific “operational” research questions that the empirical analysis will address and the data and methods used to address them.

The thesis uses mixed-methods. It combines analysis of data from two large national surveys – the Labour Force Survey and the Childcare and Early Years Providers’ Survey – with the collection and analysis of qualitative data through interviews with childcare workers. Because all chapters employ a mixed-strategy, it is easier to discuss the data sources and the data collection in this chapter and describe in more detail the methodology used in the data analysis as they pertain to the individual empirical chapters. The present chapter is therefore mainly focused on discussing the different data sources, while it gives only an overview of the methodological strategy used in the actual analysis. In particular, attention is given here to the procedures followed to prepare the Labour Force Survey dataset and to collect information through the interviews.

⁷ The choice of cut-off points is dictated mainly by data availability and will be discussed in more detail later in the chapter, where the individual data sources are presented.

In this discussion a critical point is the definition of childcare workers. As Chapter 3 made clear, childcare services in the UK are not homogenous and this has led, among other things, to a fragmented childcare workforce. It follows that defining who childcare workers are is not a straightforward matter and that statistical information may be collected for some groups and not for others. This chapter will discuss this problem in detail.

The chapter is organised as follows. The next section presents the research questions and discusses each briefly. Subsequently, an overview of the methodology is given and the data sources are presented. Each source of information is then discussed individually in separate sections. In particular the section on the LFS examines how childcare workers are defined, and how the dataset was prepared. The section on the interviews explains in detail the sampling strategy and the interview process. Finally, the last section concludes by presenting some reflections on the use of mixed-methods.

The “operational” research questions

As discussed in Chapter 2, this thesis seeks to answer three research questions. This section briefly presents how these three questions are broken down into the operational questions which will be investigated in Chapters 5, 6, 7 and 8. The specific questions will be presented again within each pertaining chapter. In all cases, the questions refer to the UK, but the time periods considered vary, depending on data availability. More details on this point will be given later in the chapter, where the individual data sources will be discussed.

The first research question presented in Chapter 2 was:

1. How does childcare policy influence the pay of childcare workers?

This question has already been explored, in part, in Chapter 3, which analysed British childcare policy since the 1990s. However, the analysis carried out in Chapter 3 was based on policy documents – it centred on the “policy from above”. This account will be complemented by an analysis of childcare workers’ pay and characteristics over the years 1994-2008. In particular, Chapter 5 will address the following subsidiary questions:

1a. How has childcare workers’ pay changed between 1994 and 2008?

1b. Does childcare workers' pay vary across different types of childcare provision?

Further, Chapter 6 will present evidence on the characteristics of the childcare workforce and in particular its gender composition and its educational qualifications. By looking at who works in childcare, Chapter 6 will pursue two specific subsidiary questions:

1c. How has the childcare workforce changed over time?

1d. What are the specific features of the childcare workforce relative to the labour force as a whole?

The questions addressed in Chapter 5 and 6 help understand whether policy reforms in the childcare field have been associated with changes in the pay levels and the characteristics of childcare workers.

The second question presented in Chapter 2 was:

2. In what way does skill recognition, or lack of it, contribute to low pay in childcare?

This question will be broken down into two questions, aimed at addressing the problem of skills from two complementary perspectives:

2a. Within childcare, are individual productive characteristics, and qualifications in particular, correlated with pay?

2b. What are workers' views on the skills demands of childcare?

These questions are exploratory and attempt to illuminate the way in which the relationship between skills and pay is shaped by larger social, cultural and institutional structures. These questions will be examined more closely in Chapter 7.

Finally, the last guiding question of this thesis, is:

3. What is the relationship between pay and caring motivation?

The question is operationalized in two ways, corresponding to two theoretical propositions about the interaction between pay and motivation. The first subsidiary question is:

3a. Are better paid childcare workers less likely to exhibit commitment or over-perform in their job than worse paid workers?

The aim here is to assess the idea that lower wages can serve as a screening device, to select the most motivated workers. The second subsidiary question refers to a different theoretical proposition, namely that pay can crowd-out workers'

motivations:

3b. Are pay increases among childcare workers associated with a reduction of job commitment?

These questions will be addressed in Chapter 8, where two ancillary questions will be also introduced.

Research methods

The thesis combines quantitative and qualitative research. In particular, survey research and qualitative interviews are combined, as it is not possible to rely entirely on one single source of data in order to answer all the research questions. That is, the thesis adopts a “multi-strategy research” approach (Bryman 2004, Chapter 22) so that findings gained through different methods can complement each other.

Three sources of information are used: the Labour Force Survey (LFS), the Childcare and Early Years Providers’ Survey (henceforth: Providers’ Survey) and 50 semi-structured interviews, of which 42 are with childcare workers and 8 with local government officials, trade-union officials and national government agency officials. The integration of the two research methods – quantitative and qualitative – varies across chapters. While details of how the chapters use this combined methodological approach will be given in each chapter, some more general considerations can be presented here.

The necessity of combining data from the LFS and the Providers’ Survey with data from the interviews arises from an interest in both childcare workers themselves and in their views and experiences about their job. The LFS and, to a far lesser extent, the Providers’ Survey, allow the tracing of some characteristics of childcare workers and their employment conditions, but fall short of collecting information on their views and opinions about their job and on their overall experience of it. In this respect the interviews can be seen as a convenient way of filling an information gap. Because some information is not elicited neither by the LFS nor the Providers’ Survey, interviews became necessary.

Although this justification is clearly legitimate, there is a more fundamental reason that motivates the choice of using a small number of interviews as well as survey

data. The interviews serve to *explore* the varieties of views and experiences childcare workers may hold. Their purpose is not to assess the distribution of certain views or experiences, rather to *uncover* such views and experiences (Bauer and Aarts 2000). The interviews allow the discovering of issues that are relevant to answering the research questions in a variety of ways. In particular, the information elicited through the interviews can help with interpreting results from the survey data. That is, the interviews serve to *facilitate* interpretation (Bryman 2004). Chapter 5 and 6 use the interviews to this purpose. These chapters aim to present reliable evidence on the pay of childcare workers and on who is likely to work in childcare. As sample survey data are necessary to address these questions, the chapters rely mainly on the LFS.

By contrast, Chapters 7 and 8 make more substantive use of the interviews. In Chapter 7 each research question is addressed by employing, in the main, different data and methods. In Chapter 8 two theoretical propositions are tested using LFS data. The interviews are used to further our understanding about the results emerging from the LFS data. Further details of how the chapters incorporated two research approaches will be given in each chapter.

In the next section I explore the three different sources of information individually. More attention will be devoted to the LFS and the interviews than to the Providers' Survey, with which I start.

The Childcare and Early Years Providers Survey

The development of a Childcare Strategy by the Labour Government in 1997 was accompanied by the need for precise statistical information on childcare and early years services. However, as Chapter 3 noted, such information was not available at the time. Data referred to publicly provided provision only and were collected in different ways depending on whether provision was classified as care or education. In short, a survey of childcare and early years education was essential in order to better understand the characteristics and the patterns of usage of the whole gamut of services for children under five.

Various surveys were carried out between 1998 and 2003 and in 2005 a more co-ordinated survey was launched: the *Childcare and Early Years Provision*. This

comprised two strands: the *Parents' Survey* and the *Providers' Survey*. Figures from pre-2005 surveys are not comparable with those collected later, because of differences in both the sampling strategy and the questionnaire.

The Providers' Survey was carried out by "*BMRB. Social Research*" – a private social research agency – and sponsored by the then Department for Children, Schools and Families (DCSF).⁸ The survey has been conducted every year since 2005, but covers only England. Results from 2008, 2009 and 2010 were only made publicly available at the end of September 2011, when it was unfortunately too late to use them for the purpose of this thesis⁹. The Providers' Survey aims to collect information on the number and characteristics of childcare and early years providers, workforce composition, qualifications and training, and business operations.

Crucial to the Providers' Survey's sampling strategy is the definition of "childcare" and "early years" providers. The former encompasses all centre-based provision which is not based in maintained sector schools and, in addition, childminders. Under the label "early years", instead, the survey samples schools – nursery schools and primary schools with nursery and reception classes (Nicholson et al. 2008).

The Providers' Survey is organised in a way that reflects the fragmented nature of childcare and early years provision. Indeed, the Survey consists of four separate sample surveys, one for each type/sector of provision: full day and sessional care, out-of-school care, childminders and early years providers. Providers are sampled on the basis of the Ofsted register, thus giving the same weight to very small settings and very large ones. Each survey is nationally representative of that specific type of provision, albeit in England only. So for example, the early years providers sample is representative of nursery schools and nursery classes. However, this means that combining the different surveys does not lead to a nationally representative sample of childcare providers, as less common forms of provision are oversampled.

⁸ The Childcare and Early Years Providers survey are Crown copyright; they have been accessed through the UK data archive and have been used with permission. The use of the Providers' Survey data does not imply the endorsement of neither BMRB, nor DCSF (currently Department for Education) nor the UK Data Archive in relation to the interpretation or analysis of the statistical data.

⁹ I was able to gain access to the 2007 survey a few months earlier than the public release in 2009. But, unfortunately and puzzlingly, I was not able to obtain early access to the 2008 sweep, despite offering the guarantee that results from my analysis would not be made public before the public release.

This sampling strategy poses several problems to a study focused on workers. First of all, the Providers' Survey samples *providers* rather than workers. In the case of childminders, the two coincide, thus making the childminders' sample a representative one. However, for centre-based provision the Providers' Survey is not a nationally representative sample neither of the provision experienced by children nor of the childcare workers. Moreover, the Providers' Survey does not collect information on *all* workers employed in each setting sampled. Instead, questions are asked only about any three workers, irrespective of the setting's size. This necessarily leads to an under-sampling of workers in large childcare settings. In summary, it is not possible to draw on the Providers' Survey to obtain a representative sample of the childcare workforce, with the exception of childminders.

Besides the problem of sampling, the Providers' Survey is available only from 2005. This necessarily limits the possibility of exploring variations over time and in particular of assessing whether pay among childcare workers has increased or workers' characteristics have changed. Finally, the information on workers' pay is likely to be subject to measurement error, as the respondent from each setting is asked to report the wages of three workers, without the individuals being interviewed directly.

Given these limits, the Providers' Survey will be used in Chapters 5 and 6 only and with the specific objective of filling gaps in the information available through other sources.

The Labour Force Survey

I use the LFS as the main source of information on childcare workers' pay and characteristics. LFS data are Crown Copyright; they have been made available by the UK Data Archive and have been used with permission. The LFS is a household based survey and is administered by the Office for National Statistics (ONS).¹⁰ Since 1992 the LFS has been conducted every three months and in each quarter about 60,000 households are sampled (which is approximately equivalent to 115,000

¹⁰ The use of the LFS data in this thesis does not imply the endorsement of neither the ONS nor the UK Data Archive in relation to the interpretation or analysis of the statistical data.

individuals or 0.2 percent of the population). The LFS asks respondents about their personal circumstances and their labour market status.

The LFS has thus been chosen as it contains information on wages and its sample is large enough to include a sufficient number of childcare workers. The only other national survey that covers a similarly large number of workers is the Annual Survey of Hours and Earnings (ASHE), which samples approximately 280,000 workers every year and is also administered by the ONS. The ASHE replaced the New Earnings Survey (NES) in 2004, and continuous data are available from 1997 onwards. The ASHE (and the NES before) is based on a one percent sample of employees/jobs taken from HM Revenue and Customs PAYE records. Because information on wages is taken directly from employers' payrolls, it is generally considered accurate and less likely to be affected by measurement error than information elicited directly from workers, as with the LFS. However, the greater precision of the NES/ASHE is partly off-set by limitations in its sample. Because the sample includes only those jobs registered in a PAYE scheme, many of those earning below the tax threshold are likely not to be registered and therefore excluded. This issue of limited coverage is likely to affect those in casual and low-paid jobs disproportionately.¹¹

Besides the problem of its limited sample, the NES/ASHE covers only a very narrow set of information. For example, no information about qualifications or family status is included. Furthermore, childminders, who are generally self-employed, are not sampled. Therefore the NES/ASHE was unlikely to offer a more complete picture than could be the case with the LFS.

Although the LFS is the most comprehensive source of information on UK workers, it is not without limitations. I now discuss two distinct issues: the identification of childcare workers and the data manipulations carried out to prepare the data for the analysis. Problems related to the measurement of wages will be, instead, discussed in

¹¹ The introduction of the NMW in 1999 has spurred a vast literature on wage measurement in the UK, with particular attention to the problem of accurately estimating low wages. Both the NES/ASHE and the LFS are generally used to calculate the number of people whose wage falls below a specific threshold. These problems will be discussed in more detail in Chapter 5, when childcare workers' pay is analysed.

Chapter 5, where the relevant analysis is performed. Likewise, specific issues related to some of the variables used will be presented in the relevant chapters.

Defining childcare workers

The LFS contains rich information on workers' characteristics and is representative of the British workforce. However, within the LFS it is not possible to distinguish the childcare sector, which is grouped together with other economic activities like social work and primary education. This means that the LFS, unlike the Providers' Survey, does not cover the childcare and early years sector as it is commonly understood in the British context, which encompasses provision by childminders, in different types of nurseries and in schools.

It is possible to identify childcare workers by using information on type of occupation, and, more specifically, by using the Standard Occupational Classification (SOC), which classifies jobs on the basis of their content and the required skill level. Interviewees are asked about their job and they are assigned to a category from the SOC. The matching process can be thought of as one in which a job title is assigned to a SOC category. Indeed the coding indexes for SOC classifications contain more than 24,000 job titles, which are uniquely matched to the corresponding unit group category.

The SOC was revised in 2000, so that two different classifications cover the years 1994-2000 and 2001-2008 respectively. This creates a break in the classification and there is no exact correspondence between the two: job titles that were introduced in the SOC2000 cannot be identified before 2001 and likewise there are occupational categories that disappeared after 2001. One of the purposes of the SOC2000 classification was to develop better definitions for "a wide range of jobs in what can loosely be termed 'caring' or 'community work' occupations" (ONS 2000). Not surprisingly then, some jobs related to the childcare sector have been affected by the changes, and this raises the question as to how to use the SOC over the 1994 to 2008 period.

There are therefore two issues when using the SOC. First, whether all the jobs in the childcare and early years sector can be identified. Second, whether the changes

between SOC 90 and SOC 2000 hamper comparisons over time. Table 4.1 reports the coding of occupations that are or could be related to the childcare and early years sector. Both SOC versions classify occupations in a hierarchical manner, so that individual occupations (unit groups) are first nested into minor groups, then into sub-major groups and finally into major ones. Table 4.1 reports only unit groups and the minor group in which they are nested.

The first thing to notice in the SOC classification is that there is a minor group that is explicitly designed to capture occupations in childcare. In the SOC 90, it is the minor group: “Childcare and related occupations”; in the SOC 2000 it is the similarly labelled one: “Childcare and related personal services”. In both cases, the group

Table 4.1: Childcare occupations according to SOC classifications

SOC 90		SOC 2000	
CODE	TITLE	CODE	TITLE
17	<i>Managers and proprietors in service industries</i>	123	<i>Managers and proprietors in other service industries</i>
179	Managers and proprietors in the service industries	1239	Managers and proprietors in other service nec
23	<i>Teaching professionals</i>	231	<i>Teaching professionals</i>
234	Primary, nursery education teachers	2315	Primary and nursery education teaching professionals
239	Other teaching professionals nec	2319	Teaching professionals nec
65	<i>Childcare and related occupations</i>	612	<i>Childcare and related personal services</i>
650	Nursery nurses	6121	Nursery nurses
651	Playgroup leaders	6122	Childminding and related occupations
659	Other childcare occupations nec	6123	Playgroup leaders/assistants

Based on SOC 1990, Office of Population Censuses and Surveys (1990) and SOC 2000, ONS (2000). My elaboration.

includes nursery nurses, playgroup workers and childminders, albeit this latter group is not labelled as such by the SOC 90.¹²

The SOC classifications thus mirror the organisation of provision and, unsurprisingly, divide workers roughly according to the three main types of provision: playgroups, centre-based provision and childminding. No distinction is made between workers in school-based provision and other centre-based ones. Indeed, in both SOC the unit group “Nursery nurse” encompasses a number of job roles, from nursery officer to pre-school assistant or crèche helper irrespective of the form of provision. Notably, however, nursery teachers are grouped together with other teachers, and thus they belong to the minor group “Teaching professionals”. Overall, then, both SOC versions appear to recognize some groups of workers involved in childcare and early education – nursery nurses, childminders and playgroup workers. In contrast, two categories stand out as missing: managers and teachers.

Both SOC versions group *nursery* teachers together with primary teachers. This choice reflects the fact that nursery education provision occurs, in large part, in nursery classes attached to primary schools and that teachers often move between the preschool years (nursery and reception classes) and primary school years. For example, a primary school teacher could work with eight year olds one year and with three year olds in nursery class the year after. Indeed, entry-level training is almost identical between the two groups. Similarly to the SOC, statistics from the Department of Education typically combine figures on primary school teachers with those on nursery teachers. It is therefore not possible to separate the two groups.

The second group of workers that cannot be identified on the basis of the SOC is managers. It was mentioned that the changes introduced by the SOC2000 also aimed to better capture jobs in the care sector. One example of such greater precision is

¹² Both SOC also include “educational assistants” within the childcare minor group (not reported in Table 4.1). I exclude “educational assistants” from my definition because only a small percentage of them work with children under five and it is not possible to isolate this group from those working with school-age children. In addition, the number of “educational assistants” is fairly large relative to other childcare workers, thus their inclusion would affect the results. Machin, McNally and Ou (2010) include educational assistants in their analysis, and therefore their results are not comparable with those presented in this thesis.

given by the new minor group “Health and social services managers”, which comprises the unit group “Residential and day care managers”. Unfortunately, the SOC2000 does not define a specific category for children’s nursery managers. According to the coding index for SOC 2000, children’s nursery managers and owners belong to the unit group “Teaching professions not elsewhere classified” (ONS 2000). This is a residual category that includes jobs such as “Exam marker”, “Dancing school principal”, “Home tutor” and “Training establishment principal”. This category is too heterogeneous to be used to identify nursery managers even when it is combined with the Standard Industrial Classification (SIC 92).

What are the implications of leaving out these two occupational groups? Clearly, these groups include the most qualified and experienced, and most likely best paid workers, within the childcare and early years sector. Thus their exclusion leads to a substantial underestimation of pay in the sector or, possibly, of the qualification levels. Notwithstanding this objection, it is useful to remember that numerically neither teachers nor managers constitute a large proportion of the childcare workforce. This is not to say that they are irrelevant to the quality of the provision or to the structure of services.

Rather, the point here is that the incidence of managers and teachers on the overall number of those working in childcare and early years is low. The low number of teachers is the result of relatively high ratios in the maintained sector, with one teacher to every 26 children, while the number of managers is tightly linked to the number of settings.¹³ But the omission of teachers may not be problematic for one additional reason. Government policy has been explicit in ruling out the employment of teachers in the *entire* childcare and early years sector. As illustrated in Chapter 3, policy developments around the workforce have concentrated on workers in the private, voluntary and independent sector. To the extent to which this thesis aims at commenting on changes in the workforce in light of recent policy, the absence of teachers from the sample is unlikely to be misleading.

¹³ The ratio is 1 adult to 13 children and the class is required to be ‘teacher-led’. This means that nursery classes are capped at 26 and staffed with one teacher and one nursery nurse. In reception classes the ratio is higher, with 30 children per class.

The case of managers is however different, at least because policy changes have affected them more substantially. Yet, while teachers undoubtedly constitute a distinct professional group with its specific training, this is not the case for managers, who tend to arrive at a managerial position after working in childcare (Cameron, Owen, and Moss 2001, 77). In this respect, it is possible to make cautious inference as to their profile by examining childcare workers as defined in the LFS.

The second main problem when using the SOC is the discontinuity created by the change of classification from SOC 90 to SOC 2000. The coding of “Nursery nurses” has remained the same and the job description reported in both SOC guides is broadly similar (ONS 2000; Office of Population Censuses and Surveys 1990). More problematic is instead the coding of playgroup workers and childminders. In the case of playgroup workers, the discontinuity arises because in SOC 90 only playgroup *leaders* are uniquely identified. Other playgroup workers are classified in the residual category “Other childcare occupations not elsewhere classified”.

Likewise, childminders are part of the same residual category. This residual unit group – “Other childcare occupations not elsewhere classified” – comprises, in large part, midday assistants, who are generally employed in schools to assist and supervise children during lunch time. The SOC2000, on the other hand, classifies midday assistants separately, within the minor occupational group “Elementary security occupations”. The challenge is therefore to identify playgroup assistants, childminders and nannies grouped within the SOC 90 unit category “Other childcare occupations not elsewhere classified”.

For childminders I use information about employment status, and in particular on whether the respondent is self-employed or not. I classify as childminders only those who are self-employed, in line with the evidence on the organisation of childminding. I have checked that no other job title that was classified as “Other childcare occupation not elsewhere classified” is typically held by self-employed workers. Likewise, I use information on self-employment in order to isolate childminders in the SOC 2000 unit group “Childminding and related occupations”. This way I achieve consistency in the definition of childminding across the two SOC classifications.

Another group of workers that can be distinguished out of the SOC 90 residual group “Other childcare occupations not elsewhere classified” is nannies. Nannies are typically employed directly by parents and work in the child’s home (SIRC 2009). The LFS classifies all jobs also according to the Standard Industrial Classification of Economic Activities (SIC 92) (ONS 2007). I combine the SIC 92 classification with the two SOCs, and define as nannies those belonging to the SOC 90 category “Other childcare occupations not elsewhere classified” or the SOC 2000 category “Childminding and related occupations” and whose activity is classified as “Private household with employed person” according to the SIC 92.

The identification of playgroup assistants in the years before 2001 is more complicated. The difficulty arises from the fact that it is hard to distinguish playgroup assistants from midday assistants, as playgroup assistants could be working in schools where midday assistants are also employed. The only difference is that playgroup workers – whether leaders or assistants – straddle two groups of economic activities: “Education services” and “Social work activities without accommodation”. To avoid including midday assistants, I use a restrictive definition of playgroup workers, defining them as those who are classified, according to SIC 92, under the sub-class “Social work activities without accommodation”. This decision is also motivated by the fact that playgroup workers in educational services are likely to offer out-of-school care (and thus for school-age children).¹⁴ Insofar as I am concerned with services for pre-schoolers, the decision to limit the analysis to playgroup workers outside schools appears more coherent.

Overall then, I am able to define childcare workers in a way that is consistent over time and overcomes the break in the SOC classification. The empirical analysis based on the LFS defines childcare workers in the following groups:

- Nursery nurses and assistants
- Playgroup workers (leaders and assistants)
- Childminders
- Nannies

¹⁴ As a result, if in recent years playgroup workers have been increasingly employed in educational services, this trend would not be captured by the empirical analysis presented in this thesis.

As will be illustrated in Chapters 6 and 7, the analysis will not distinguish between these groups, because the small sample size does not allow for such disaggregation. However, it is important to point out from the beginning that the LFS does not collect information about pay from respondents who are self-employed. This means that most of the analysis carried out in the empirical chapters will exclude childminders.

Preparing the data

The LFS, as noted above, is a quarterly survey conducted by the ONS. The ONS releases different original datasets on the basis of this survey. This thesis draws on two LFS versions: the standard quarterly LFS and the longitudinal 5 quarters LFS. I will now spend significant time explaining the data-management work done on the standard quarterly LFS. The longitudinal version is less problematic and is only explained briefly at the end. For ease of reading, the term ‘LFS’ will indicate the standard quarterly datasets.

I use LFS data from 1994 to 2008. The choice of the time period is dictated by different criteria and constraints. The quarterly LFS is available from 1992. But the coding of industrial and economic activities (SIC 92) that I use to define some groups of childcare workers and that I also need in part of the analysis is available only from 1994. Thus 1994 is chosen as the starting point of the analysis. This allows an examination of the childcare workforce’s pay and composition before the development of Labour’s Childcare Strategy.

On the other hand, 2008 was chosen because it is the most recent year largely unaffected by the financial crisis and the subsequent recession. From the perspective of labour market analysis, the period between 1994 and 2008 is fairly homogenous, without any sudden peak in unemployment or drop in Gross Domestic Product. Perhaps more crucially, a large part of the analysis was carried out before 2010, when data from all 2009 quarters had not yet been released.

The LFS is released every three months, so that the original datasets refer to a specific quarter in a year. Although the LFS is largely used for cross-sectional analysis, it contains a rotating panel. Each household is interviewed for five

consecutive quarters and then dropped from the sample. This way, in each quarter, one fifth of the sample is interviewed for the first time, one fifth for the second time and so on. Importantly, information on pay was elicited only on the last interview and, since 1997, on both the first and last interviews. Therefore, in each quarter, only two fifths of the sample would have pay information or only one fifth before 1997. In order to increase the sample size, I pool quarterly data and include respondents only from one wave. This way I avoid including the same respondents more than once.

I construct two datasets: one containing only respondents from the first wave and one including only respondents from the fifth wave. Sample size is generally slightly larger at the first wave, because of attrition. In other words, not all the households interviewed the first time will be reached for five consecutive quarters. The first wave is therefore preferable, as it allows greater precision in the estimates. However, because no wage information was collected on the first interview before 1997, it is not possible to analyse pay before 1997 when using the first wave sample.

Throughout the thesis I use mainly the fifth wave sample, on which the analysis of pay can be performed from 1994 onwards. However, in Chapter 6, which is not concerned with pay, data from the first wave sample will be used. Robustness checks have been carried out to ensure that the choice of the sample did not affect the results.

Pooling data from various quarters and limiting the sample to respondents from a specific wave precludes using the statistical weights constructed by the ONS and available in each quarterly dataset. The weights are calculated with the dual aim of producing population estimates and of compensating for differential non-response rates among different sub groups in the population. However, the weights are derived so as to reflect the population at that precise point in time. For example, weights contained in the LFS 2007 January-March quarter are calculated on the basis of population projections relative to that specific time-period and aim at accurately calibrating the *entire* quarter sample. If only a portion of observations from each quarter is used, there is no meaningful way of using the weights provided. Thus, throughout the thesis, I rely on the standard deviation of the variables used in order to judge the reliability of the estimates presented.

Besides the discontinuity in the SOC classification, several changes have affected the LFS between 1994 and 2008. An important change was the switch from seasonal quarters to calendar quarters. Until 2005, the LFS was conducted on a “seasonal” basis, so that the first quarter of year – the “spring” quarter – covered the months March to May and the last quarter, the “winter” quarter ran from December to February of the subsequent year. Since 2006 however the LFS has used “calendar” quarters, so that the first quarter of each year is now January-March, and the last quarter is October-December.

The ONS released a series of historical LFS on a calendar-quarter basis. I use this series, as it avoids overlap between the years 2005 and 2006. However, this historical series was not as complete as the original ones. In particular, information from those questions that varied from quarter to quarter was often not available. For this reason, I have also constructed ‘ancillary’ datasets based on the original ‘seasonal quarters’ survey to retrieve information which was asked only in a specific quarter. For example, respondents were asked about union membership only in autumn quarters or, since 2006, in the October-December quarters. In cases like this, I pool data from the quarter of interest from different years, irrespective of whether the quarter is calendar or seasonal.

The pooling of a total of sixty quarterly datasets made extensive recoding essential to ensure the highest possible degree of homogeneity. Several variables changed definition and/or coding over the years. For example, the response categories of the question on the ‘highest qualification held’ were changed four times as to reflect changes in the qualifications available. The statistical software STATA was used for data manipulations and these data management tasks were recorded and stored in do-files to facilitate tracking and replication.

Finally, the five quarters longitudinal datasets were also used for a specific piece of analysis, which is presented in Chapter 8. In theory, one should be able to link the quarterly datasets to construct a longitudinal dataset following respondents for five consecutive quarters. That is, first respondents in quarter should be easily linked to the second wave respondents in the subsequent quarter. In practice, this is not the case as the linking process is cumbersome and often ineffective, with only a small

portion of the sample consistently matched across the quarters.¹⁵ The ONS releases a ‘clean’ longitudinal series, which contains less than one fifth of the quarterly sample but is consistent across quarters. I pool these short panels to build a sufficiently large dataset and the resulting dataset spans from 1997 to 2008. More details on the resulting structure of the dataset will be given in Chapter 8.

The interviews

Besides the Providers’ Survey and the LFS, the thesis relies also on material gathered through semi-structured interviews with workers in the early years and childcare sector. The interviews aimed to capture workers’ experience in the sector, their views on the skills demands of the job and their commitment to their work.

Due consideration was given to the School research ethics policy and the plan to carry out interviews with workers was reviewed by the Ethics Research Committee. Although the interviews did not entail any direct contact with children, I obtained clearance through a Criminal Records Bureau (CRB) check. This was done as a measure to protect managers and childminders against possible risks deriving from my accessing the settings or their homes. All interviewees were given a presentation letter, which clearly stated the purpose of the research and guaranteed confidentiality and anonymity. In the following subsections I examine the selection strategy pursued and the procedures followed when interviewing.

The selection strategy

Forty-two workers were selected and interviewed between June and October 2009. The selection of interviewees was guided by the desire to recruit a very mixed group of workers, who either work in their own homes or are employed in a variety of settings. The forty-two workers are, of course, in no sense random or representative of the population of those working with children under five. Instead, the processes underpinning the selection of interviewees can be best understood as “corpus construction” (Bauer and Aarts 2000). This is defined as a purposeful selection of units of analysis aimed at maximising the variety of an unknown phenomenon (Bauer and Aarts 2000, 33).

¹⁵ I am grateful to Tania Burchardt who advised me on this problem.

Here the object was to discover childcare workers' views and experiences of their job. Because workers from different types of settings or forms of provision may hold different views, I wanted to include interviewees from the whole range of formal childcare provision. However, the study is not concerned with making comparisons between groups of workers belonging to different types of settings. Such an objective would have required a larger sample and greater attention to the classification of the type of providers and forms of provisions. Forty-two interviews were instead sufficient to reach 'saturation' – the point at which views and experiences became recurrent, so that variety was not increased any further.

Out of the forty-two workers interviewed, four were childminders, while the remaining thirty-eight were employed in a number of different settings. The settings were selected so as to arrive at a group that reflected the diversity of provision that characterises childcare services in the UK. Several types of centre-based provision were included (Table 4.2). The list of settings visited comprised three children's centres, one of which was a school. In addition, a primary school with nursery classes attached was also included. As for day-care nurseries, a number of settings were chosen: a day nursery owned by a chain, a private independent nursery where the owner was also managing the setting, a private nursery with a clear split between ownership and management and a workplace nursery attached to the local hospital. Finally, a playgroup and a nursery each run by an independent voluntary committee were included.

Given that variation was pursued along the double dimension of type of provision and characteristics of providers, all interviewees were recruited in the same local authority. Local authorities differ from one another mainly because they are characterised by different levels of provision and by a different *composition* of provision. That is, some local authorities have very few maintained nursery schools or nursery classes, but have a high number of playgroups and private day care nurseries. In contrast, some other local authorities are characterised by a high number of nursery classes, community non-profit nurseries and relatively fewer playgroups or private day-nurseries. Thus, it was necessary to choose a local authority where the entire spectrum of provision was represented.

Table 4.2: Selected settings and their characteristics

SETTING	CHARACTERISTICS	NUMBER OF INTERVIEWS
Children's centre 1	Medium size, public (managed by the local authority)	2
Children's centre 2	Large size, public (managed by the local authority)	7
Children's centre 3	Nursery school	3
Nursery and reception classes	Primary school	3
Day nursery 1	Medium size, private sector (owned by a large chain)	1
Day nursery 2	Small size, private sector (owner also manager)	4
Day nursery 3	Medium size, private sector (owner not in situ)	4
Day nursery 4	Workplace nursery, public sector	5
Day nursery 5	Medium size, voluntary sector (run by a voluntary committee)	4
Playgroup	Small size (run by voluntary committee)	4

This was indeed the main criterion followed to select the local authority for the study. In order to have an overview of the level and the composition of provision in English local authorities, I used 2008 data from Ofsted and DCSF. Ofsted data report the number of registered providers and places by local authority. On the other hand, DCSF data report the number of children receiving the early years entitlement by local authority.

Using this information, I constructed a small dataset containing three variables for all English local authorities: the number of Ofsted registered childcare and early years

places, the number of Ofsted-registered providers, the number of places in the maintained sector. For each measure, local authorities were then ranked on the basis of the distribution of each of the three variables. These rankings suggested where there was 'more' provision, where there were a relatively high number of providers, and where there was a high number of places in the maintained sector. The local authority I have chosen for the study was among those that were in the top third of the distribution of all three rankings. This ensured that the selected local authority would have a large number of providers to sample from and, possibly, a high number of schools with nursery classes. In addition, I used data on the quality of local authorities' children's services to check that the local authority chosen was not an outlier.

Any local authority chosen for a research study is bound to have some specific characteristics. Given that the presence of maintained nursery education was a criterion for selection, it is not surprising that the local authority where the study was conducted was an urban one. Again, no claim is made here that the local authority chosen is representative of the country or of the childcare and early years sector. The process underpinning the selection was simply aimed at guaranteeing that the final choice was suitable for recruiting workers from different settings. The local authority had to have a sufficiently high number of providers and a sufficiently diverse mix.

Once the local authority was chosen, I arranged to interview the local officers responsible for childcare and early years. Three managers responsible for different sections of provision – children's centres, childminding and early years in the non-maintained sector – were interviewed. These interviews aimed at understanding what support was made available to providers, either directly through funding or, for example, by making training or specific material available.

In addition, publicly available official documents on the state of childcare were examined. These could range widely. A particularly valuable document was the 'Childcare sufficiency assessment', an evaluation of provision that all local authorities were required to carry out and report on. This report contained detailed information about the distribution of services within the local authority and the resulting policy priorities. In addition, I collected information material aimed at

parents, which explained the range of options available to them with regards to childcare. These could be short leaflets or the complete list of childcare providers and childminders in the local authority. The list of all providers was crucial, as my sample was based on it.¹⁶

The settings were contacted in a variety of ways. I obtained the contact details of providers through the list compiled by the local authority and, with a few exceptions, I cold-called them and arranged for an appointment. This method was employed with both schools and non-maintained sector settings, but not with childminders. While all non-maintained settings contacted agreed to participate in the study, it proved more difficult to establish contact with schools. Three settings – the one school in the sample and two nurseries – were approached through the intermediation of people who were or had been involved in the settings (not necessarily as workers) and whom I was able to contact. As for childminders, three of them were recruited by visiting a children's centre that held morning drop-in sessions for local minders. The other childminder was instead contacted through an interviewee from a nursery – a snowball approach.

With the exception of two settings, only a few workers per setting were interviewed. The ways individual workers were selected within each setting varied. In some cases it depended essentially on who was there and willing to take part. In others, managers selected the workers. This clearly introduced a further bias as managers seemed to select the workers who, in their view, were less likely to be disgruntled or despondent. In one case (a nursery owned by a large chain) the manager did not consent to my interviewing the workers.

Workers with leadership and management positions were also interviewed. This group of workers was crucial to an understanding of pay systems, hiring practices and the overall organisation of the nursery. Besides, it was expected that those in charge of the settings would have had previous experience in the sector working

¹⁶ This implied that un-registered childminders and nannies were not included.

Table 4.3: Number of interviews by job titles

JOB TITLE	NUMBER OF INTERVIEWS
Manager, head, leader and deputy	11
Teacher	3
Nursery nurse, nursery officer, nursery education officer, room leader	15
Nursery assistant	8
Childminder (includes coordinator)	5

Note: An Early Years Coordinator in a primary school is counted as “teacher”, whereas a teacher who is head of a Children’s Centre is included among “Managers, heads etc”. Among “childminder” is also included the network coordinator.

directly with children. Their views and experience therefore could complement and enrich those of other workers without managerial responsibilities. In the case of childminders, a local network coordinator who was in charge of organising drop-in sessions for childminders and children was also interviewed.

The resulting group of interviewees was very diverse, as it consisted of workers with various positions and qualifications. Two points are worth highlighting here. First, I also selected teachers without managerial responsibilities. As the number of settings visited encompassed two schools, teachers working directly with children and responsible for a class were also interviewed. Second, each organisation had its own classification of jobs and its own hierarchy. That means that similar job posts were given different titles across settings and could have slight different content depending on location.

Differences were particularly noticeable among leadership and management positions. In nurseries, the person responsible was usually referred to as ‘manager’. The playgroup visited had a ‘leader’. Children’s centres were more in line with schools’ nomenclature and defined the top position as ‘head’. However, in contrast to schools, this position was not necessarily held by a teacher. In the school included in the sample, I interviewed the ‘early years coordinator’ who, as is always the case, was the teacher responsible for the foundation stage – nursery and reception classes.

To a lesser extent, there were differences in the job titles for middle- and low-level positions. For example, the title ‘nursery nurse’ was not used by all settings. Variations included ‘senior nursery officer’, ‘nursery nurse’ and ‘nursery *education* officer’. Sometimes, an indication of the qualification or of a specific job responsibility was included in the job title. This was the case with ‘room leaders’, the person responsible for coordinating the nursery practice for a specific age group – babies, toddlers, and pre-schoolers. Finally, the playgroup followed a different convention, whereby all workers were referred to as assistants. Table 4.3 reports the number of interviewees for each group of job categories.

As for the demographic characteristics of respondents, the most unifying aspect was certainly gender. All but two interviewees were women. The two men worked as nursery assistant and nursery nurse in two different settings. Age, on the other hand, varied. The youngest workers were in their early twenties, while among the oldest ones was a 61-year-old woman. A large proportion, thirteen, did not have or had not had children. Finally, a considerable number of respondents appeared to have a Black or Ethnic Minority background and this was not surprising given that the study took place in an urban area. However, it should be noted that no specific question was asked about respondents’ ethnicity and this information was only noted down as part of the interview annotations made *after* the interview.

The interviewing process

The interviews were carried out by myself in person at the setting or at childminders’ homes. All interviews were one-to-one, but in one case two childminders preferred to be interviewed together. Usually, respondents were interviewed during working hours, but in four cases I interviewed workers in their free time, whether during a lunch break or at the end of the working day.

Clearly, it would have been much more difficult to interview workers outside working hours. The greater accessibility was traded-off with the freedom of selecting workers myself rather than relying on the manager of the setting. It should be noted that I visited settings more than once in all cases with the exception of two settings. After the first time, once I had somehow become a known face, it was easier to approach workers directly without the intermediation of the manager. In the case of

childminders the trade-off was slightly different: clearly, conducting the interviews during their working hours was more convenient, but it entailed my visiting their homes.¹⁷ But some minders refused to be interviewed precisely because they did not want to have a stranger in their home.

Not all interviews were recorded: three workers from three different settings preferred not to be taped, while three childminders decided against recording because the children were in the room and their voices could have been captured as well. Another interview was not recorded because of the recorder malfunctioning. In these cases, extensive notes were taken instead. An outside contractor was hired to transcribe the recorded interviews. Transcripts and notes were then analysed manually.

The interviews were semi-structured. Two interview schedules were prepared: one for interviewing those with managerial positions and one for all other workers. Starting with the latter group, the schedule contained three topic areas. The first was aimed at eliciting information about the respondent's trajectory into childcare and their current position. The second topic area was about the demands of childcare work and qualifications. Finally, the schedule contained a series of questions about respondent's views and future plans in regard to working in childcare as opposed to working in other jobs. The schedule for managers was different in that it contained a section about the setting itself: its institutional structure, the organisation of provision and of the staff. This set of questions were generally asked at the beginning.¹⁸

The interviews varied in duration from over two hours with one manager to 45 minutes with one front-line worker. Questions common to all interviews were formulated identically or very similarly, in order to ensure consistency. But, clearly, the interviews were flexible enough to leave ample space for different follow-up questions, prompts and clarification questions depending on the issues raised by the respondent.

¹⁷ It was not possible to conduct the interviews at the drop-in centre because minders would have not been able to leave the room, given that children required supervision. At the same time, interviewing one minder while other minders and the network coordinator were present would not have ensured privacy.

¹⁸ In the first two interviews with managers, questions about the setting were left at the end. However, it became clear that 'the setting' was a sort of natural starting point, and the order was changed.

Some thematic areas required familiarity with childcare work, which had to be developed in the run-up to the interviews. The importance of such specific knowledge became apparent in Summer 2008 during a pilot interview with a nursery school teacher. At the time I was not thoroughly conversant with the issues regarding educational qualifications in the sector or about the details of government regulation.

Two sets of actions were taken in order to become more familiar with these topics and, more generally, with some aspects of working in childcare. First, I began to read the leading magazine in the sector, *Nursery World*. This was especially helpful for the preparation of the interviews because it contained several sections reporting workers' perspectives and stories, and made me more attuned to work practices in nurseries.

Second, five expert interviews were carried out with government officials and stakeholders. More precisely, I interviewed: two trade union officials responsible, in their respective union, for the early years area; two officials from the Childcare Workforce Development Council (CDWC) – a government agency – and, finally, an official from a national charity in the childcare sector. This small group of interviews were used to sharpen my understanding of some government policies and their implications for the practice of work in nurseries. Thus, they were essentially used to *facilitate* the interpretation of the policy context in which childcare workers operate.

Conclusions

This chapter has sought to do three things: present the research questions, introduce the overall methodological strategy, and explain in detail how data were gathered and prepared for the analysis. Relatively more space has been given to the latter point, because the research questions and the methodology will be discussed in more detail in the pertaining chapters.

Now that the data sources have been explained at length, it is possible to draw attention to how they fit together. Two points are important here. This thesis is interested in assessing changes over time. Question 1 and 2 are indeed also about changes in the pay and the characteristics of childcare workers since 1994. However only the LFS allows the systematic exploration of this point. In fact, the different

data sources cover different periods. In particular, the interviews were conducted in summer 2009, while data from the LFS and the Providers' Survey are from 1994 to 2008 and 2005-2007 respectively. This means that the information elicited in the interviews cannot always be used to comment on findings from the quantitative analysis, as the two refer to different periods.

The second point refers to the question of how childcare workers are defined. This thesis is interested in the childcare workforce defined as encompassing different forms of provision: childminders, workers employed in playgroups, day-care nurseries or nursery and reception classes. This definition straddles long-standing divisions between forms of provision – a point that was discussed in Chapter 3. But it is evident that there is no source of statistical information on childcare workers which uses my same definition.

Within the LFS it is not possible to identify managers or teachers. Likewise, the Providers' Survey has disadvantages because it does not sample workers, but providers. Through the interviews, on the other hand, it was possible to reach workers from different types of settings and also to recruit childminders. The interview selection strategy was indeed purposive (rather than statistical) and aimed at including the whole range of formal provision. Thus, once again, there is a discrepancy between the coverage in the interviews and that achieved through the LFS.

This last point is related to a wider issue, which will come up again throughout this study. By using secondary data one is bound to rely on categories formulated by other researchers. The principles underpinning the Standard Classification of Occupations (SOC) are certainly different from the ones used here to identify childcare workers. For example, both SOC versions group nursery teachers together with primary teachers, rather than with nursery nurses. Thus, it is possible to see another reason why the interviews are a crucial component of this study. They complement the analysis of LFS data with the use of a categorisation of childcare work that is closer to the purpose of this study.

Appendix 4 List of interviews

Name	Interview date	Job title
Amanda	2/07/ 2009	Nursery nurse or officer, nursery education officer, room leader
Amelia	2 /07/ 2009	Nursery assistant
Angela	21 /07/ 2009	Manager, head, leader and deputy
Ann	29 /09/ 2009	Nursery assistant
Ashia	6 /07/ 2009	Nursery assistant
Beth	3 /07/ 2009	Nursery nurse or officer, nursery education officer, room leader
Brooke	2 /10/ 2009	Childminder
Carol	6 /07/ 2009	Manager, head, leader and deputy
Cath	2 /07/ 2009	Manager, head, leader and deputy
Christine	28 /09/ 2009	Childminder
Claire	30 /09/ 2009	Manager, head, leader and deputy
Deborah	1 /07/ 2009	Nursery nurse or officer, nursery education officer, room leader
Dianne	13 /07/ 2009	Teacher
Donna	29 /07/ 2009	Nursery nurse or officer, nursery education officer, room leader
Harriet	29 /09/ 2009	Nursery nurse or officer, nursery education officer, room leader
Hazel	7 /07/ 2009	Manager, head, leader and deputy
Heidi	28 /09/ 2009	Childminder
Janet	25 /09/ 2009	Manager, head, leader and deputy
Janine	29 /09/ 2009	Nursery assistant
Jenny	2/09/ 2009	Nursery nurse or officer, nursery education officer, room leader
Jessica	24 /09/ 2009	Nursery nurse or officer, nursery education officer, room leader
Leanne	29 /07/ 2009	Nursery nurse or officer, nursery education officer, room leader
Lizzie	2 /09/ 2009	Nursery nurse or officer, nursery education officer, room leader
Lorraine	1 /07/ 2009	Nursery assistant
Maral	4 /06/ 2009	Manager, head, leader and deputy
Marcia	30 /09/ 2009	Nursery assistant
Mary	23 /09/ 2009	Teacher
Michelle	25 /09/ 2009	Nursery nurse or officer, nursery education officer, room leader
Nikki	28 /07/ 2008	Nursery nurse or officer, nursery education officer, room leader
Nina	3/08/ 2009	Childminder
Pam	21 /07/ 2009	Nursery nurse or officer, nursery education officer, room leader
Rachel	4 /08/ 2009	Manager, head, leader and deputy
Rose	11 /06/ 2009	Manager, head, leader and deputy
Sam	15 /07/ 2009	Nursery nurse or officer, nursery education officer, room leader
Sandra	24 /09/ 2009	Teacher
Shadia	16 /07/ 2009	Nursery nurse or officer, nursery education officer, room leader
Steven	29 /07/ 2009	Nursery nurse or officer, nursery education officer, room leader
Susan	30 /09/ 2009	Manager, head, leader and deputy
Tasha	27 /07/ 2009	Nursery assistant
Terrence	24 /08/ 2009	Nursery assistant
Tessa	28 /07/ 2008	Manager, head, leader and deputy
Thelma	4 /10 /09/	Childminder

Note: Excludes support interviews with national government, local government and trade union officials, which are not reported in the text. All names have been changed in order to ensure anonymity.

Chapter 5

Pay in childcare: wage levels, trends and variations

Introduction

One of the fundamental premises of this thesis is that pay in childcare is low. The analysis presented in this chapter explores this assumption and offers a detailed account of wage levels, their trend over time and the pay-setting arrangements that underpin them.

As Chapter 2 discussed, wages serve different purposes and are the outcome of various social, institutional and economic forces. In particular, a wage can be understood as having three functions: to provide a living, to serve as a price to allocate labour, and to motivate workers (Grimshaw and Rubery 2007; Rubery 1997). The concept of a wage as “a living” is based on the premise that wages must be sufficient to guarantee an adequate level of support. In contrast, the understanding of a wage as a price focuses on the value of the worker’s contribution to production. Finally, when the wage is seen as a tool to enhance workers’ motivation and effort, attention is on the precise structure of wages and their make-up in order to distinguish between, for example, basic pay and premiums.

Although the three views do not exclude the other, analytical approaches tend to concentrate only on one aspect, and to measure wages accordingly. Within the social policy literature on low pay, wages are interpreted as a living or, more importantly, as one source of income. Often, the objective of this stream of scholarship is to uncover the relationship between low wages and poverty (Millar and Gardiner 2004; McKnight 2002). Therefore, the emphasis tends to be on *earnings* over a specific time period, usually the week or the year. On the other hand, when wages are seen as prices, the attention is on the productive characteristics of workers and, to a much lesser extent, on the features of their jobs. Within this approach, the interest lies in the relation between workers’ and jobs’ features and pay. Consequently, pay is usually measured as *hourly wage* to net out differences in the number of hours

worked. Finally, when interest lies in the incentive function of wages, it becomes paramount to take into account the precise design of payments and to measure basic pay alongside *additional* payments, like bonuses or premiums. Thus, the objective is to measure the entire *pay package*.

Throughout this study, the focus will be on wage “as a price”. Indeed, the analysis concentrates on exploring the direct relationship between pay and workers’ and jobs’ characteristics. Thus, no attempt will be made to calculate childcare workers’ income or assess the extent to which they may be poor or financially dependent. Likewise, it is impossible, for reasons that will become clear in this chapter, to examine systematically childcare workers’ *pay package*. Therefore, the measure of wage used in this study is *hourly wage*. This is not to say that the other functions of the wage will be ignored. As will be discussed in Chapter 8, workers give importance to their ability to earn a living and are affected by the employment contract as a whole. Rather, the point is that a *direct* analysis of childcare workers’ income and their detailed employment contract is beyond the scope of this study.

The analysis presented in this chapter seeks to answer two distinct, albeit related, sets of questions. First, I am interested in exploring how much childcare workers are paid and whether their wages have increased over time. Chapter 3 discussed the policy changes that have occurred since 1997 – the expansion of childcare provision, the rise in the level of public funding available and the introduction of new regulations. Given such a picture, we expect childcare workers’ wages to have increased. At the most immediate level, an expansion of services could lead to an increase in labour demand and this, in turn, could drive up wages.

Furthermore, the increase in government subsidies for childcare could contribute to wages’ growth, depending on the elasticity of childcare workers’ labour supply (Blau 1993). Finally, we would expect new regulations to have a positive impact on wages, insofar as regulation could have restricted the labour supply and could have made the job more demanding. In short, there are good reasons to expect a positive trend in the wages of childcare workers and the first step of the analysis will be devoted precisely to testing this point. It should be made clear, however, that the

analysis will be descriptive, in the sense that no claim will be made about possible causal relationships between recent policy reforms and wages.

One of the main messages of Chapter 3 was that in the UK childcare services are fragmented along several lines, with providers belonging to both the public and private sector, offering education as well as childcare services, catering for different age groups, and on a different time basis, with some settings operating full-time and others only part-time. The second part of the analysis presented in this chapter draws explicitly on this overall picture and seeks to understand whether pay varies across different types of providers.

This part of the analysis will give prominence to the institutional dimension of the problem of pay. The simple exercise of mapping pay levels onto the different types of services helps in framing the analysis of pay in relation to the overall architecture of childcare services provision. Are workers in the public sector paid more than those in the private one? Is there a systematic difference in the pay of those working in services classified as ‘care’ as opposed to ‘education’? These questions help bring the structure of provision to the fore of the analysis. It is fairly obvious that the position of childcare workers heavily depends on the way childcare services are organised, financed and regulated, because these factors tend to determine who the carers are, the kind of care provided, and the circumstances under which it occurs. Nevertheless, conventional analyses of pay tend to overlook the context in which the labour exchange occurs and focus predominantly on workers’ individual characteristics. By linking pay to type of provision, the chapter seeks to draw attention to some of the institutional mechanisms that contribute to low wage levels in childcare.

The chapter is organised in the following way. The next section introduces the data used and discusses how wages are measured. Section 3 presents evidence on pay levels and their trend between 1994 and 2008. Section 4 explores how differences in the way services are organised interlock with differences in pay. Finally, section 5 discusses the results and concludes.

Data and methods

The analysis combines information from two national surveys – the LFS and the Providers’ Survey – and from the interviews carried out in one Local Authority. All three sources of information have been described in more detail in the previous chapter. This section aims at discussing how the different datasets and the interviews are used in the chapter and some of the specific problems related to the measuring of pay.

The bulk of the analysis draws on the LFS data. The LFS is structured as a rotating quarterly panel: each sampled household is surveyed for five consecutive quarters, so that in each quarter one fifth of the sample will be interviewed for the first time, one fifth for the second time and so on. I use all quarters of the years 1994-2008, but limit the analysis to the fifth wave respondents, because, between 1994 and 1997, questions on pay were asked only at the last interview. The LFS has two main limits for the analysis carried out here: first, it contains a measure of wage that can be considered imprecise; second, it does not cover childminders.

The LFS asks all respondents classified as employees about their gross earnings. A “weekly gross earnings” variable is then constructed on the basis of their answers, harmonising answers referring to different time spans. In addition, the LFS asks respondents how many hours a week they work, and differentiates between usual and overtime hours. An “hourly wage” variable is conventionally constructed by dividing “weekly gross earnings” by the number of usual hours worked. I follow this procedure and throughout the chapter wages will always refer to *hourly wages*. Following ONS guidelines and usual practice, observations with wages below £1 are dropped.

It is well-known that the LFS measures of earnings and hours are subject to error. The problem has been discussed and analysed at length in relation to the introduction of the NMW in 1999 (e.g. Manning and Dickens 2002; Robinson 2002). Clearly, an accurate and reliable measure of wages at the bottom of the earning distribution is crucial for deciding the appropriate level of the NMW. Because childcare workers tend to be among the low-paid – as this chapter will illustrate – the measurement

errors contained in the LFS hourly wage data could affect estimates of childcare workers' wages.

Manning and Dickens (2002) thoroughly explain the various sources of measurement error and possible remedies. Not all of them are relevant to childcare workers; for example, errors arising because the respondent includes bonuses in the reported earnings are implausible in the case of childcare workers. Likewise, the inclusion of paid overtime is unlikely, because as this chapter will illustrate, childcare workers' pay is usually *basic* pay. There remain however two sources of inaccuracy: miscoding and proxy respondents. The former is rare and, as mentioned above, is addressed by dropping observations with wages below £1. The issue of proxy respondents is potentially more serious, as around 23 percent of the responses on childcare workers' wages are from someone other than the person they refer to. Proxy responses are likely to be less accurate. Moreover, hourly pay information obtained by proxy respondents is systematically lower than the rest of the sample (Robinson, 2002). The appendix at the end of the chapter reproduces most of the analyses presented but discards proxy responses (Appendix 5.1). The pattern of the results does not change.

As discussed in Chapter 4, there is no satisfactory solution to this problem because datasets with more reliable wage information have traditionally left out workers whose earnings fall below the National Insurance contributions threshold. Notwithstanding these concerns, wage measures contained in the LFS appear sufficiently reliable for the purposes of this study. Indeed, they are in line with the data from the Childcare and Early Years Providers' Survey (hereafter: Providers' Survey), which, albeit less accurate, can serve as a benchmark. Finally, much of this chapter's interest lies in assessing the *relative* pay of childcare workers. Pay in childcare is either examined overtime or relative to the entire British labour force. Insofar as measurement problems are not limited to the specific case of the childcare workforce or to some years, they should not affect the analysis.

The second problem of the LFS is that it does not contain income information for childminders, because they are self-employed. I partly overcome this problem by using information from the Providers' Survey. Data refer to only the years 2005-

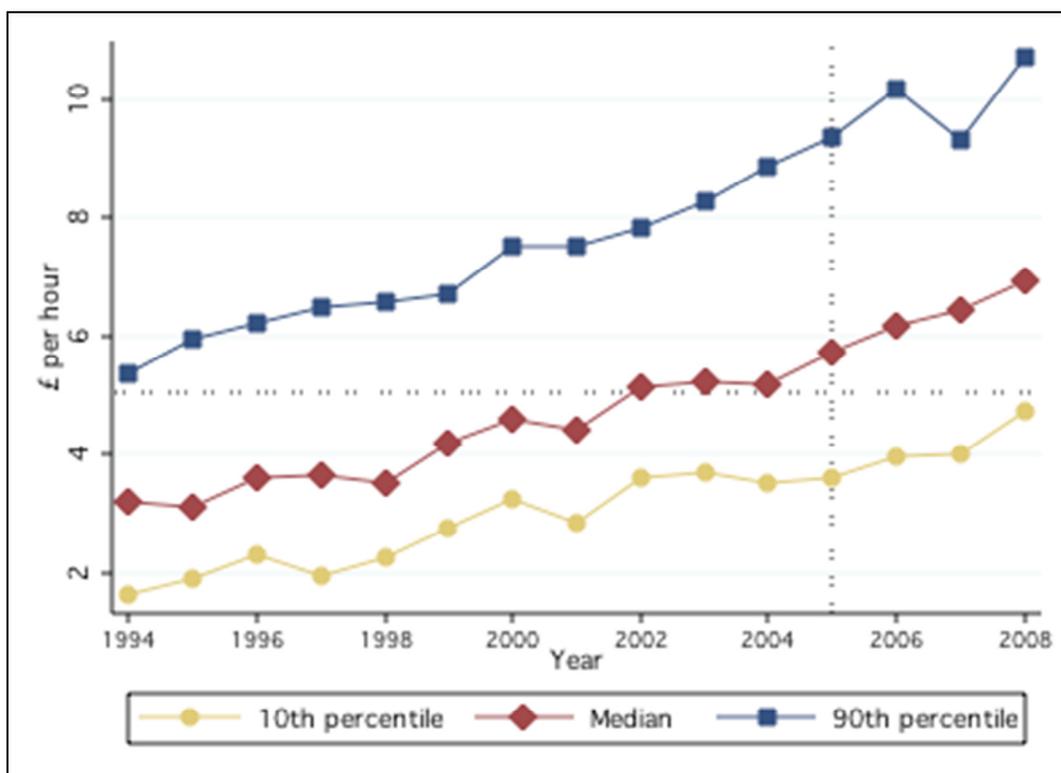
2007 thus hampering analysis over time. Nevertheless, this data allows us to understand whether childminders have roughly similar wages to those of workers employed in childcare settings. More generally, the Providers' survey will be used when it offers helpful information not contained in the LFS.

Finally, the chapter draws on the interviews to explore how wages are set. Indeed the LFS does not offer much insight on wage agreements. In contrast, interviews with setting managers explored this specific issue and asked in detail how workers' pay was decided. In addition, the information was checked in the interviews with workers, who were asked a few questions about their pay, including its amount, the benefits attached to it and whether or not it was set by collective agreement.

Trends in pay and the incidence of low wages among childcare employees

Three points concerning trends in childcare workers' wages are considered in this section. First, I examine whether or not real wages have increased and whether increases have been uniform across the wage distribution. Second, an assessment is made about changes in the relative pay of childcare workers between 1994 and 2008. Third, I present evidence on the incidence of low pay among childcare workers. As explained in the previous section, trends in pay can be explored only in relation to a subsample of childcare workers, namely those employees for whom the LFS contains a valid pay entry. So, although the generic label 'childcare workers' is used, the information reported does not cover childminders, whose pay level will be discussed later in the chapter.

In the graphs that follow, I start by reporting real wages, in order to give the reader a clear picture of the level of pay prevalent among childcare workers. I then move on to using the logarithm of hourly wages. In comparing trends between groups of workers, the logarithm has the advantage of making differences in growth rate more easily visible.

Figure 5.1 Real hourly wage among childcare workers, 1994-2008

Source: LFS, 1994-2008, all quarters, fifth wave respondents only.

Note: Sample includes all childcare workers aged from 16 to 59 (women) 64 (men).

All wages are deflated at 2005 prices. Horizontal dotted line set at £5.05. Vertical dotted line set at 2005.

When looking at trends in the real pay of childcare workers, a steady improvement is visible. Figure 5.1 shows trends at three points of the distribution: the 10th percentile, the median and the 90th percentile. Wages at all three points have roughly doubled from 1994 to 2008. In this respect, childcare workers fared better in 2008 than in 1994, and the improvements have been even across the wage distribution. Figure 5.1 reports wages deflated at 2005 prices and also reports a reference line corresponding to £5.05 – the adult rate of the National Minimum Wage (NMW) in 2005. Yearly point estimates are bound to be imprecise because sample size for each year is, on average, 230 observations. Nevertheless, two things emerge clearly from Figure 5.1.. First, almost half of childcare workers have an hourly wage below the NMW. Second, over the fifteen years examined here real wages have improved quite substantially.

Table 5.1 Real hourly wages among childcare workers, by time period

	1994-1998	2004-2008	% change
Median	3.41	6.08	+78.3
10 th	1.59	3.65	+129.6
90 th	6.18	9.38	+ 51.8
90:10 ratio	3.9	2.6	-33.4
<i>Unweighted base</i>	<i>1188</i>	<i>1198</i>	

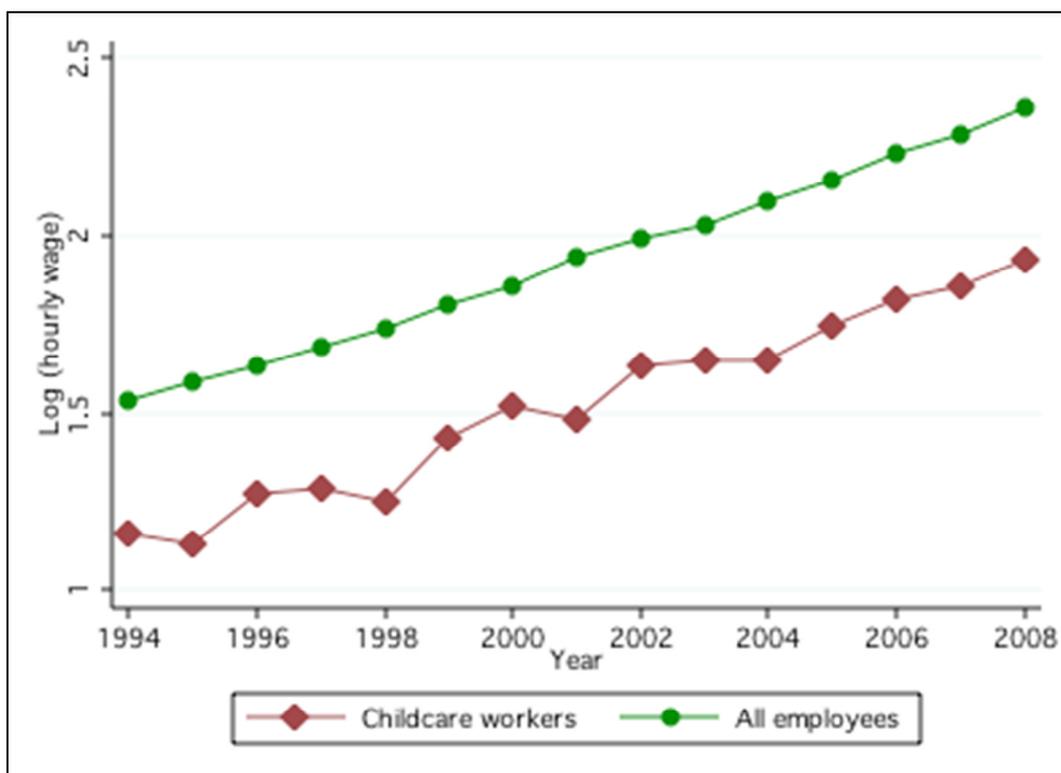
Source: LFS, 1994-1998 and 2003-2008, all quarters, fifth wave respondents only.

Note: Figures are hourly wages deflated using 2005 as base year. Sample includes all childcare workers aged between 16 and 59 (women) and 64 (men).

In order to get more precise estimates of wage levels, I pool observations into three five-year periods and report figures for the periods 1994-1998 and 2004-2008 to assess the magnitude of the changes (see Table 5.1). The wage of the median childcare worker was approximately £3.41 (expressed in 2005 prices) between 1994 and 1998 and grew to £6.07 between 2004 and 2008, thus increasing by 44 percent.¹⁹ At the bottom end of the distribution, wages have increased faster – by 57 percent – so that by 2004-2008 the worst paid childcare workers were earning £3.65 an hour. For the highest paid 10 percent the increase was slower – at 35 percent – and meant an hourly pay of £9.38 between 2004-2008. As a result of these different growth rates, the 90:10 has narrowed from 3.9 to 2.6. Thus there has been a wage compression from the bottom, which has reduced the overall level of dispersion. It remains however surprising that even within a fairly homogeneous occupation like childcare there can be such a large gap between the top and the bottom earners.

But should the wage increases plotted in Figure 5.1 be considered small or large? Do the gains that childcare workers have made reflect an improvement in their *relative* position in the British labour market? Figure 5.2 plots the evolution of the logarithm of the median wage in childcare against the overall median.

¹⁹ Throughout this chapter, earnings figures are adjusted to 2005 terms.

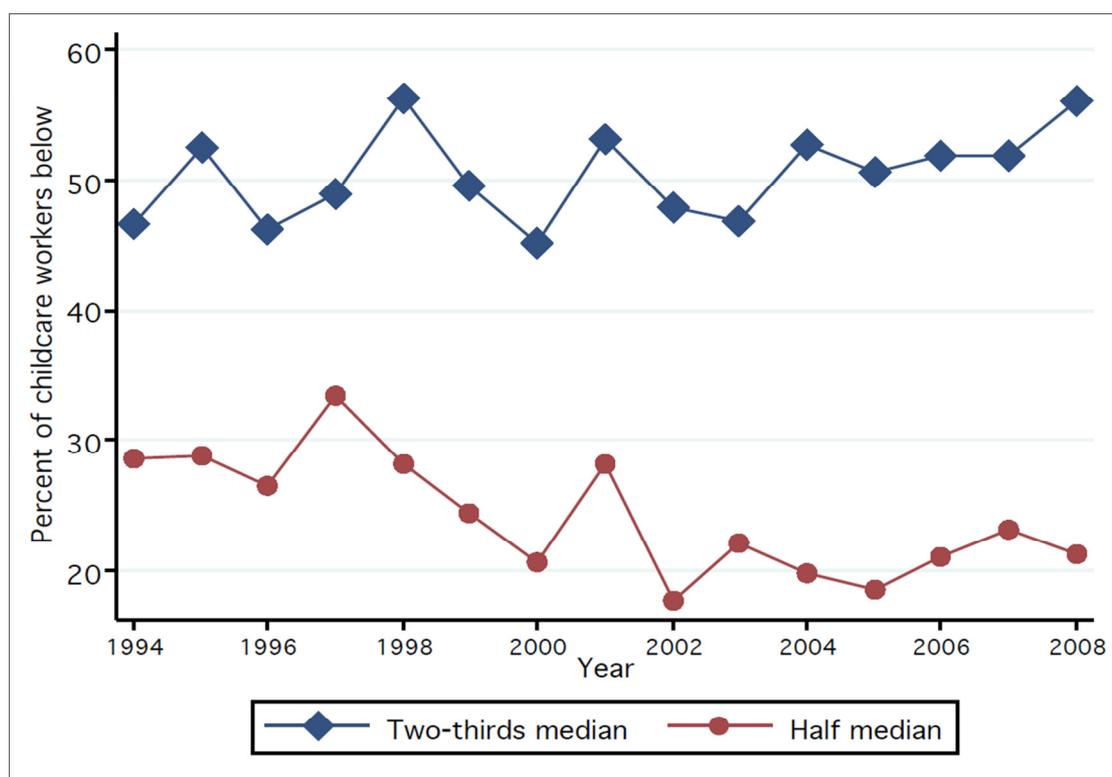
Figure 5.2 Median wages: childcare workers and UK employees, 1994-2008

Source: LFS, 1994-2008, all quarters, fifth wave respondents only.

Note: Those reported are log (hourly wage), with wages deflated at 2005 prices. Sample includes all workers aged between 16 and 59 (women) and 64 (men).

Relative to the median UK employee, the position of childcare workers does not appear to have improved. The real wage of the median UK employee has grown as much as that of the median childcare worker, so that the gap between the two has remained constant. In absolute terms, the distance between the median employee and the median childcare workers has widened, with the overall median hourly wage at around £10.80 and the median childcare employee being paid £7 per hour.

What is remarkable about the result presented in Figure 5.2 is the actual size of the gap. The difference is indeed substantial: median hourly wages in childcare are roughly equivalent to *two-thirds* of the overall median wage. This coincides with a common definition of low pay, whereby the low-paid are defined as those whose hourly wage is below two-thirds of the wage of the median employee (Lloyd, Mason, and Mayhew 2008; Millar and Gardiner 2004; McKnight 2002; Stewart 1999). Thus,

Figure 5.3 Incidence of low-paid employment among childcare workers

Source: LFS, 1994-2008, all quarters, fifth wave respondents only.

Note: The two thresholds – two-thirds median and half median – are calculated over all UK employees of working age.

according to this definition, half of childcare workers are to be classified as low-paid and this proportion has remained stable over the years.

A more restrictive definition of low-paid workers uses the threshold of *half* the median employee wage – I will refer to this group as ‘*very low-paid*’. Figure 5.3 plots the proportion of childcare workers who are defined as low-paid on the basis of both definitions. While the proportion of childcare workers paid below two-thirds of the median wage has remained stable over the years, the incidence of the ‘*very low-paid*’ has decreased from around 30 percent to 20 percent. Once again, yearly point estimates display high variance because of the small sample size. Nevertheless, a trend is recognisable and indicates that fewer childcare workers were paid at a relatively very low rate in the mid-2000s compared to the mid-1990s.

Table 5.2 Percentage of childcare workers in the bottom three deciles of the overall wage distribution, by time period

	1994-1998	1999-2003	2004-2008
1 st Decile	33.2	30.1	32.8
2 nd Decile	15.1	15.3	17.6
3 rd Decile	9.6	12.5	15.4
Cumulative	57.9	57.9	65.8
<i>Unweighted base</i>	<i>1,188</i>	<i>1,198</i>	<i>1,064</i>

Source: LFS, 1994-2008, all quarters, fifth wave respondents only.

Note: Deciles are calculated over a five-year distribution of real wages

This result can be explained by the introduction of the NMW in 1999. The NMW was set well below two-thirds of the median wage, so its arrival was bound to have a limited effect on the proportion of people defined as low paid. On the other hand, those on very low pay were more likely to be affected by both the NMW and its subsequent up-ratings (Robinson 2002; Manning and Dickens 2002). If we restrict the sample to workers older than 22, the proportion of ‘very low paid’ childcare workers is smaller – around 15 percent (Results reported in Appendix 5.2). This indicates that it is mainly young workers who receive the very low wages.

Another, slightly different, way of looking at the relative position of childcare workers is by examining where they fit within the overall wage distribution. Table 5.2 reports the percentage of childcare workers whose wage falls into the different deciles of the overall wage distribution. Figures are pooled into three five-year periods in order to make the sample size larger and estimates more reliable. The majority of childcare workers have wages that fall into the three bottom deciles: 70 percent of UK employees earn more than them and this situation has hardly improved over the years. Despite the distance between bottom wages and the wage of the median employee having narrowed over the years, almost a third of childcare workers can be ranked as the *lowest*-paid workers in the labour force, as their wages fall into the bottom decile of the overall distribution.

One could argue that this result is largely predictable. Occupations are defined so that they are also fairly homogeneous in relation to skill levels and, relatedly, to pay (Elias and McKnight 2001). As occupations are hierarchically ordered, it is almost inevitable that those at the bottom of the classification will have relatively lower wages. However, childcare workers are not, as was explained in Chapter 4, drawn from the *bottom* of the occupational classification. Indeed, the sample used here is derived from the macro category “Personal Service Occupations” which is ranked 6 out of 9. Thus, it is not possible to anticipate such low wage levels by simply looking at where childcare workers are pitched in the standard classification of occupations. If we were to order occupations according to their pay, childcare workers would end up together with occupations such as “Food preparation trades” “Elementary cleaning occupations” or “Elementary sales occupations”.²⁰ These comparisons, although highly imprecise, are reminiscent of some striking examples from the comparable worth literature: jobs in childcare rated lower than those of parking lots attendants.

All together, the results presented so far suggest the following points. The gap in pay between the best paid and the worst paid childcare worker has narrowed over the years. But the median wage among childcare workers has not caught up with the median wage across all British employees. At the bottom, the distance between the worst paid childcare and the median British worker has diminished and this is visible in the lower incidence of the very low-paid workers. This change is likely to have been driven by the introduction of the NMW. Yet, overall, childcare workers remain at the very bottom of the wage distribution.

Public and private sectors: two distinct labour markets?

Wages in the childcare sector appear to be invariably low, but there is nonetheless a sizable gap between the best paid and the worst paid childcare workers. This could reflect the fact that childcare services are particularly fragmented in the UK. In this section I turn to examining a specific structural feature of the childcare services – their straddling between the private and public sectors. In Chapter 3 it was reported that historically workers have enjoyed better pay and working conditions when

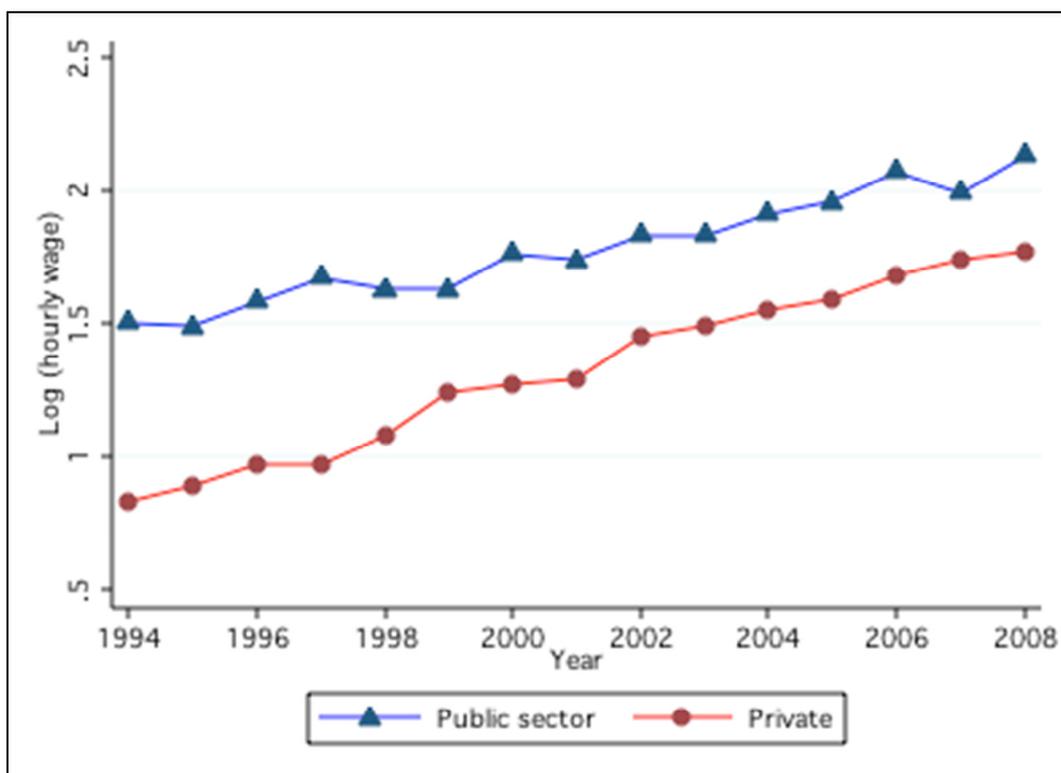
²⁰ This exercise, whereby occupations are ranked according to their average wage, is presented in Appendix 5.3.

employed in local authorities' nurseries or schools. This section focuses on this distinction and in particular on uncovering whether sectoral differences may be correlated to systematic disparities in the wages of childcare workers. It starts by looking at pay levels and trends over time. Then it moves on to discussing whether the public and private sector differ in the way wages are set. Finally, it presents some evidence on the differences between the two sectors in their ability to pay higher wages.

Comparing pay levels: the pay advantage of public sector workers

The LFS collects information on the kind of organisation in which respondents are employed. It is therefore possible to distinguish between those employed in various public sector organisations, like the NHS or local authorities, in a private company or a charitable organisation or trust. I have constructed a binary variable which separates public sector employees from all others. Details are given in Appendix 5.4. This variable captures whether the employing organisation belongs to the public or private sector and not necessarily whether the childcare service offered is or is not public. Although the two tend to overlap, they do not necessarily coincide. For example, a nursery attached and run directly by a grant-funded educational establishment would be classified as a public-sector workplace, although childcare services are likely to be purchased as a private good parents pay for.²¹

²¹ It should be noted that the sample includes nannies, who are classified as employed in the private sector. Nannies, however, account only for a small proportion of childcare employees – around 10 percent – and the findings reported in this section remain stable whether nannies are included or not.

Figure 5.4 Average wage in childcare by sector, 1994-2008

Source: LFS, 1994-2008, all quarters, fifth wave respondents only.

Note: Those reported are log (hourly wage), with wages deflated at 2005 prices. In the LFS 'public sector' is defined as that owned, funded or run by central or local government, and 'private sector' as all else (ONS 2007, 68). Sample includes all childcare workers aged between 16 and 59 (women) and 64 (men).

I begin by plotting the logarithm of the average hourly pay of childcare workers employed in the private and the public sector respectively (Figure 5.4). Real wages in the public sector tend to be substantially higher than in the private sector. In the mid-1990s public sector workers were earning on average twice as much as those in the private sector. Over the years, however, wages in the private sector have increased slightly faster so that in the second half of the 2000s the public-private wage gap was less stark, with average pay in the public sector around 1.5 times larger than in the private sector. In absolute terms, the public-private wage gap has remained roughly similar at around £2.20.

Table 5.3 Real hourly wages in childcare by sector and time period (£)

	1994-1998	2003-2008
<i>Private sector</i>		
Mean	2.91	5.66
10 th	1.36	3.32
90 th	4.50	7.98
90:10 ratio	3.31	2.40
<i>(Unweighted base)</i>	<i>(712)</i>	<i>(475)</i>
<i>Public sector</i>		
Mean	5.14	7.85
10 th	3.07	4.71
90 th	6.88	10.60
90:10 ratio	2.24	2.25
<i>(Unweighted base)</i>	<i>(681)</i>	<i>(379)</i>
Public sector premium	76.63%	38.69%

Source: LFS, 1994-1998 and 2003-2008, all quarters, fifth wave respondents only.

Note: All wages are in constant (year 2005) prices. In the LFS 'public sector' is defined as that owned, funded or run by central or local government, and 'private sector' as all else (ONS 2007, 68). Sample includes all childcare workers aged between 16 and 59 (women) and 64 (men).

As well as looking at the averages, it is insightful to examine the distribution of wages in the two sectors. Table 5.3 reports, beside the average wage, the 10th and 90th percentile of the wage distribution in both sectors. Data are pooled in two five-year periods in order to increase the sample size and I report figures for 1994-1998 and 2003-2008 to assess changes over time. In each time period both the 10th and the 90th percentiles of the public sector wage distribution were greater than the equivalent percentile of the private sector wage distribution, thus indicating that wages along almost the entire distribution are higher in the public sector than in the private one.

Once again, the ratio between the two percentiles can be used as an indicator of wage inequality in the two groups. For public sector workers, inequality has remained stable over time. Inequality has instead decreased in the private sector, reaching the same level of dispersion as in the public sector. Overall, the two sectors have become more similar, but the public wage premium remains substantial despite its remarkable decrease. Indeed, public sector workers are likely to receive a wage 39% higher than their colleagues employed in the private sector.

This results are in line with more aggregate trends: the public/private wage ratio has diminished since the mid-1990s across all occupations. However, it is noticeable that the public sector wage premium in childcare remains much larger than is the case across the entire labour market, for either men (13.41%) or women (21.87%).²² This finding dovetails with those of Dolton and McIntosh, who show that the distinction between the public and the private sector is especially salient for low-paid occupations (2003, 218-222).

Given the large public/private pay gap, changes in the proportions of workers employed in either sector are likely to affect overall pay levels. Data from the LFS indicate that two thirds of childcare employees work in the private sector (Table 5.4). Furthermore, in recent years this proportion has increased from 61 percent to 68 percent. The changes are not dramatic, around six percentage points, but nonetheless are statistically significant.

Table 5.4 Childcare employment by sector and time period

	1994-1998	1999-2003	2004-2008
Public	38.8	37.4	32.4
Private	61.2	62.6	67.6
<i>Unweighted base</i>	<i>1577</i>	<i>1649</i>	<i>1592</i>

Source: LFS, 1994-2008, all quarters, fifth wave respondents only.

Note: Figures indicate percentages. In the LFS 'public sector' is defined as that owned, funded or run by central or local government, and 'private sector' as all else (ONS 2007, 68). Sample includes all childcare workers aged between 16 and 59 (women) and 64 (men).

²² My calculations, using the LFS 2003-2008, all employees.

Setting the pay: different practices, little transparency

In order to understand one of the mechanisms behind the public/private pay differential, one needs to examine how pay is set. Interviews with childcare workers, local authority officials and trade-union officials were used to explore this point and gather information on wage-setting practices. The most recognisable difference between the two segments is that in the private sector payment systems are usually informal. By way of contrast, in the public sector wages are determined via collective agreement and the resulting payment structure has a higher level of formality. This pattern, which emerged from the interviews, is supported by LFS data on trade unions. LFS data show that union presence and coverage vary markedly between the two sectors (Table 5.5). Only 10.6 percent of workers employed in the private sector work in a setting where there is a union member. In the public sector the proportion is 74.3 percent. Likewise, a much larger share of workers in the public sector are covered by a collective agreement – 48.2 percent – compared to only 3.2 percent in the private sector. However, there is no difference between the two sectors in the incidence of temporary employment: this type of contract is similarly common in both sectors, with one out of ten workers on a non-permanent contract.

Table 5.5 Union presence, coverage and type of employment by sector

	UNION PRESENCE [†]		UNION COVERAGE [†]		TEMPORARY EMPLOYMENT CONTRACT [‡]	
	%	(base)	%	(base)	%	(base)
Private sector	10.6	(3884)	3.2	(3820)	8.9	(2605)
Public sector	74.3	(1,325)	48.2	(1,391)	10.1	(1411)

Source LFS, various years (see below)

Note: In the LFS 'public sector' is defined as that owned, funded or run by central or local government, and 'private sector' as all else (ONS 2007, 68). † indicates that data are from 1999 to 2008. Questions about unions are asked only in Autumn quarters. Union presence is defined by whether the respondent or someone at his/her workplace is a union member. Union coverage is defined by whether pay and working conditions are affected by agreement between trade unions and employer. ‡ indicates that data are from 1999 to 2008. Sample includes childcare workers aged between 16 and 59 (women) and 64 (men).

Besides the lack of collective agreement among employees in the private sector, the interviews highlighted other characteristics of employment contracts in the private and the public sector. Interviews with workers and managers employed in the private sector drew attention to the extent of arbitrariness in employment practices. Pay varied markedly not only between employers, but sometimes also between workers employed in the same setting. So pay could be determined on an individual basis between employer and workers, or there could be a single common wage for all the employees in an individual setting.

The resulting pay differences were often not related to workers' experience or qualifications. Even when pay was set on an individual basis, better qualified or more experienced workers were not necessarily paid more than other workers in the same setting. For example, Rachel, the manager of a chain nursery who has a certain level of autonomy in deciding workers' wages, reported that being "bubbly and fun" and "flexible" were the aspects that she valued the most and offered better pay for these qualities. On the other hand, Angela, the manager of a nursery, reported that there was a standard contract for all employees and that differences across staff were minimal. But this meant that staff who gained a new qualification were not entitled to higher pay. In addition, Angela commented :

they [workers] haven't had a pay rise for over a year I think. We're not likely to get one because the nursery financially is not doing that great

Interviews therefore consistently point to a lack of rules and standards on which workers can rely upon in order to obtain certain levels of wages or pay increases. It seemed that pay was the random result of managers' preferences and the specific financial circumstances of the nursery in question. Not surprisingly, therefore, some workers did not know why they were being paid a particular amount. Cath is a case in point:

When we were asking for a rise, I think after nine years they gave us ten per cent, but I run round all the playgroups and I asked them: 'I know this is a private question but can I ask you how much you get paid an hour?' and one playgroup the woman says she gets paid £8 an hour and the one playgroup says she gets paid £19 an hour. And I was very, very sad to hear you know that this lady's doing a really good job and so is the other one, but she's getting £8 an hour and I think when we got the increase it went to £14.50 for me an hour. I think it's actually £14.48; it's a real strange... I don't know who put that on and to me I was just amazed that I was getting that an hour.

One consequence of this lack of well-defined criteria was the seemingly unlimited managerial discretion and, sometimes, favouritism. In the words of Deborah:

Yes, because I found in the private sector, in the nursery that I was in in particular, it was... it's very much who you know and how you get on with your managers, to how quickly you move up [...] where I came from, the manager was the owner, so it was her say and that was that. So, if you was on her side and she liked you, you moved up very quickly and if she didn't like you, you didn't.

A similar view was echoed by Rachel, who explained her progression to management level by saying that she 'got on very well with the manager'.

Generally, pay corresponded to *basic pay* without bonuses or premiums²³. While pay rates were quite different across settings, holiday entitlement was found to be fairly uniform and corresponded roughly to the statutory minimum. As for sick pay, it was often the case that workers were not covered. In none of the private sector providers visited was there a pension scheme that workers could join.

In the public sector, on the other hand, workers were generally covered by some form of collective agreement, and formal pay structures were usually in place. Invariably, employment contracts included more generous holiday entitlement, sick pay and pensions. Not surprisingly, pay and working conditions were found to be more favourable in the public sector than in the private one.

However, unlike in the case of teachers and nurses, the employment contract of childcare workers is bargained at local level, thus creating differences between local authorities. Furthermore, the interviews revealed how fragmented pay settlements, whereby different sets of terms and conditions applied to different groups of childcare workers within the same Local Authority, created a certain degree of confusion and uncertainty. In England and Wales, this fragmentation is, in part, the result of schools' autonomy.²⁴ Nursery nurses working in schools are legally employed by the Local Authority, but schools' governing bodies control and manage employment contracts. In Scotland, on the other hand, local authorities are responsible for the direct management of employment contracts of nursery nurses in schools and a more centralised arrangement perhaps contributed to the long-lasting

²³ Rachel, the chain nursery manager, reported that she used *Boots* vouchers as special awards for deserving staff.

²⁴ This point was also noted by the Kingsmill Review (Kingsmill 2003, 4.20).

wage dispute between Scottish local authorities and nursery nurses in 2003 and 2004 (Findlay, Findlay, and Stewart 2009).

The presence of institutionalised pay structures was not without problems. Pay scales for nursery nurses can be fairly compressed, so that the potential maximum pay rate within the scale remains low, as Harriet explained:

We had to fight really hard to move up from the [pay] scale to the next, so our pay would continue to rise, and that took a real battle: we had to write to the Chair of Governors, who then spoke to the rest of the Governors, who then spoke to the Head and it was a real battle to get that increase. [...] Teachers have the chance to move up a pay scale and take on responsibility within the School. NEOs [Nursery Education Officers] don't have that chance: I couldn't take on an area of responsibility ... we don't have that opportunity which would then move us up the scale as we went.

An additional problem was that each school employs only a few nursery nurses and this can contribute to a feeling of isolation:

There's only four of us here, and we're sort of left, sort of hanging around, and we're not, we're not teachers, we're not teaching staff, we're not really support staff, we're sort of that group that hangs around in the middle and never knows which side to go. [Harriet]

Since 1997, local authorities have been compelled to carry out a pay review in order to tackle gender discrimination.²⁵ According to a trade-union official, the pay review processes have often resulted in nursery nurses receiving lower pay. This is because their contract is no longer modelled on that of teachers, and, consequently, they are now paid only during term time, receiving just a small provision during holiday time. This new arrangement has resulted in nursery nurses in the maintained sector becoming essentially part-time workers. The interviews gave some further evidence on this. For example, one Children's Centre director explained the employment contract of one of her staff:

She was just a Nursery Education Officer, scale 4 [...] term time only. So it's a very, very generous contract, because they're paid as if they work 52 weeks of the year even though they don't. The whole [Local Authority] is being reprogrammed at the moment for single funding... no, single pay scale: making everybody fit. [...] Her scale 4 contract... that's gonna be like gold dust. [Susan]

Within Children's Centres managed directly by the Local Authority, different staff were paid according to different pay scales, reflecting pre-existing sectoral divisions

²⁵ The Single Status Agreement demands comparable pay for comparable jobs. Public employers have carried out extensive job evaluation processes in order to bring together in a single structure the pay structures of different groups of workers. Teachers are however excluded from the Single Status Agreement.

between health, education and care. An additional complication was created by the fact that often Children's Centres were previously Sure Start Local Programmes, which meant that some staff had been hired under different contracts. The overall situation was, as one head of a Centre put it, a bit 'doggy', and she later brought up this example in relation to one of the workers in the centre:

She got TUPEd from the NHS to [Local Authority], but the pay scale was an anomaly if you see what I mean. [Local Authority] didn't take them off the health pay scales and put them on local authority pay scales, they weren't allowed to because of the TUPEing process. They just kept them on these weird health ones and they will do that until they've all left.²⁶ [Susan]

Among the settings visited was an NHS hospital nursery. The nursery catered mainly for NHS staff's children, and was managed directly by the hospital. This meant that nursery workers were employed under the same terms and conditions as other NHS staff in the hospital and had therefore been affected by the change brought about by 'Agenda for Change', a wage-setting agreement introduced in 2004. One of the specific objectives of this agreement was that of improving the relative position of the lowest paid workers (Grimshaw and Carroll 2008). The interviews with the hospital nursery appeared very aware that, within the childcare sector, they had substantially advantageous conditions. Interestingly, a trade-union official interviewed at the very early stage of the field work had commented that 'Agenda for Change' had resulted in much more generous employment contracts for nursery assistants and nurses employed in the NHS than for those employed in Local Authorities. Apparently, the job evaluation exercise conducted within the NHS had given greater visibility to the demands of childcare work than had been the case in several local authorities. It is outside the scope of this thesis to pursue this point further and gather evidence on the different job-evaluation exercises carried out by the NHS and other public authorities. It remains nonetheless potentially a very interesting line of investigation.

Labour costs: different constraints

The labour markets of the private and public sector appear to have different institutional arrangements, with the public sector characterised by a much stronger

²⁶ TUPE is an acronym for Transfer of Undertaking (Protection of Employment) Regulation. Its purpose is to protect employees if the business they are employed in changes hands (UNISON 2009).

presence of unions and, relatedly, of collective contracts. But the interviews also highlighted differences between the two sectors in relation to their sources of funding, which, in turn, affected employers' ability to pay higher wages. Managers were asked about the financial situation of the nurseries, their strategies to ensure that they broke even at the end of the year, and how this affected wages.

For private nurseries, the main source of income was fees. The private nurseries that received the Nursery Education Grant did not consider it as part of their funding. For example, Rose explained:

We don't get any funding because we're private.

but when asked about the Nursery Education Grant replied:

You get the Nursery Education Grant but that's not for private gains is it? It's for the children to be able to afford to come. You know, it's deducted off their fees.

Government funding was therefore considered as covering a very small portion of costs.

The fact that fees had to be kept low was taken for granted by all managers interviewed, although reasons varied. For example, one interviewee took a very pragmatic view, based on how she saw the childcare market work:

We charge £4 an hour here and I think that's pretty reasonable, put our fees up and nobody's gonna come, you know. Why do they want to pay £6 an hour here when they can go to that nursery and pay £4.50 an hour? And that's what it comes down to [Lizzie].

In one nursery the manager was very aware that parents found it difficult to pay the fees:

They've got two children here and it's very hard to catch up because they're behind into like £300 over a week so if you've got four weeks and then you've got a month, that's nearly £1,500 a month for a parent, even with the Tax Credit, it's hard. So they will run into a bit of debt [Rose].

For other managers keeping fees low was related to their more general views on childcare provision. Indeed, one manager, who also owned the nursery, saw affordable childcare as a right:

Parents shouldn't have to make somebody rich because they need childcare. Childcare should be a priority of a working parent – something that she can afford. [Patricia].

Keeping fees low appeared as an explicit objective in settings managed by parents' committees. This, however, had repercussions on wages. Patricia, for example, recounted her experience as the only paid worker in a small voluntary nursery during the 1990s:

I had to fight all the time if I wanted a wage increase. They didn't want me to have a wage increase because they didn't want the fees of the nursery go up. I was battling all the times.

The financial situation of another setting, run by a voluntary managing committee, had been dire for several years and wage increases had required an injection of public funding:

We had a massive increase from [Local authority], I think it was about two years ago and the man [on the managing committee] said: "now you can have your pay rise" and I started crying. [...] because it's a parent committee and they're going from term to term, they may go, nobody ever really knows that you've been there forever doing all of these things and virtually it was a lot in your own time, your own resources, you know.[Cath]

Specific public funding streams were indeed important for voluntary sector providers, but the recurrent problem was that these forms of funding were temporary:

We don't have any money from them [Government funding scheme] now, it's finished. So we have to bring in our own money [Maral].

Therefore, it remained the case that fees were the main source of income also for non-profit nurseries:

The main income is from the fees for us. Only a percentage is from [Local Authority x] - we are getting £20000. And from [Local Authority z], for only eight children, we are getting £42000 and the running costs for this nursery is over £300,000. [...] we are... business-like but in the middle: fees are the most important thing for us. [Maral]

Such being "in the middle" required a careful balancing act: a sliding fee structure (parents paid according to their income), constant fundraising to bring in donations and government funds – all coming "in one pot". This, in turn, enabled Maral to offer some places also to families on low income and to pay her staff above the minimum:

Our salaries are better than private nurseries, because we are not aiming for profit but less than statutory nursery services.

Likewise, Patricia managed to pay her staff slightly above the market rate because, despite being classified as a business, she did not make any profit and happened to operate in rent-free premises:

I look around what other people are paying, and I try to pay a little bit more [...]. I try to keep at least 50p an hour more.

The children's centres visited, which were managed directly by the local authority, relied more heavily on public funding. This certainly secured higher budgets, but centres were nonetheless exposed to the prospect of funding cuts:

We're front line [service] but we're not statutory [...] Frontline, because it's not statutory, always gets cut, whichever government gets in. I understand there's a recession going on, there's not an endless pot of money but I don't know, I don't know what the answer is, but it is just going to be worrying from April next year, the next 2 years, because Sure Start is then pulling out. We're all supposed to be sustainable...[Janet]

And financial sustainability was, in her opinion, a chimera, unless:

"Unless you're a nursery attached to a bank, that all your bankers' children are going to go there"

Each children's centre received its budget from the local authority, together with fairly strict rules on how to allocate it. Nevertheless, the interviews highlighted how managers had different priorities, and, within the narrow margins they had, spent their resources accordingly. For example, one manager placed particular emphasis on catering for children in need:

I don't believe that filling them, Children's Centres, up with people that can pay is what the real work that Children's Centres should be doing. And I think this is where [Local Authority] is going amiss somewhere, but then how do we sustain the places? It's a catch 22.

The centre thus offered more places to children in need than it received funding for, and this meant that they had to cross-subsidise places:

I'm of the opinion that if we've got spaces and these children need it, then we will take them [...] we try and get a few more Band 3 in, which are the more expensive fee payers, to actually pay for these places.

Two other managers, who were keen to have highly qualified staff, talked about how they used their budget to this end. In one centre, the head wanted to hire two additional teachers and in order to do that she had replaced four nursery officers with four nursery assistants:

This way I've got more actual bodies. I've got 9 people in the classroom now and I used to have only 7. [...] I've got more teachers and... cause I got... cause I save the money from the nursery officers. Nursery assistants are cheaper. Anyway, I don't know. I don't know if it's sustainable in the long-term finance wise, but it is for the

next couple of years and we'll see how it works out. So we've now got 4 teachers out there. [Susan]

In another centre, the head had sought a way to make early years professional positions both attractive for candidates and financially sustainable for the centre:

I have developed and I got the girls to develop an Early Years Professional job description and personal spec. I sent it off, I thought it was good and so I sent it off to be evaluated by [Local Authority] and it came back as far too high a pay scale, nobody would be able to afford them because of their pay scale as such attached to EYPs. So we looked at it again. [Tessa]

Eventually, she devised a complicated employment contract whereby early years professionals were on a pay scale that started on a relatively low level, but had substantial increments over the span of six years:

So I saw that [the contract] as something that the nurseries in Children's Centres would be able to afford in the beginning. It would give them [early years professionals] six years' career development and increase over each of those years; they would not come in [...] and jumped to too much money and they would within those six years, I would be expecting them to be where there were other jobs after two or three years, may be to put in for an assistant head's post.

All three children's centres managers therefore reported how their budget did not allow a financially sustainable strategy as soon as they either wanted to offer places to families in need or wanted to employ more qualified staff. In particular, in order to have additional teachers, Susan had created four low-paid positions with little prospect of career advancement. The solution found by Tessa appeared more equitable but was based on the assumption that early years professionals would look for better-paying position within two or three years in their contract.

Overall then, there seems to be a clear demarcation line between public and private sectors. Differences in wages are especially prominent, with wages in the public sector 39 percent higher than in the private sector. Behind this striking pay differential are two distinct labour markets, characterised by different institutional arrangements and by different funding sources.

When looking at pay setting arrangements, there appeared to be little consistency in the terms and conditions offered to workers in the private sector. In the public sector, on the other hand, pay rates were linked to defined scales and this appeared to be the

outcome of collective agreements bargained by trade unions. In addition pay also covered non-working periods: holiday, sickness. In contrast, in the private sector, pay was close to the basic rate, thus covering almost only the “actual performance of labour” (Harvey 1999). However, the interviews drew attention to the lack of transparency in employment practices which characterised the *entire* childcare sector. In the private segment of the labour market this feature took the form of almost complete managerial discretion. In the public sector, both fragmentation in and changes of pay structures often resulted in a lack transparency and uniformity across groups of workers. Against this backdrop, it seemed that workers had little chance of progressing within a coherent employment contract, because pay levels were often disjointed from any recognisable criteria that applied to all workers. But beside differences in wage-setting institutions, and lack of them, the interviews also illustrated the budget constraints all settings were facing. The interviews pointed to the fact that parents could not pay higher fees, either because they could not afford them or because they were more sensitive to prices than to other aspects of provision. Against this backdrop of limited financial sustainability, settings varied in their accessing different forms of funding and in their strategies to reduce costs. Public settings had clearly larger budgets at their disposal, but without an “endless pot of money” they struggled to pay graduate-level wages. On the other hand, low fees and limited access to public funding meant that private (and voluntary) nurseries hardly managed to keep their wages 50p above the prevailing wage in their local area. Managers who succeeded in offering slightly higher wages were supplementing their budget through fundraising and were not making any profit. Thus, although the constraints were different across the sectors, all settings appeared in need of greater funding, without which the possibility of paying higher wages seemed fairly limited.

Different forms of childcare provision: different labour markets?

So far I have discussed differences between workers employed in the private and public sectors, and briefly introduced the distinction between profit making and voluntary settings. The private/public divide is clearly related to the mixed-economy of provision which is characteristic of early childhood services in the UK. Because provision is very skewed in favour of private sector providers, the majority of workers are employed in the private sector. But beside the public/private divide,

Chapter 3 illustrated that early childhood services are fragmented along several other dimensions.

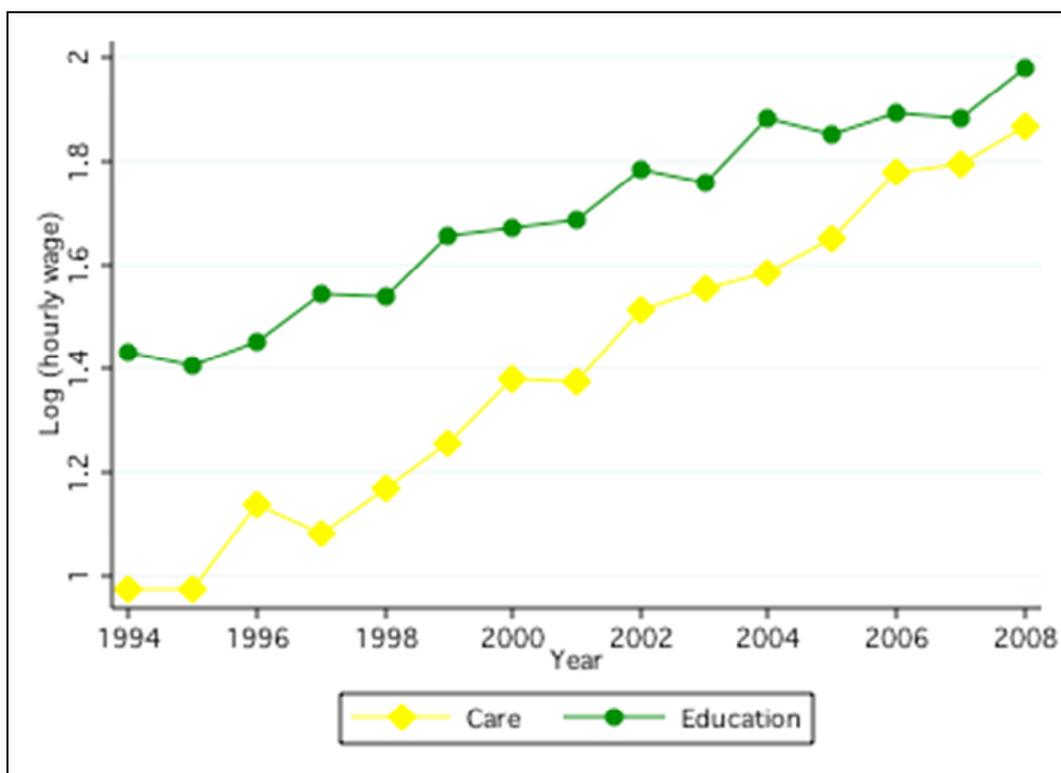
Attention was drawn in particular to the long-standing division between care and education. In addition, the point was made that childcare provision in the UK also varies in relation to the age groups catered for, with schools generally not admitting children below the age of three. Finally, some forms of provision – typically playgroups – belong to the voluntary sector, rather than to the private for-profit provision. This section explores these dimensions and presents, where possible, an assessment of whether pay levels differ systematically between types of provision with different characteristics.

Care and education

I begin by investigating whether wages are lower in the care segment of provision as opposed to the educational one. I then examine how the private/public divide overlaps with the care/education one. The LFS codes industrial sectors, distinguishing – at the most detailed level – 458 industrial sectors on the basis of the SIC 92. Most childcare workers are classified as working in two sectors: “Primary education” and “Social work activities without accommodation”.²⁷

Essentially, this classification distinguishes between services offered in schools and those offered in other types of settings, and can therefore be used to capture the long-standing divide between care and education. Of course, this classification does not necessarily reflect the *content* or the *nature* of the work performed by workers. For example, someone working in a children’s centre and employed directly by the Local Authority would not be classified as belonging to “Primary education” industry, irrespective of the fact that the job is likely to be fairly similar to that offered in schools. Nevertheless, SIC 92 classification is useful insofar as it captures how services are *defined* and therefore it allows exploration of the relevance of this distinction, however artificial it may be.

²⁷ However if nurseries are attached to a workplace, for example the Foreign Office or a bank, workers from the nursery will be classified as working in the foreign and bank sectors respectively. To avoid this, I classify all workplace nurseries as belonging to the ‘care’ sector, as their primary aim is to care for children while their parents are at work.

Figure 5.5 Average wage in childcare by type of provision, 1994-2008

Source: LFS, 1994-2008, all quarters, fifth wave respondents only.

Note: Those reported are log (hourly wages), with wages deflated by 2005 prices. ISC92 classification is used to distinguish between care and education. See text. Sample includes all childcare workers aged between 16 and 59 (women) and 64 (men).

Figure 5.5 plots pay levels of the two groups of workers over the period 1994 and 2008. It is clear that those working in schools are paid at a markedly higher rate than those employed in care. However, the pay gap between the two groups has substantially narrowed over this period, both in absolute and percentage terms.

Between 1994 and 1998, someone working in schools was being paid on average 40 percent more than someone working in a care setting, with a difference of around £1.5. But in the years 2004-2008, the education-sector premium had fallen to around 16 percent, with workers in schools earning £7.10 and those in other type of settings earning £6.10. This change may reflect the integration between the two segments of provision that has been pursued, however incompletely, under Labour.

It is noticeable that the care/education pay differential is smaller than the one between the private and public sectors. This already suggests that there is not a perfect overlap between the two sets of distinctions and that the one between public

and private may have a stronger bearing on pay levels. In order to map how the two intersect, I look at the care/education composition of the private sector workforce and the public sector one (Table 5.6). Starting with the latter, around 61 percent of workers in the public sector are in the educational segment of provision, that is in schools. The remaining 40 percent of are employed in settings classified as care. This proportion may seem high in light of the fact that only a tiny proportion of the day-care provision is offered by local authorities' social services, and is concentrated on children at risk only.

However, two factors can help in explaining this figure. First, nurseries belonging to the public sector are not necessarily offering public childcare. Following up on one of the examples from the previous section, a nursery attached to an NHS hospital would be classified as a public sector workplace but the service offered is in fact private, in so far as it is a workplace nursery for NHS staff and a private nursery for all other parents. Second, the education segment of provision requires fewer staff in relation to the number of children catered for. Staff to children ratios are higher in schools, thus making this segment less labour-intensive relative than care provision. Furthermore, teachers are also employed alongside childcare staff. If teachers were included in the sample, the proportion of public-sector workers employed in schools would be higher.

Table 5.6 Employment in care and education, by public/private sector

	1994-1998	1999-2003	2004-2008
<i>Public:</i>			
Care	39.1	40.8	41.6
Education	61	59.2	58.6
<i>Private:</i>			
Care	82.9	80.5	74.9
Education	17.1	19.5	25.1
<i>Unweighted base</i>	<i>1577</i>	<i>1649</i>	<i>1592</i>

Source: LFS, 1994-2008, all quarters, fifth wave respondents only.

Note: Figures are percentages. In the LFS 'public sector' is defined as that owned, funded or run by central or local government, and 'private sector' as all else (ONS 2007, 68). For care and education distinction, see text. Sample includes all childcare workers aged between 16 and 59 (women) and 64 (men).

Table 5.7 Wage premiums associated to public sector and education

	LOG(HOURLY WAGE)
Public	0.414***
Education	0.119***
<i>Observations</i>	3442

Source: LFS, 1994-2008, all quarters, fifth wave respondents only.

Note: Figures are OLS estimates of regression coefficients on log(hourly wage). Additional controls: region and year. Sample includes all childcare workers aged between 16 and 59 (women) and 64 (men).

Overall then, as far as childcare workers employed in the public sector are concerned, there is a fair balance between those working in schools and those employed in care services, albeit educational provision remains prevalent.

When looking at private-sector workers, the picture is much more skewed in favour of the care segment. Between 2003 and 2008, around 75 percent were employed in the care services, leaving only one quarter working in the educational services. This latter group coincides, almost totally, with non-maintained schools.

The evidence presented so far has suggested three points. First, pay levels are higher in the public sector relative to the private. Second, there is also a pay gap between the education and the care sectors, which however is smaller than that in the public/private one. Third, when looking at the workforce, the private/public sector divide coincides only in part with the education/care divide. For example, workers employed in the public sector do not necessarily work in schools. Taken together, these results seem to suggest that both characteristics – whether the workplace is a school or not and whether the employer is from the private or public sector – have a separate effect on pay levels.

A multivariate analysis that includes simultaneously both indicators confirms this result. Workers employed in the public sector are paid on average 41 percent more than those in the private sector. In addition, someone employed in a school is paid on average 12 percent more than someone who is not (Table 5.7)

The presence of a pay differential between care and education brings up the question as to whether the nature of work and its organisation varies between schools and other types of setting. Two differences stand out. First, childcare workers employed in schools work alongside teachers, and therefore are likely to have fewer planning and managing responsibilities than their colleagues in the care sector because teachers are their line managers. Some of the workers in the care sector, on the other hand, will have managerial responsibilities themselves – for example if they are responsible for a specific age group. Second, working in schools implies, by definition, working with children aged three and four, and therefore does not include a wide range of tasks that are instead part and parcel of working with babies and toddlers.

Children under and above the age of three

Although it is clear that workers employed in the education segment are not involved in the care of younger children, the reverse is not necessarily true. Staff working in day-care settings cater for children from nought to five and would be classified as employed in the care segment of provision. So, the education/care divide does not overlap perfectly with an age divide. It would be therefore interesting to test whether working with very young children as opposed to three and four year olds is correlated with an additional pay differential within the care segment of provision.

However, neither the LFS nor the Providers' survey contain the necessary information: the LFS does not ask detailed enough questions about respondents' jobs, whereas the Providers' survey collect information at the level of setting, thus it is not possible to measure differences in pay between staff working with children of different ages. Instead, it is possible to examine to what extent workers employed in the care segment are actually caring for very young children. Indeed it is not altogether clear whether work with children under three is common or not. On the

Table 5.8 Childcare settings' characteristics: age of children and number of staff

	UNDER 2	BETWEEN 2 & 3	ABOVE 3	<i>Unweighted base</i>
% of settings catering for children aged ...	46	43.5	10.5	7552
Average No of staff per setting	13.7	6.7	6.5	

Source: Childcare and Early Years Providers' Survey; 2005, 2006, 2007. Childcare providers sample. Note: Figures in the first line are percentages over the entire sample of childcare providers. Age group definitions indicate age of *youngest* child provided for.

one hand children under the age of three are less likely than older ones to use formal centre-based childcare (e.g. Bryson, Kazimirski and Southwood 2007; Kazimirski et al 2008). On the other, staff to children ratios are higher for younger children (Sure Start 2008). For example, a nursery catering for 20 children, of whom only five are 2 years old or younger, would need at least 4 staff and would deploy two of them with the younger children.

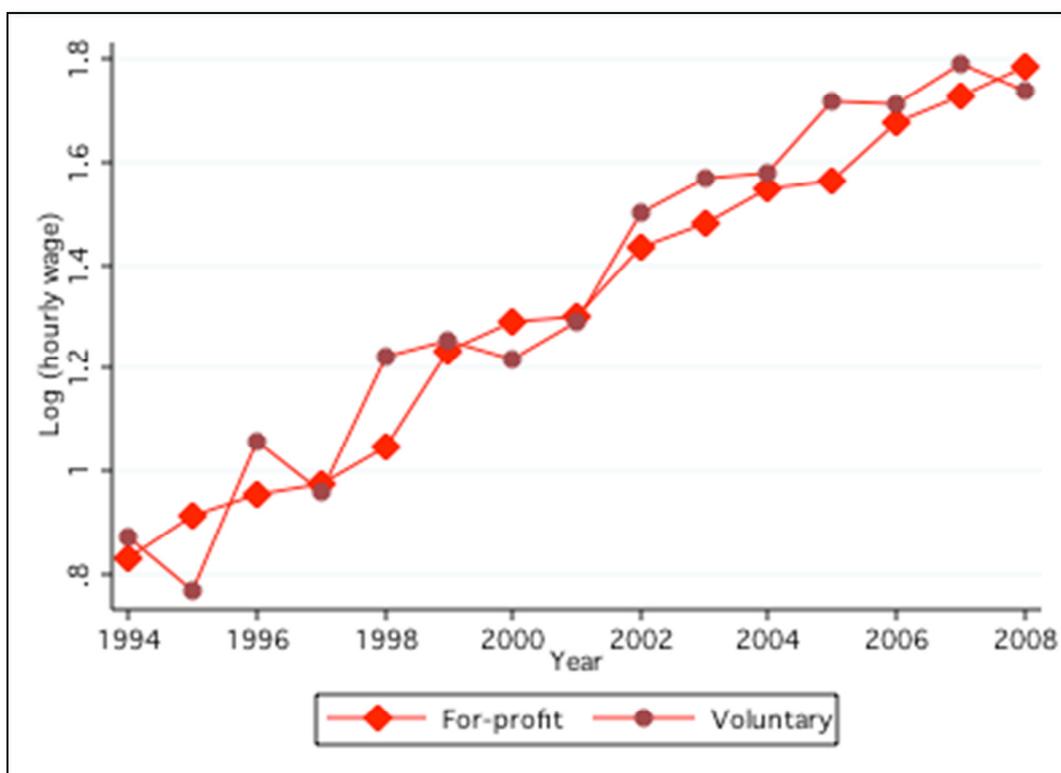
The Providers' Survey can be used to gather some further insights into this point. The survey samples providers on the basis of a classification which is reminiscent of the one employed in the LFS, whereby schools belong to a separate sample from all other types of setting. When looking at the providers classified as 'childcare' (as opposed to early years, which is the label for the schools sample) it is possible to examine the percentage of providers that cater for children aged two or below. Table 5.8 reports the results. Figures in the first row confirm that almost all childcare settings provide for children under the age of three. Furthermore, slightly less than half of the providers cater also for children under two (first column). These data from the Providers' survey are collected at the level of the setting, but differences in settings size is bound to affect the number of workers providing for the youngest children. The bottom line of Table 5.8 reports the average number of paid staff by age group catered for in the setting. The difference is quite striking: in those settings catering also for children under two, the average number of staff employed is 14, while settings that do not have any child under the age of two tend to be considerably smaller, with on average 7 paid staff. Both the fact that most childcare providers

actually cater for children under three and that the presence of babies is correlated with higher numbers of employees suggest that working in care settings implies working most of the time for children under the age of three.

The voluntary sector

So far, when looking at pay levels, no distinction has been made between the voluntary sector and the for-profit one. It could be argued that the mixed-economy of childcare also includes providers from the voluntary sector, and it is therefore inaccurate to examine different types of provision without taking this further distinction into account. In addition, the evidence from the interviews suggests that voluntary providers manage, at times, to pay slightly higher wages. The rest of this section examines this issue and shows that the distinction between voluntary and for-profit is of a lesser relevance to the workforce than it is to the overall structure of provision.

Figure 5.6 Average wage in the for-profit and voluntary sectors, 1994-2008



Source: LFS, 1994-2008, all quarters, fifth wave respondents only.

Note: Those reported are log (hourly wages), with wages deflated at 2005 prices. Voluntary sector includes: charity, voluntary organisation or trust. Sample includes all childcare workers aged between 16 and 59 (women) and 64 (men).

First of all, pay in the voluntary sector is very similar to that of workers in the private for-profit sector. When plotting the average real wage of workers in the private for-profit sector and those in the voluntary one it is clear that there is not much difference between the two (Figure 5.6). Moreover, there does not seem to be a systematic variation over time: wages in both the voluntary and for-profit sectors have grown at a similar pace, although the small sample size results in a few spikes in the wage of employees in the voluntary sector.

The second point is that the share of workers employed in the voluntary sector is rather small: only about 15 percent of those employed in the private sector (about 10 of all childcare employees) and this share has decreased slightly in recent years.²⁸ At first sight, this figure may seem at odds with the number of childcare non-profit settings, because a substantial number of providers are known to belong to the voluntary sector (Butt et al. 2007). One however has to remember that we are assessing the characteristics of employers, not necessarily those of providers. Differences in type of provision, number of paid staff and use of volunteers are all relevant in determining the incidence of providers' labour demand

Drawing on data from the Providers' Survey, Table 5.9 reports some of these differences. When looking at age groups, the first thing to notice is that voluntary

Table 5.9 Childcare settings' characteristics: age of children, number of staff and volunteers, by provider's sector

	CATERING FOR CHILDREN			EMPLOYING:		<i>Unweighted base</i>
	AGED:			<i>No. paid staff</i>	<i>No. volunteers</i>	
	<i>Under 2</i>	<i>2</i>	<i>3</i>			
Private	62.4	31.3	6.3	11.4	0.3	4,044
Voluntary	16.6	67	16.3	7.3	1.1	2778
Public	72.5	16.4	11.1	12.1	0.3	657

Source: Childcare and Early Years Providers' Survey; 2005, 2006, 2007. Childcare providers sample.
Note: Figures in the first three columns are percentages within the sample of the different types of providers – private, voluntary or public. Figures in the third and fourth columns are averages. Age group definitions indicate age of *youngest* child catered for.

²⁸ My calculations using LFS data, 1998-2008.

sector providers tend not to cater for children under the age of two. Consequently, voluntary settings tend to employ substantially fewer staff than those childcare settings that belong to the private for profit or the public sectors. Finally, the voluntary settings differ from others in the practice of employing volunteers, with on average one volunteer per setting as opposed to around one volunteer for every three for profit or public settings. All these factors contribute to the relatively small influence that voluntary childcare settings have on the employment demand.

Childminders: a world apart?

The evidence presented so far has referred to childcare employees only. But, as was pointed out at the beginning of the chapter, childminders are an important source of childcare, especially for children under the age of three. Therefore an account of pay and working conditions among childcare workers cannot be complete without exploring, as far as possible, the specific position of childminders. Childminders are self-employed and provide care for a maximum of six children in their own home. The LFS is of little use in examining childminders' pay, because it does not report any income information for self-employed workers. Thus this section will draw on data from the interviews and, to a greater extent, from the Providers' Survey. As explained in Chapter 4, unlike the LFS, the Providers' Survey is available only in the years from 2005 to 2007; therefore it will not possible to assess whether pay and working conditions among childminders have changed over the years. The Providers' Survey samples childminders separately from other childcare or early years providers and reaches around 750 childminders yearly between 2005 and 2007. Because of its large sample size and its design, the survey is a more reliable source of information about childminders than it is about centre-based workers.

I start by looking at childminders' weekly earnings from parents' fees. According to the Providers' Survey, weekly earnings were £143 over the period 2005-2007. This figure is roughly equivalent to 86 percent of the earnings of the median employed childcare worker and 42 percent of those of the median UK employee. Of course the comparison is only indicative: data are from different sources and are not meant to be comparable, if only for the fact that the relevant questions are formulated slightly differently. In addition, weekly earnings among childminders are perhaps more likely to vary throughout the year, given that securing a steady income from fees is one of

the most challenging aspects of childminding. Finally, data from the Providers' Survey may contain measurement errors to a greater extent than found in the LFS, for example because interviews are carried out on the telephone rather than in person.

Despite these caveats, it remains plausible that earnings among childminders are similar to, albeit slightly lower than, those of workers employed in centre-based settings. This is indeed the recurrent finding of the literature on childminding: childminders risk falling well below the NMW as soon as they have some vacancies (Mooney et al. 2001). Besides the need of filling all their places, childminders also face the problem of earning enough to cover annual leaves. All childminders interviewed charged for some holiday; as one interviewee put it:

I always say to them [parents]: 'Look, I need wages 52 weeks a year'

The Providers' Survey asks several questions about childminders' availability and fees during school holidays, but it is not possible to understand whether or not fees cover annual leave. A survey of roughly 500 childminders carried out in 1999 revealed that roughly only half of them were charging for holidays (Mooney et al. 2001). Among those interviewed, policies about sick pay varied, with some childminders not expecting to be paid if they were sick, and others entitled to a few days off in the case of illness.

Information about gross income from fees needs to be complemented by figures on expenses. Unlike workers in group settings, childminders need to buy all the necessary equipment, which includes not only toys, but also crucially, more expensive items like buggies, high chairs, car seats and the like. Furthermore, food and insurance are important expense items. In 2007 the Providers' Survey asked respondents about their total outings: on average, childminders spent £2200 a year. With average annual earnings from fees at £7770, childminders do appear therefore to have extremely low net earnings.

But how do childminders set their fees? And what are the characteristics of the market in which they operate? According to the Providers' survey, two thirds of respondents did not vary fees from child to child. But the interviews suggested that

minders had a mixture of criteria for deciding fees. Not surprisingly, interviewees appeared mindful of parents' ability to pay; for example, Brooke, when asked how much she charged, said:

I don't have it set in stone. Depends on how much the parents can pay ... roughly £40 a day.

The relationship between childminders and parents tended to be far richer than a pure market transaction. At the time of the interviews, one childminder was caring for the sons of a man who had been in her care twenty-four years earlier. Naturally, she felt that she knew the family well and she was overall gratified:

It's nice to know that you've had their dad and had them come back to you. [Thelma]

In general, childminders' account of their relationship with parents suggested a high level of informality. For example, Brooke was flexible with late pick-up, as long as parents sent her a "text" in advance. Likewise, Thelma reported that she usually agreed with parents on when to take her holidays. It was, however, difficult to understand to what extent the fact that childminders were accommodating parents' need was the outcome of a collaborative and trusting relationship or responded to the need of offering a competitive service. One childminder, for example, explained that the mother of a child in her care was expecting a second child and the baby was due soon. The childminder had offered to go to the child's home had the mother needed to go to hospital in the middle of the night. After explaining the arrangement, she remarked that no day nursery was offering such service.

Despite the informality or familiarity that childminders could sometimes have with the parents, the market for childminding appeared highly competitive. Childminders needed to charge on the basis of the prevailing rate and indeed were well informed about current rates in their local area. They tried to exercise some control on the existing charging rate, although their way of monitoring each other was highly informal and not necessarily effective. For example, Thelma reported:

I normally get told off [by other minders], because I'm charging under. And they tell me that I'll make it bad for them.

It was in childminders' interest to avoid price competition, but each childminder could potentially gain from setting lower rates. There was essentially a coordination problem and individual childminders seemed able to establish strong support

relationships with only a few other minders without achieving an influence on market price. So, for example, all childminders interviewed were close to one or two other childminders with whom they met up regularly and to whom they referred potential clients if they themselves were unable to accept additional children. But these forms of support involved only very small groups and were based on close friendship.

A more institutional mechanism was the local childminding network. The network had been directly established by the Local Authority, which employed a coordinator with the role of supporting childminders. The explicit objective was to raise the quality of childminders' provision, and to this end training sessions were organised in various centres around the Local Authority. The basis for joining the network was simple. Childminders willing to be part of it had to be inspected by a local coordinator, who would certify the high quality of provision. In practice, the network operated a system of quality assurance parallel to the national one operated by Ofsted but on a purportedly higher level. One childminder was sceptical:

It's exactly the same as Ofsted inspection, it really is. You don't need that twice: it's bad enough once. [Thelma]

Being part of the network however gave some advantages to childminders. For example, the Local Authority brochure listing all registered childminders in the different areas clearly marked those who were part of the network as being a "Member of a quality assured childminding network".

Not surprisingly, the Local Authority network made no attempt to raise fees or improve working conditions among childminders. In this respect it was very different from the organisations described by Greener (2009), which set uniform fees across a large group of childminders and a system of internal referrals within the organisations. These organisations were successful in raising childminders' income and smoothing the flow of work through a system of brokerage, whereby childminders receiving a request but unable to service it had to redirect the parent to the available childminders within the organisation. Unlike the cases analysed by Greener, it is hard to assess whether the childminding network in the Local Authority visited made it easier for its members to charge higher rates on the basis of the quality assurance mechanism underpinning it. Data from the Providers' Survey

reveal that minders who are part of a network have a higher average weekly income from fees than those not part of a network – £168 and £153 respectively.²⁹ But it could be that more confident and capable minders are more likely to be both part of a local network and set higher fees.

Overall, the pay of childminders does not appear to differ markedly from that of other childcare workers. Similarly to workers employed in the private sector, childminders lack organised representation as far as fees are concerned. Rates are ultimately set on the basis of local supply and demand and this arrangement has created a downward pressure on the fees that minders can charge.

Discussion and conclusions

This chapter has centred on pay in childcare – it has examined pay levels, their change over time and how they vary across different services. Has the pay of childcare workers gone up since 1994? The most immediate answer is yes, because real wages have improved. Most importantly, wages in childcare have kept up with wages elsewhere in the economy, despite the fact that productivity is likely to have been lower (Himmelweit 2005). It could be that the increase in public funding in the sector has contributed to maintain childcare workers' wages in line with aggregate trends in the entire labour market. It remains nonetheless notable that the more substantial changes in childcare workers' pay have occurred at the bottom of the wage distribution. The proportion of childcare workers on very low pay has indeed diminished. This is likely to be linked to the introduction of the National Minimum Wage, rather than to policy measures specific to the childcare sector.

As their relative pay has remained roughly constant, childcare workers continue to be at the bottom of the income distribution with earnings around 65 percent of the median British worker. In this respect, the higher visibility of the childcare sector and government funding have not fundamentally transformed the position of childcare workers in the labour market.

²⁹ Data from 2006 and 2007. Figures are real prices, and use 2005 as the base year.

When looking at the characteristics of provision and their correlation with pay, two main findings have emerged. First, the distinction between the private and the public sector is crucial. Pay is much higher in the latter. The size of the gap underscores the importance of demand-side factors to an understanding of low pay. Furthermore, the interviews illustrated how nurseries could have not possibly passed higher wage costs onto parents, who are income constrained. As one interviewee put it, this market mechanism could work for a nursery catering for bankers' children only. The low productivity of the sector combined with parents' inability and unwillingness to pay higher fees leave nurseries in the need of public funding in order to increase wages. In addition, the fact that pay is much higher in the public sector indicates that *levels* of funding are crucial. Indeed, maintained provision, whether in schools or children's centre, receive a larger amount of public money than other settings (Chapter 3, West, Roberts and Noden 2010).

Of course, it could be argued that the low pay in the private sector simply reflects the possibly different characteristics of the workforce. In other words, it could be that workers in the private sector are less qualified or 'productive' than those in the public sector. This point will be explored in both the next chapter and in Chapter 7. However, it is important to remember that public provision is not evenly spread across the country, rather is it concentrated in some urban areas where local government has traditionally supported services for children. It is unlikely therefore that workers are sorted either into the private or the public sector on the basis of some individual characteristics alone. Furthermore, the evidence reported in this chapter on wage setting systems is compelling. Workers in the private sector have little bargaining power: management sets wages unilaterally and with no transparency nor clear criteria. In this respect, the labour market childcare workers face has the characteristics of a monopsony (Manning 2003, 555). In a monopsonistic labour market, employers have the possibility of cutting wages without losing all their workers.

On the other hand, workers in the public sector are more likely to be covered by a collective agreement and have relatively higher wages. It is therefore likely that outsourcing public childcare services, for example Children's Centres, will lower wages, as feared by unions (Daycare Trust and TUC 2008). This would be also in

line with evidence from other sectors, for example the home-care one (Eborall, Will, and Woodrow 2010).

Besides the distinction between private and public sectors, the findings have pointed to another important division: that between care and education. Whether services are framed as offering childcare as opposed to early education seems to matter, in that pay is higher in education. This wage differential in part reflects different job contents. Workers in the care sector are likely to work with toddlers and infants, while those in education cater only for three and four-year-olds. But care and education have also traditionally had different statuses, with care work invariably considered less demanding than educational work. This point will be explored further in Chapter 7, wherein will be discussed the implications of the care/education divide on the skilled status of the job.

The fact that education is regarded more highly than care is also common in other countries. For example, the USA, France, Belgium and Italy have a system of services split between education and social welfare and they tend to staff the two tiers rather differently, with better trained and better paid staff employed in the education tier (OECD 2006; Moss 2010).

The findings have thus suggested that childcare policy is likely to affect pay in three ways. First, tilting the balance towards private providers affects workers' pay. Insofar as employment in private and public sectors is characterised by different institutional arrangements, a move towards more private childcare provision can be detrimental to workers' pay. Second, funding arrangements are paramount, as they affect settings' ability to pay their workers. Left to market devices alone, childcare workers' pay is likely to fall even further behind and/or families are likely to pay an increasing proportion of their income on childcare. Third, childcare policy influences the philosophy underpinning different services. When services are considered educational, pay appears to be higher, even when the sector of provision is taken into account. The integration of care and education under the auspices of the Department of Education could therefore contribute to improving pay among those working outside schools.

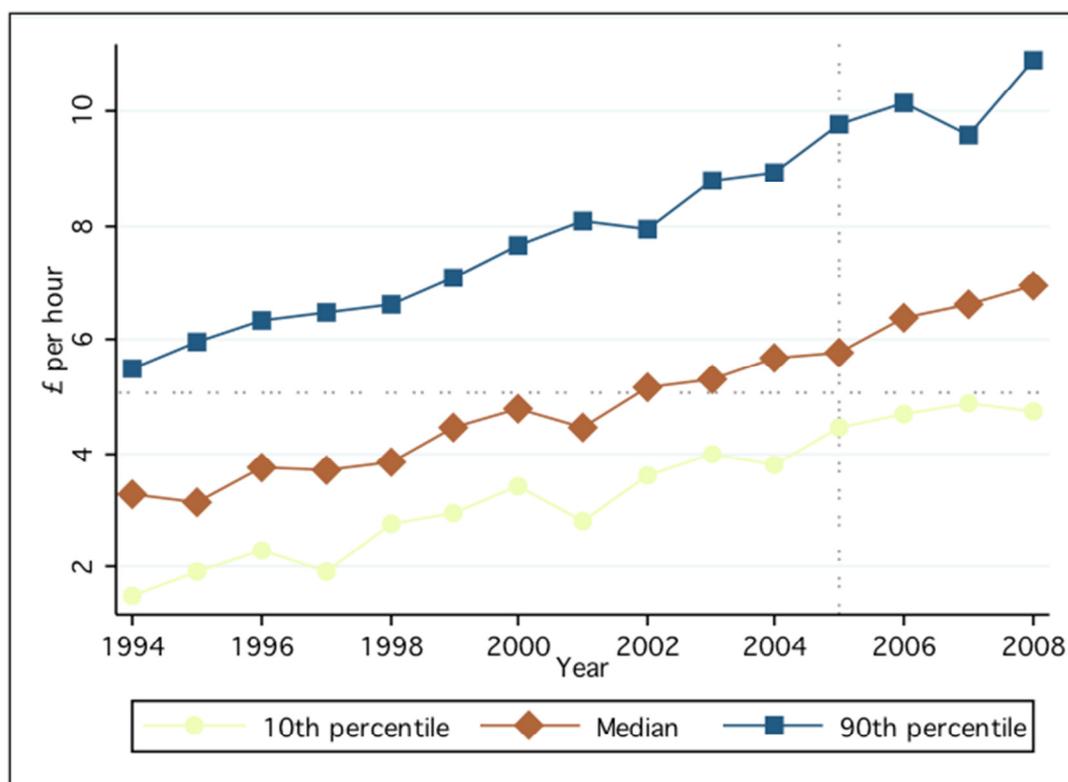
This chapter has focused exclusively on pay and on its relation to the way childcare services are organised. The next chapter complements the analysis presented here and looks at workers' characteristics.

Appendix 5.1 Proxy respondents: robustness checks

Proxy respondents are likely to report wage information with less accuracy than the rest of the sample. Indeed one is more likely to know better his or her own pay slip than that of another member of the household. However these errors are not random, as proxy respondents tend to report systematically lower wages. This creates problems when assessing wages against absolute values (as in the case of the NMW). Regarding childcare workers, the magnitude of the problem does appear to be negligible insofar as the objective of the analysis is not so much to produce accurate estimates but rather to gauge the prevailing pay levels and their evolution over time. This is why the chapter has included proxy respondents in all the analyses presented.

In order to show that such inclusion does not change the pattern of results, I reproduce all the graphs presented in the chapter, with the only difference of excluding proxy responses. Inevitably, as the sample is substantially smaller, estimates may be more accurate but nevertheless less precise. I present one graph per page and offer a brief comment on the differences arising when discarding proxy responses.

It should be noted that the differences from analyses run over the entire sample are minimal. In particular, when using the logarithm of the hourly wage, as in the comparisons within the childcare workforce, hardly any difference is detectable. This is because the logarithm compresses wages, thus reducing differences. In addition, there is no significant (at 5% level) difference across groups of childcare workers in the incidence of proxy responses.

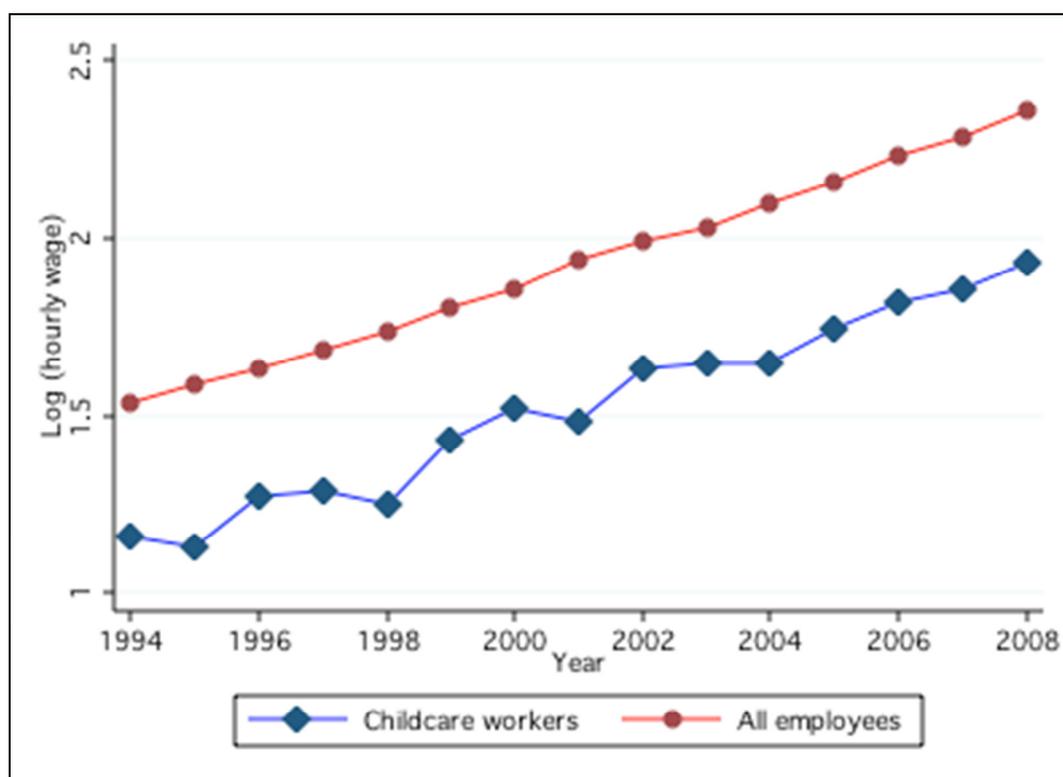
Figure A5.1.1 Real hourly wage among childcare workers, 1994-2008

Source: LFS, 1994-2008, all quarters, fifth wave respondents only.

Note: Sample includes all childcare workers aged from 16 to 59 (women) 64 (men). It excludes proxy respondents.

All wages are deflated at 2005 prices. Horizontal dotted line set at £5.05. Vertical dotted line set at 2005.

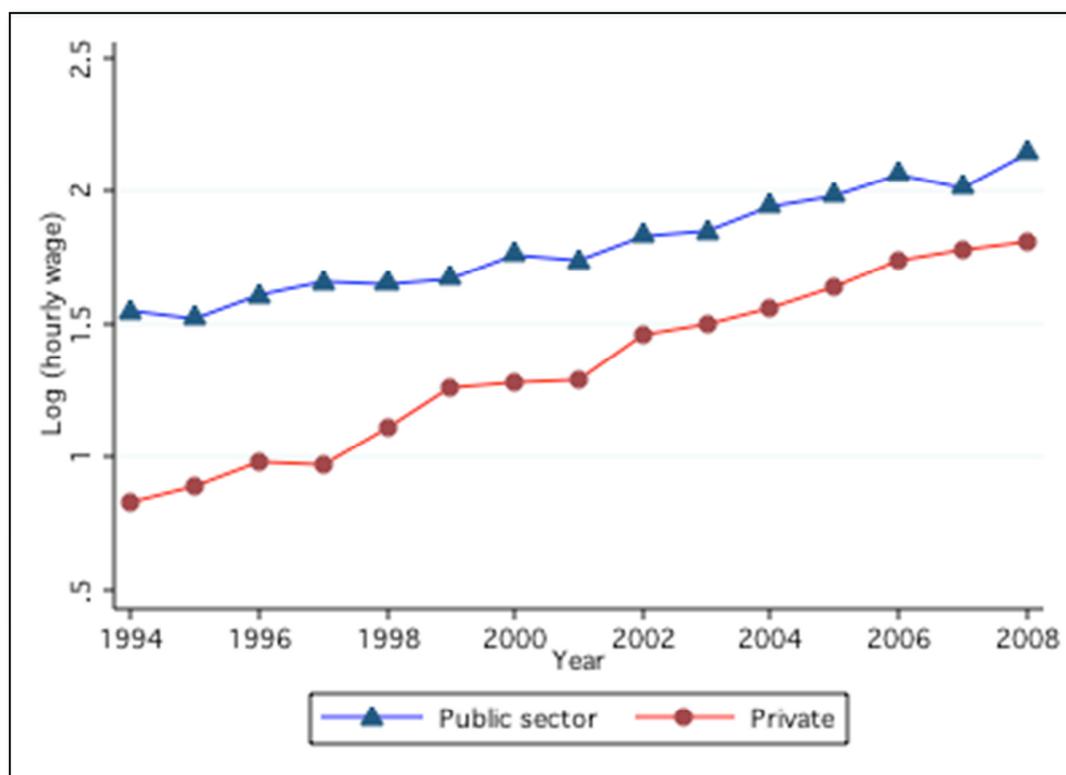
When looking at real wages absolute levels, the exclusion of proxy respondents results in a very slight increase in wages, which is mostly evident along the 10th percentile line. (Comparison: Figure 5.1)

Figure A5.1.2 Average wage in childcare by sector, 1994-1998

Source: LFS, 1994-2008, all quarters, fifth wave respondents only.

Note: Those reported are log (hourly wage), with wages deflated at 2005 prices. Sample includes all workers aged between 16 and 59 (women) and 64 (men).

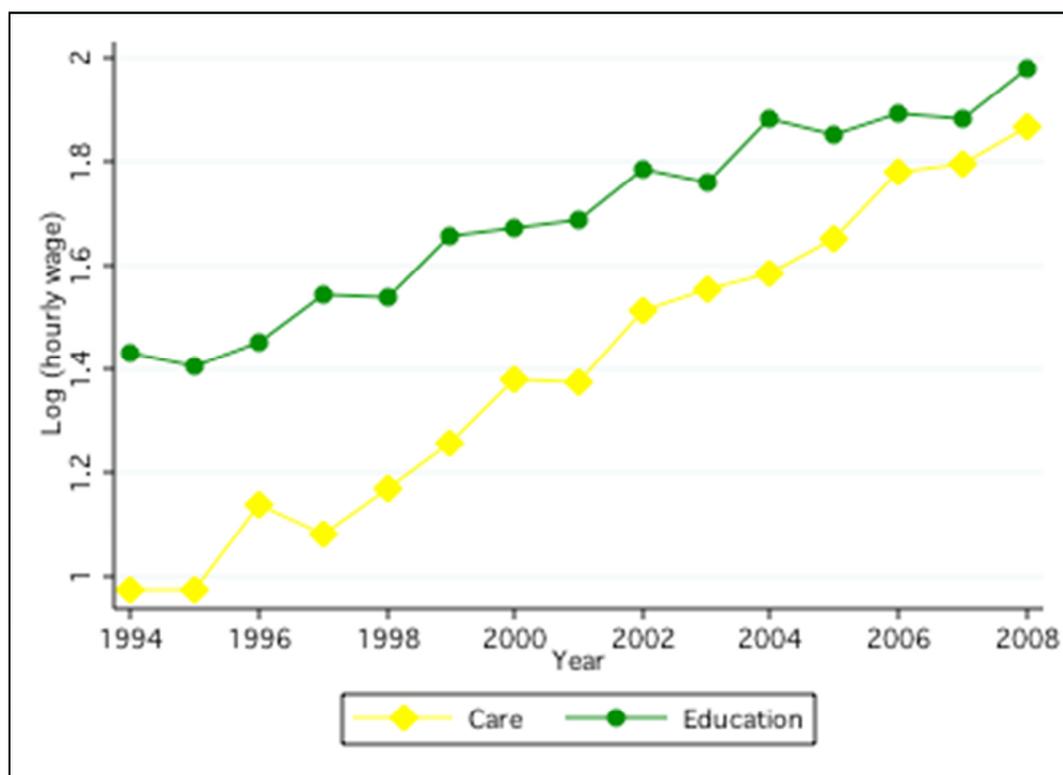
The trend in real wages growth is almost identical to the one reported in Figure 5.2. Likewise, the difference between the two groups is very similar. If anything, it is slightly larger. This is probably due to the different incidence of proxy responses. In particular, information on women is more likely to be obtained directly by the person it refers to than is the case for men. Thus, among childcare workers there is a lower percentage of proxy responses than is the case in the rest of the sample. In the LFS dataset used throughout the chapter, of the observations with wage information, 22 percent of those on childcare workers were given by proxy respondents against 27 percent for the rest of the sample. This means that the inclusion of proxy responses produces a stronger downward bias on the wages of the rest of the sample than it does on the wages of childcare workers.

Figure A5.1.3 Average wage in childcare by sector, 1994-2008

Source: LFS, 1994-2008, fifth wave respondents only.

Note: Those reported are log (hourly wage), with wages deflated at 2005 prices. In the LFS 'public sector' is defined as that owned, funded or run by central or local government, and 'private sector' as all else (ONS 2007, 68). Sample includes all childcare workers aged between 16 and 59 (women) and 64 (men) and excludes proxy respondents.

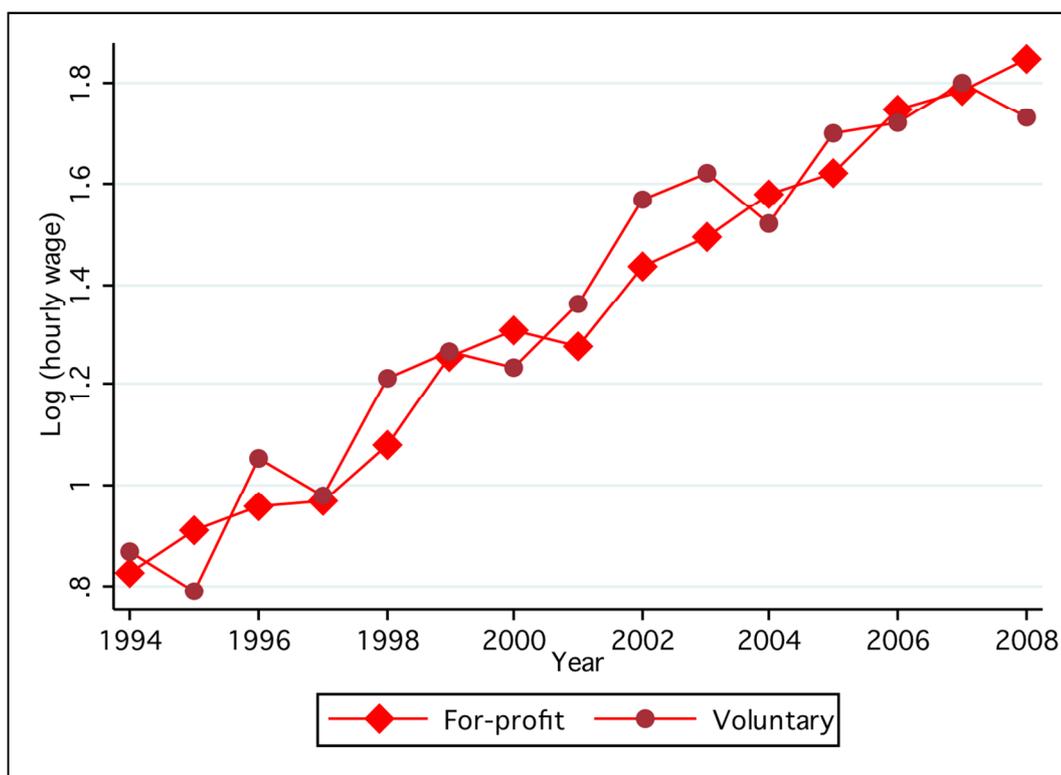
In comparison to Figure 5.4, the only difference is that the gap is slightly smaller in years 2005, 2006, 2007. In those three years, the percentage of proxy respondents among childcare workers was slightly higher than in other years, at around 28 percent. This probably why a difference emerges in relation to those years only.

Figure A5.1.4 Average wage in childcare by type of provision, 1994-2008

Source: LFS, 1994-2008, all quarters, fifth wave respondents only.

Note: Those reported are log (hourly wages), with wages deflated by 2005 prices. ISC92 classification is used to distinguish between care and education. See text. Sample includes all childcare workers aged between 16 and 59 (women) and 64 (men).

As before, differences between the figure above and Figure 5.5 are minimal and suggest that the pay gap between care and education is slightly smaller than that presented in Figure 5.5.

Figure A5.1.5 Average wage in the for-profit and voluntary sectors, 1994-2008

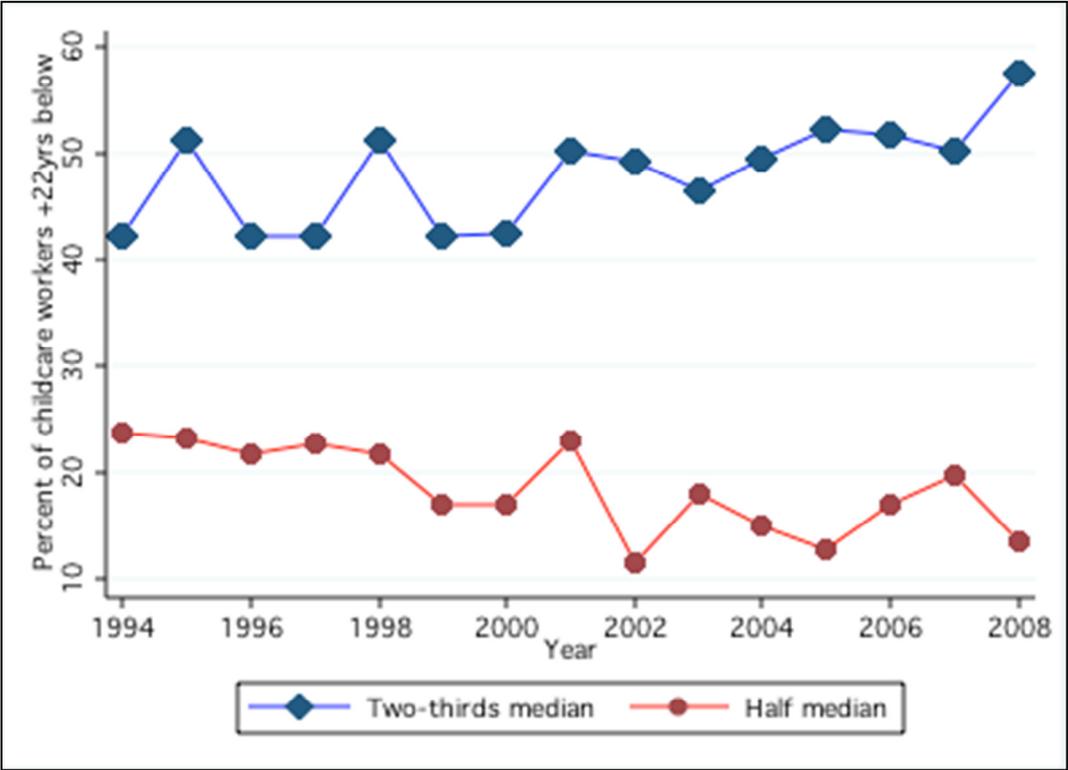
Source: LFS, 1994-2008, all quarters, fifth wave respondents only.

Note: Those reported are log (hourly wages), with wages deflated at 2005 prices. Voluntary sector includes: charity, voluntary organisation or trust. Sample includes all childcare workers aged between 16 and 59 (women) and 64 (men)

In comparison to Figure 5.6, the exclusion of proxy respondents further reduces the gap between wages in voluntary sector settings and private for-profit ones. As the evidence presented in Figure 5.6 had been interpreted as pointing to no significant difference between the two sectors, the finding above confirms the chapter results.

Appendix 5.2 Additional figure

Figure A5.2.1 Incidence of low pay among childcare workers older than 22

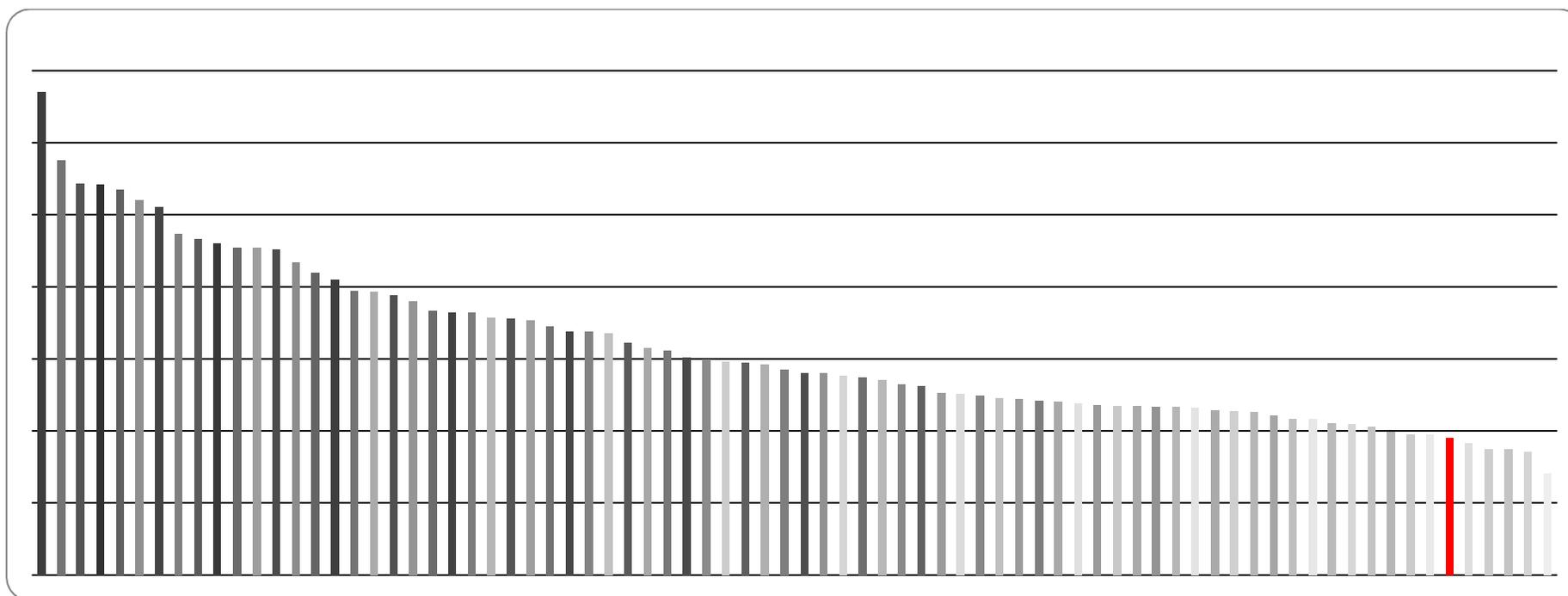


Source: LFS, 1994-2008, all quarters, fifth wave respondents only.
Note: The two thresholds – two-thirds median and half median – are calculated over all UK employees of working age.

Appendix 5.3 Ranking of occupations by pay

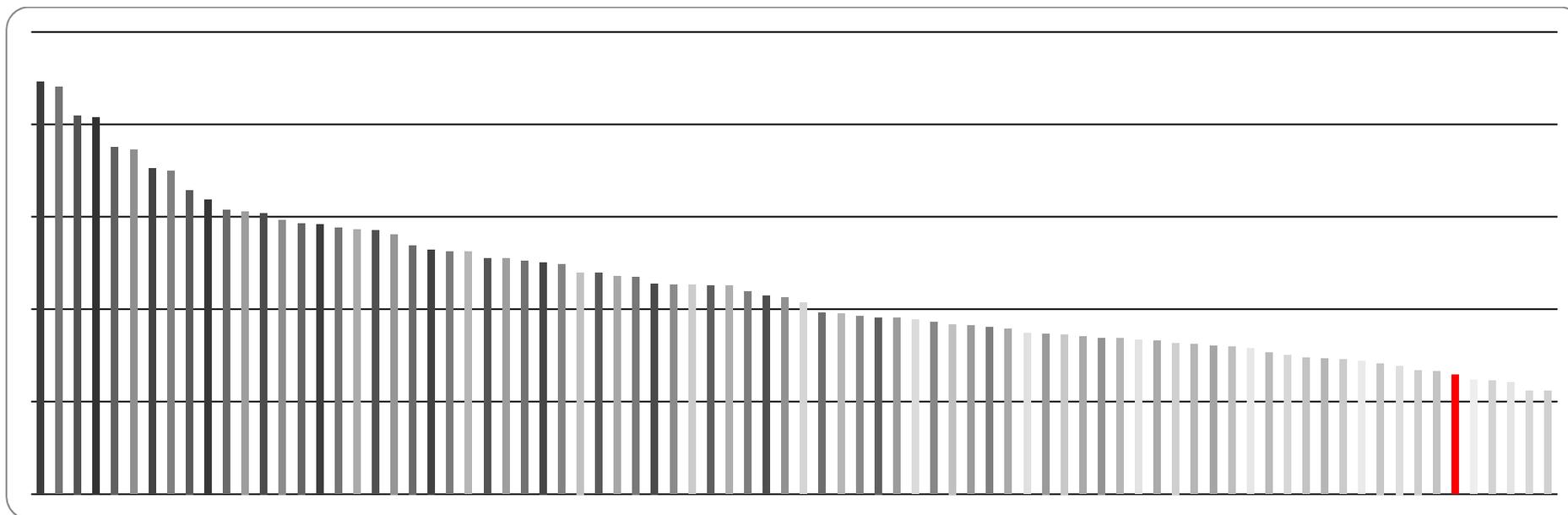
Here occupations are ranked on the basis of their average hourly wage. Occupations are 3-digit categories as labelled in SOC92 for the 1994-1998 period and as in SOC2000 for the 2003-2008 period. Thus the two figures are not exactly comparable. In both cases, however, childcare workers as defined throughout this thesis (see Chapter 4) are singled out and form an individual category.

Figure A5.3.1 Ranking of occupations by average hourly wage, 1994-1998



Source: LFS, 2003-2008, all quarters.

Note: vertical axis £ at 2005 prices. Occupations as in SOC92 “minor groups” (i.e. 3-digit), with the exception of “childcare workers” who are defined as described in Chapter 4.

Figure A5.3.2 Ranking of occupations by average hourly wage, 2003-2008

Source: LFS, 2003-2008, all quarters.

Note: Vertical axis: £ at 2005 prices. Occupations as in SOC2000 “minor groups” (i.e. 3-digits classification), with the exception of “childcare workers”, who are defined as described in Chapter 4.

Appendix 5.4 Private/public sector classification in the LFS

I report here the questions that are used to distinguish between public and private sector workers. LFS respondents who were in work were asked the following questions (ONS 2007, 26-27):

- Was that [firm/organisation you work for] ...
 - a. a private firm or business or a limited company
 - b. or some other kind of organisation?

- What kind of non-private organisation was it?
 1. A public limited company/plc?
 2. A nationalised industry/state corporation?
 3. Central government or civil service?
 4. Local government or council (including police, fire services and local authority controlled schools/colleges)?
 5. A university or other grant funded education establishment
 6. A health authority or NHS Trust?
 7. A charity, voluntary organisation or trust?
 8. The armed forces?
 9. or was it some other kind of organisation?

The ONS combines the answers to these two questions are combined to produce the variable “publiccr” as:

Private sector = a + 1 + 7

Public sector = 2 + 3 + 4 + 5 + 6 + 8

In addition, in order to single out the voluntary sector, I have constructed the variable “whichsector” as:

Private sector = a + 1

Voluntary sector = 7

Public sector = 2 + 3 + 4 + 5 + 6 + 8

When examining differences in pay across different groups of childcare workers, I have checked that including 5 “A university or other grant funded education establishment” into the public sector did not alter the results.

Chapter 6

Who works in childcare?

Introduction

The main message from the previous chapter was that childcare workers are generally low-paid, with the median childcare worker earning around two thirds of the wage of the median British employee. This chapter leaves aside the topic of pay and concentrates instead on the characteristics of the childcare workforce. The objective is therefore to analyse trends in the characteristics of childcare workers. This way, the analysis will ascertain the other fundamental assumption of this thesis – namely, that childcare work is an exclusively female occupation. Beside the gender composition of this occupation, attention will be devoted to other demographic characteristics, working patterns and qualifications. For all these domains, I will explore changes over time in order to understand whether the profile of the childcare workforce remained unaltered from 1994 to 2008.

Given the changes at policy level, we could expect work in childcare to attract, in the most recent years, workers with different characteristics relative to the mid-1990s. For example, both regulatory reforms and the launch of some qualifications at tertiary education level could have contributed to attracting workers with a relatively higher education background. At the same time, the evidence from the previous chapter has suggested that pay has remained roughly stable; thus it is unlikely that new recruits have been attracted by higher relative wages. The empirical evidence presented here will shed light on this point.

Besides assessing the degree of change in the childcare workforce, this chapter also looks at the differences between various groups of childcare workers. Are employees in the private sector different to those employed in the public one or to childminders? By contrasting the different groups, I seek to pursue the analytical approach developed in the previous chapter, where attention was paid to the architecture of

childcare services and its association with pay. The empirical analysis presented here complements that reported in the previous chapter, because it allows understanding of whether the differences in pay could be mediated by differences in workers' characteristics. For example, if childcare workers employed in the public sector appear to be markedly different from those employed in the private sector, this could contribute to explaining the public/private pay differential described earlier. Finally, this chapter also briefly compares childcare workers with all other British workers – this contrast allows highlighting those features that are specific to the childcare workforce.

Data and methods

As in the previous chapter, the analysis is based mainly on data from the LFS from 1994 to 2008. While in the previous chapter I used data from the fifth wave, here I use the first wave, because most information is collected at the first interview. Thus, the first wave is the most suitable for the analysis carried out here. Indeed, the LFS contains rich information about respondents' demographic characteristics, their employment patterns and their qualifications. The Early Years and Childcare Providers' survey, instead, has little information about individual workers' characteristics, and for this reason will not be used in this chapter.

This chapter will devote much space to the topic of qualifications. Concerning this specific issue, I will also draw on information from the interviews. The interviews elicited information on workers' qualifications and their views on the qualifications attained. In particular, I asked interviewees how qualifications had helped them and what difference they had made. This evidence will be relied upon especially to gain a better understanding of a specific group of qualifications. Finally, material from the interviews is used when it helps to clarify or interpret data from the LFS.

Demographic characteristics of the childcare workforce

I start by examining childcare workers' demographic characteristics and evidence is reported in Table 6.1. One of the most striking features of this occupation remains the high level of gender segregation. Similarly to a decade earlier, between 2004 and

2008 childcare workers were still virtually all women. When looking at the years 2003-2008, there are only two other occupations which are the entire preserve of women: that of midwives and school midday assistants (so-called “dinner ladies”).³⁰ The fact that little has changed in the level of gender segregation in childcare suggests that explicit efforts to recruit men into this occupation have not surfaced into aggregated data.

Variations in average age are barely detectable, and not statistically significant. In terms of family composition, there have been some notable changes. While two thirds of workers were either married or cohabiting in the mid-1990s, the proportion had slightly dropped by 2004-2008.³¹ But the proportion of workers with dependent children has remained unvaried. These two trends have been matched by an increase in the share of lone parents, in fact, given the scant presence of men in the sector, of lone *mothers*. Whereas between 1994 and 1998 only 7 percent of the workers were lone mothers, by 2004-2008 the percentage had jumped to 11 percent, an increase which is statistically significant. The larger presence of lone parents in childcare occupations is surely related to broader trends and in particular to the marked increase, under Labour, of the lone parents’ employment rate. Indeed, data from the LFS indicate that, among *all women* in employment, the share of lone mothers has increased from less than 6 percent between 1994 and 1998 to more than 8 percent between 1999 and 2003.³²

However, the marked increase of lone mothers among childcare workers also reflects the precise policy objective of promoting employment in childcare specifically through New Deal programmes (DfEE and DSS, 1998: ES9). The idea was that childcare could promote female employment in two ways: first, by offering a service to mothers; second, by creating employment opportunities for mothers out of work. In order to pursue this second objective, opportunities to train as childcare workers were systematically made available through New Deals, and several

³⁰ My own calculations based on LFS data and using four-digit SOC2000 occupational categories.

³¹ For simplicity, throughout the rest of chapter I will refer to “married or cohabiting” simply as “married”, although cohabitation will be always included. On average between 1994 and 2008, the percentage of childcare workers cohabiting with their partners was 8.1, while the percentage of those married and living with their husband/wife was 56.4.

³² My calculations. See also Gregg, Harkness and Smith (2007).

Table 6.1 Demographic characteristics of childcare workers, by time period

	1994-1998	1999-2003	2004-2008
Women	98.9	98.5	98.8
Age	34	35	36
Married or cohabiting	66.5	64.7	63.8 [†]
With children	50.4	48.6	50.1
Lone parent	7.4	8.3	11.4 [‡]
Born in the UK & White	90.1	90.2	89.7
<i>Unweighted base</i>	2175	2235	2149

Source: LFS, 1994-2008, all quarters, first wave respondents only.

Notes: All figures are percentages, except for age, which indicates average age. 'With children' indicates that worker lives together with his/her child(ren) under the age of 16. [†] indicates that the percentage is statistically different (at 5% level) from that for 1994-1998. [‡] indicates that the percentage is statistically different (at 5% level) from that for 1999-2003. Sample includes all childcare workers aged between 16 and 59 (women) and 64 (men).

programmes targeted women out of work from disadvantaged areas.³³ LFS data allow little exploration on whether lone mothers have taken up employment in childcare in connection with New Deal for Lone Parents programmes or equivalent 'welfare to work' measures. But when looking at respondents' employment status a year before the LFS interview, it emerges that more than 4 percent of those in childcare reported that they had been looking after family at home, whereas among employed women this percentage was around 2 percent.

If the changes in the share of lone parents among childcare workers seem to magnify similar trends occurring in overall employment, variations in the national and ethnic composition of the childcare workforce are almost absent, despite a significant increase in the total number of workers from foreign countries and/or from ethnic minorities. Indeed the percentage of childcare workers born in the UK and white has remained almost unvaried at the remarkably high level of nearly 90 percent. Such uniformity is surprising in many respects. Recent research indicates that the proportion of migrants among workers in care services for the elderly has increased, and more so after the inflow of workers from Eastern Europe after 2004 (Cangiano et

³³ The "Training in Childcare" project in Birmingham is one of such examples. The programme offered training and work experience to women over 25, out of work, without qualifications and living in disadvantaged areas.

Table 6.2 Demographic characteristics of childcare workers, by type of provision/sector

	PRIVATE SECTOR	PUBLIC SECTOR	CHILDMINDERS
Women	98.3	99.1	99
Age	32	37 [†]	40 ^{†‡}
Married or cohabiting	53.3	68.5 [†]	82.6 ^{†‡}
With children	38.4	46.7 [†]	73.6 ^{†‡}
Lone parent	7.4	8.9 [†]	11.7 ^{†‡}
Born in the UK & White	87.9	91.8 [†]	93 [†]
<i>Unweighted base</i>	<i>3200</i>	<i>1690</i>	<i>1639</i>

Source: LFS, 1994-2008, all quarters, first wave respondents only.

Notes: All figures are percentages, except for age, which indicates average age. 'With children' indicates that worker lives together with his/her child(ren), under the age of 16. † indicates that the percentage is statistically different (at 5% level) from that for the private sector. ‡ indicates that the percentage is statistically different (at 5% level) from that for the public sector. Base sample includes all childcare workers aged between 16 and 59 (women) and 64 (men).

al. 2009). Evidence from Mediterranean countries suggests that an increasing number of migrant women is employed in household services, caring mainly for the elderly but also for very young children (Bettio, Simonazzi, and Villa 2006). In the USA the share of Hispanic and Black women is far higher in childcare than in overall employment (Center for the Study of Child Care Employment 2006; Whitebook 1999).

It was noted in Chapter 3 that recent policy changes have tended to favour private, centre-based provision. It could be therefore that different groups of workers have witnessed different trends, which are not visible when looking at the childcare workforce as a whole. But breaking down the results by type of sector and provision leads to a very similar conclusion: the only recognisable change over time is an increase in the proportion of lone parents among employees in both the private and the public sectors and among childminders (Results are reported in Appendix 6).

Although *trends* have been fairly similar across the different groups of childcare workers, there are some marked differences in their demographic profiles (Table 6.2). In particular, childminders stand out as the oldest group. This could indicate

Table 6.3 Presence of young children and age of childless workers by type of provision/sector, 1994-2008

	WITH A CHILD UNDER 5 YEAR OLD	AVERAGE AGE IF CHILDLESS
Private sector	12.8	29
(unweighted base)	(3210)	(1959)
Public sector	13.9	37
(unweighted base)	(1700)	(900)
Childminders	26.4	48
(unweighted base)	(1639)	(433)

Source: LFS, 1994-2008, all quarters, first wave respondents only.

Notes: Figures in the first column are percentages, while those in the second column are average age. Base sample includes all childcare workers aged between 16 and 59 (women) and 64 (men).

that childminding is taken up at a later stage in life, most probably during child-rearing years. Indeed childminders are more likely than any other childcare worker to have children. Figures in Table 6.3 suggest that more than a quarter of childminders have a child under 5. At the same time, those without children at home are much older than is the case among other childcare workers. This suggests that childminders often continue their activity after their own children have grown up, which is in line with results from other studies (Mooney et al. 2001). As for the share of lone parents among childminders, it was noted above that this is the result of recent changes. Indeed, childminding had been identified by Labour as a good employment option for lone parents, as it allows combining paid work with caring responsibilities (Rolfe et al. 2003).

When comparing childcare workers employed in the public sector to those employed in the private sector, three differences are visible. First, workers in the public sector are generally older, with the average age around 37 while in the private sector it is 32. Second, and linked to this, is the higher incidence of marriage and parenthood among public sector workers. The percentage of lone parents is similar in the two groups. However, this means that the private sector has a higher incidence of lone parents relative to its overall number of parents than is the case in the public sector.

Table 6.4 Part-time work by time period, 1994-2008

	1994-1998	1999-2003	2004-2008
All	48.4	43.7 [†]	43.6 [†]
(unweighted base)	2175	2235	2149

Source: LFS, 1994-2008, all quarters, first wave respondents only.

Notes: Part-time defined by the respondent. When an 'objective definition' is used, employing 30 hours as the cut-off point, figures do not change substantially. † indicates that the percentage is statistically different (at 5% level) from that for 1994-1998. Sample includes all childcare workers aged between 16 and 59 (women) and 64 (men).

Third, a higher proportion of workers in the private sector are foreign or from Black and Ethnic Minorities (BEM). This is surprising, given that *public* provision tends to be concentrated in urban areas with a relative higher incidence of BEM.

Taken all together, the findings on childcare workers' demographic characteristics points to strong continuity: the demographic profile of this workforce has remained largely unchanged. The most striking feature continues to be the high level of gender segregation – 98 percent of workers are women. Despite explicit efforts to recruit men, childcare work is still a female job. Furthermore, almost the majority of childcare workers have children of their own. This, together with the high and increasing incidence of lone parenthood, is bound to give prominence to issues of reconciliation between family and work responsibilities. This point will be explored in detail in the next section.

Working patterns, flexibility and distance to work among childcare workers

The majority of mothers in the UK have traditionally combined pay work and family responsibilities by working part-time, which resulted, in the mid-2000s, in 45 percent of women in part-time work (Lewis 2006; Manning and Petrongolo 2004). Equally well-documented is a downward trend in part-time employment among mothers since the early 1990s (Harkness 2008).

Not surprisingly, working patterns among childcare workers are broadly in line with this aggregate picture. Part-time work is fairly common in childcare, but has fallen to around 44 percent since 1998 (Table 6.4). However, this trend of part-time work is

Table 6.5 Part-time work by time period and type of provision/sector, 1994-2008

	1994-1998	1999-2003	2004-2008
Employees in private sector (unweighted base)	54.2 (1027)	48 [†] (1079)	49.2 [†] (1104)
Employees in public sector (unweighted base)	37.7 (577)	38.1 (616)	44.6 ^{†‡} (507)
Childminders (unweighted base)	48.9 (569)	41.5 [†] (535)	30.7 ^{†‡} (535)

Source: LFS, 1994-2008, all quarters, first wave respondents only.

Notes: Part-time defined by the respondent. When an 'objective definition' is used, employing 30 hours as the cut-off point, figures do not change substantially. † indicates that the percentage is statistically different (at 5% level) from that for 1994-1998. ‡ indicated that the percentage is statistically different (at 5% level) from that for 1999-2003. Base sample includes all childcare workers aged between 16 and 59 (women) and 64 (men).

not consistent across different groups of childcare workers (Table 6.5). Indeed, among childcare workers in the private sector and among childminders there has been a decline in part-time work; this, however, has not been the case in public sector childcare, where part-time work has gone up. This difference could be in part attributed to the pay reviews carried out under the Single Status Agreement, which have often changed the number of weeks covered by full pay in the contract of nursery nurses employed by Local Authorities. Alternatively, the increase in part-time employment in the public sector could be related to the increase in the number of lone parents, who have greater difficulties in reconciling paid work and caring responsibilities. But this explanation would be at odds with the downward trend in part-time work in the private sector and among childminders, given that the incidence of lone parenthood has increased in these groups of workers as much as among public sector workers.

The case of childminders is especially notable, because the reduction in part-time work is much larger than among private sector workers. The interviews with childminders have highlighted the feeling that childminders need to compete with centre-based provision, and offer a service that is more flexible and extensive than that which parents can get in day nurseries or children's centres:

Table 6.6 Total number of hours worked, by time period

	1994-1998	1999-2003	2004-2008
0-15	21	16.2 [†]	14.8 [†]
16-30	28.9	29.8	32.9 ^{†‡}
30-44	35.8	40.2 [†]	38.7 [†]
45+	14.4	13.8	13.5
Holding a second job	9.8	7.7 [†]	7.4 [†]
<i>Unweighted base</i>	<i>2165</i>	<i>2233</i>	<i>2140</i>

Source: LFS, 2005-2008, second quarter, first, second, third and fourth wave only.

Note: Figures are percentages. Total hours worked include paid and unpaid overtime. † indicates that the percentage is statistically different (at 5% level) from that for 1994-1998. ‡ indicates that the percentage is statistically different (at 5% level) from that for 1999-2003. Sample includes all childcare workers aged between 16 and 59 (women) and 64 (men).

I am very flexible. You need to be very flexible when you work in this kind of job. Generally I start at 7am and finish at 7pm. But I do overnight care, I am registered for that and I do evening work too. [Brooke]

This could explain why childminders have a working pattern that resembles that of childless women, despite a considerable proportion of childminders being mothers of small children.

Figures on part-time and full-time work can however be misleading: first, they do not take into account the number of hours worked. ‘Long’ part-time hours can be very similar to ‘short’ full-time hours. Second, the part-time figures presented refer to the job, rather than to the person. Someone holding two part-time jobs would here be counted as working part-time, while in fact she may be facing more difficulties in reconciling family responsibilities and paid work than someone employed full-time.

Table 6.6 summarises the total number of hours worked by childcare workers over the three time periods. The figures show a 7.2 percentage point drop in the proportion working less than 16 hours (from a base of 21 percent in 1994-1998), a trend which is likely to be related to the introduction of the Working Families’ Tax Credit in 1999 and of its successor – the Working Tax Credit – in 2003.³⁴ This drop in the proportion working less than 16 hours is matched by an increase in the share of

³⁴ Both the Working Families’ Tax Credit and the Working Tax Credit were available to families working at least 16 hours a week. The Working Tax Credit extended eligibility to singles and couples *without* children.

workers reporting working hours between 16 and 30 hours and between 31 and 45. Thus, by 2003-2008 more than 70 percent of childcare workers reported working between 16 and 45 hours. This trend has been concomitant with a slight reduction in the proportion of workers holding a second job. However, the incidence of second job holders is very high. For example, among all people in paid work the proportion is around 4 percent. The high incidence of workers holding a second job is arguably related to the low pay in the sector.

Although part-time work has traditionally been the chief way of reconciling family responsibilities with paid work, there are other aspects related to working times that are likely to affect workers' flexibility. The material from the interviews has indeed highlighted how workers give importance to having the time to fit small chores or commitments in their weekly schedule. In particular, shift work was often considered desirable as both Ashia and Rose explained:

You know, shift work here is more convenient for me, cause if I'm on early I finish at three and I can go and pick up my brother from school or, you know, I would do things that I need to do for family and stuff. If I'm on the late shift I start at ten thirty, so I've got that opportunity to drop my brother off to school or if I need to do anything for my mum. [Ashia]

It's the shift that makes the difference. You know, that's what makes the difference. [...] At least I know that this week I was on 10.00 till 6.00. Next week I'll be doing 8.00 till 4.00 but at least I've still got time to go to the optician, dentist or whatever. [Rose]

While shift work seemed quite common among the interviewees working in private day nurseries, data from the LFS indicate that this working arrangement is very marginal among childcare workers, with only 9 percent of childcare workers reporting to have some kind of shift arrangement (Table 6.7, first column). Working only during term time is instead more widespread, with one worker out of five working only when schools are open (Table 6.7, second column). This number coincides with the proportion of workers employed in the public education sector (see Chapter 5: Table 5.4 and Table 5.6).

The need to balance family responsibility and work is also likely to be reflected in the distance that childcare workers are ready to travel to work. The third column of Table 6.7 presents figures on time taken to travel for childcare workers. On average, childcare workers take 14 minutes or 21 minutes to get to work, depending on whether they are part-timers or full-timers respectively, and this indicates that they

Table 6.7 Family-friendly working arrangements and time to travel to work

	SHIFT WORK ^a	TERM TIME ^b	TRAVEL TO WORK TIME ^c
Percentage/Minutes	8.8	20.5	18
<i>Unweighted base</i>	<i>1431</i>	<i>1491</i>	<i>800</i>

Source:

a. LFS, 2005-2008, second quarter, first, second, third and fourth wave only.

b. LFS, 2005-2008, second and fourth quarters, first and second wave only.

c. LFS, 2006-2008, second quarter, first, second, third and fourth wave only.

Notes: Figures in the first and second columns indicate percentages over childcare workers aged between 16 and 59 (women) and 64 (men); figures in the third column are minutes.

travel 5 minutes less than the average working woman in the UK.³⁵ The fact that childcare workers seem less prepared than the average British woman to travel long distance to work surely mirrors their lower pay – as their wage is relatively lower, they cannot afford to travel as far. But it also indicates that family responsibilities are likely to affect the range of jobs accessible to childcare workers which, in turn, makes the state of the *local* labour market particularly relevant to them (Manning 2003, Chapter 7; Yeandle 2009).

The case of childminders is obviously different as, by definition, they work at home. Interviews have however pointed to some forms of constraints that may not be obvious to those not familiar with this type of work. First, childminders tend to leave the house every day, in order to go to drop-in centres where children can either be outdoors or do “messy play”, i.e. with sand and water, wet paint and similar. Therefore, they do have to travel during their working hours, and they do so with children in tow. Second, childminding imposes several constraints on home arrangements, and can clash with other family members’ needs. For example, one interviewee who was working part-time in a day nursery explained that she would have liked to take up childminding but she could not have had children making noise in the house during the day, because her husband was a bus driver and often worked during the night and hence needed to sleep during the day.

³⁵ Indeed on average women travel 19 minutes if working part-time or 26 minutes in working full-time. Men take respectively 22 and 30 minutes. My calculations on 2006-2008 data from LFS.

In a labour market in which, in 2003, 45 percent of women worked part-time (Manning and Petrongolo 2004), childcare workers do not seem to be exceptional – indeed the incidence of part-time work is very similar if not slightly lower. As is generally the case for women, childcare workers’ choice of working part-time is likely to be dictated by the need to balance family responsibilities with paid work. As for other forms of flexibility, these do not seem to be common. Indeed shift work, flagged up as important by interviewees, is, according to the LFS, available only to less than 10 percent of childcare workers. Another important aspect of jobs is how far one has to travel. Data on travel to work indicate that childcare workers take less time than the average woman to get to work. This in turn could be a result of poor pay or family responsibilities. Yet the bottom line in this discussion is that family-friendly working conditions do not figure prominently among childcare workers.

Educational qualifications: understanding changes beyond simple labels

Previous studies on the characteristics of the childcare workforce have pointed to the general low level of qualifications held by the majority of workers. With the exception of teachers, there has been the tendency to recruit childcare workers from among school leavers with relatively poorer educational attainment (among others, Cameron, Owen, and Moss 2001; Abbott and Pugh 1998). This section builds on previous analysis and adds further evidence by looking closely at the education profile of childcare workers from 1994 to 2008.

In its essence, this is a descriptive exercise. But, unlike the issues examined in the previous sections, it presents more challenging measurement problems. The rest of this section is therefore devoted to explaining these methodological issues before presenting the actual findings in the next subsection. Three issues stand in the way of getting a precise picture on the educational profile of childcare workers. First, in the case of childcare workers the boundaries between education and training are likely to be more blurred than is usually the case. Indeed, several vocational courses are designed to be almost equivalent to workplace training, but are nonetheless considered part of the education system. This means that the number of years in full-time education is not a valid indicator in the case of childcare workers, as they often acquire specialised knowledge following a pathway other than full-time education. A more appropriate indicator would be a measure of attainment, like the highest

qualification held, as this would encompass both educational and professional qualifications, whether they are obtained via training or while in full-time education. Although a focus on qualifications is suitable for childcare workers, it moves attention away from educational achievement at the end of compulsory schooling, which is a critical determinant of the subsequent choice between academic courses, vocational ones or employment.

The second, related problem, is that it is difficult to construct a classification that compares different qualifications in a valid way. While it is trivial to rank GCSEs, A-levels and degrees, there are several qualifications that do not univocally map onto each other. Is a BTEC diploma equivalent to A-levels? They are both post-16 qualifications, usually obtained in two years. However A-levels give access to higher education across the board, while a BTEC diploma is accepted as a valid entry requirement only by vocationally-oriented degrees (West and Steedmand 2003). Finally, the third problem relates to information collected by the LFS. Although the LFS presents respondents with a detailed list which comprises in the most recent years 40 qualifications, many qualifications that are common among childcare workers are not uniquely identified. For example, the NNEB (National Nursery Examination Board diploma) and its successor, the CACHE (Council for Awards in Care, Health and Education) diploma, are not on the LFS list. This inevitably creates some coding errors and limits the level of precision in assessing qualifications among childcare workers.

Given these challenges, I have sought to construct a measure that is as reliable and valid as possible and that tackles the problems outlined above. I use a measure based on the qualifications obtained, and in particular on the *highest* qualification held. Table 6.8 presents this classification and shows how it maps onto the list of qualifications recorded by the LFS. Despite all the caveats outlined above, this classification has the advantage of giving a clear picture of attainment levels: the percentage of childcare workers holding a diploma in nursing or A-levels, for example. In order to take into account exam achievement at the age of 16, the distinction is made between 5 or more GCSEs A*-C and fewer. This way, a measure of attainment at the end of compulsory schooling is included.

Table 6.8 Classification of qualifications

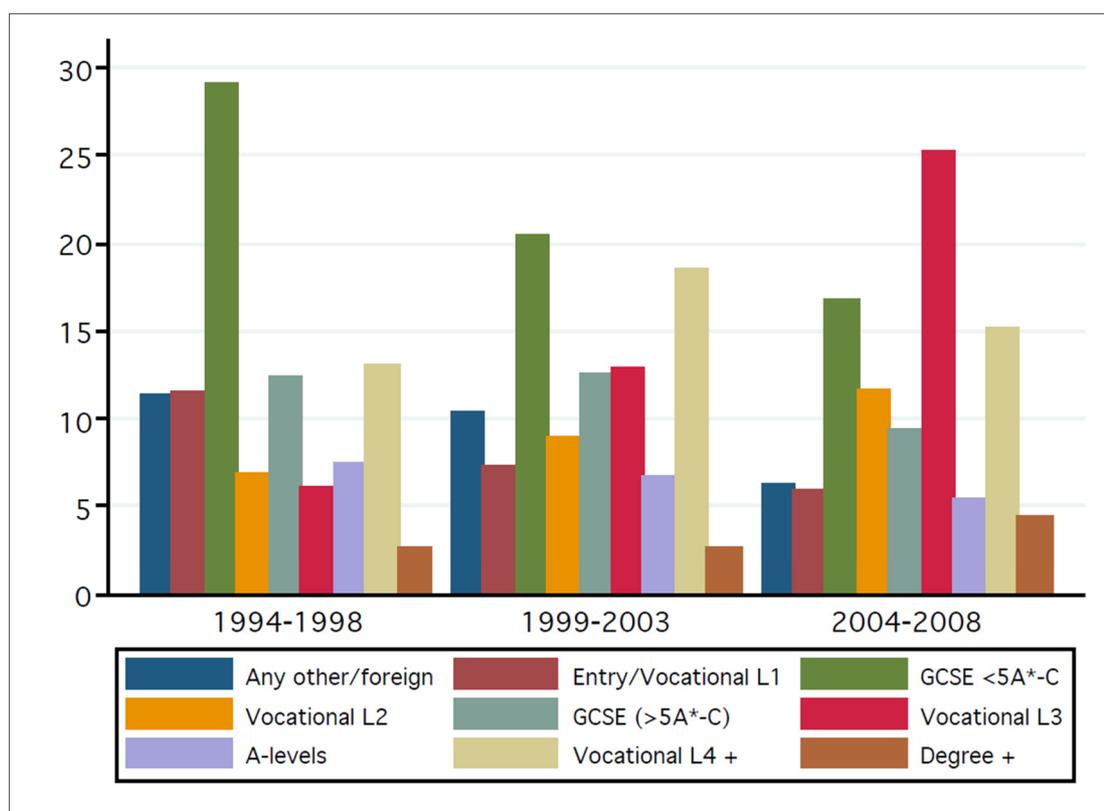
CLASSIFICATION I	CLASSIFICATION II (DETAILED)	LFS QUALIFICATIONS INCLUDED
<i>General education/academic qualifications</i>		
GCSE (< 5A*-C)	GCSE (<5A*-C)	Fewer than 5 GCSE A*-C
GCSE (≥5A*-C)	GCSE (≥5A*-C)	5 or more GCSEs A*-C
A-levels	A-levels	A-level International baccalaureate Access qualifications
Degree and above	First degree Higher degree	First/foundation degree [†] Higher degree
<i>Vocational/occupational qualifications</i>		
Entry/Vocational Lev1	Low skill & other entry NVQ1 RSA low C&G low BTEC certificate	Young people Training certificate Key skills qualification Basic skills qualification Entry level qualification NVQ level 1 RSA other City & Guilds foundation BTEC first certificate
Vocational Lev2	NVQ2 GNVQ interm. RSA diploma C&G craft BTEC diploma	NVQ level 2 or equivalent RSA diploma City & Guilds craft BTEC general diploma
Vocational Lev3	NVQ3-5 RSA high C&G advanced OND	NVQ level 3 NVQ level 4 NVQ level 5 RSA higher diploma RSA advanced diploma City & Guilds advanced craft OND, ONC
Vocational Lev4 and above	HND Diploma in HE Other HE below degree Teaching diploma Nursing diploma	HND, HNC Diploma in higher education Other higher education below degree Teaching, further education Teaching, secondary education Teaching, primary education Teaching foundation stage Teaching, level not stated Nursing diploma

Note: † I separate “Foundation degree” from “First degree” and include it in “Diploma in HE” and therefore in “Vocational Lev 4+”. Scottish and Welsh qualifications are included and equivalised to English ones.

Furthermore, the classification used distinguishes between academic and vocational qualifications at secondary level. The British educational system is characterised by the presence of an academic track, which is held as the educational gold standard and by what I call, for simplicity, a “vocational track”. The academic track is pursued by a minority of pupils and is marked by the attainment of 5 or more GCSEs at grades A*-C at age 16, two or more A-Levels at age 18, and, ultimately, a degree. Outside this standard, there is a large plethora of options, which go from full-time college-based courses combining general education with a strong vocational element to work-related educational programmes aimed at “disaffected” young people (Pring 2008; West and Steedman 2003). Although the vocational branch is far from homogeneous, a strong demarcation exists between the gold standard and all other qualifications, and it is therefore important to take this distinction into account.

This distinction also reduces the need to devise a classification that harmonises *all* qualifications. As it was explained in Chapter 3, the Government has established a “qualifications framework” (the NQF) at national level, which classifies all qualifications – vocational and academic alike – at one of five levels. According to the NQF, for example, the NVQ3 is equivalent to other vocational qualifications like the BTEC diploma and also to academic qualifications like A-levels. So someone with an NVQ3 and someone with A-levels were both said to have qualifications at level 3. In the NQF levels are clearly defined, but this clarity is achieved at the expense of a valid and credible correspondence between qualifications (Robinson 1996, 1997; Wolf 2004). Thus the classification presented in Table 6.8 keeps the academic track separate from the vocational one.

Finally remains the problem that some professional and vocational qualifications specific to the childcare sector are not uniquely identified by the LFS. This may be especially relevant for NNEB and CACHE diplomas. It is not possible to get any more precise information on these qualifications; thus, when discussing the results, it is important to remember that the category ‘vocational qualifications’ at both levels 3 and 4 and above include qualifications which may be quite different from each other. I will return to this point later in the chapter.

Figure 6.1 Highest qualification held, by time period

Source: LFS data, 1994-2008, all quarters, first wave respondents only.

Notes: "Entry/Vocational L1" includes "No qualifications". For a detailed description of how qualifications are defined see text and Table 6.7 Sample includes all childcare workers aged between 16 and 59 (women) and 64 (men).

Trends in the qualifications held by childcare workers

After this methodological detour, we can finally assess whether or not the qualifications held by childcare workers have changed over time or not. Figure 6.1 reports the highest qualification held by childcare workers over the last 15 years. As before, data are reported over three five-year periods in order to increase sample size. The immediate point to notice is the mix of qualifications: the modal group never reaches more than 30 percent. This means that this workforce, despite having fairly homogeneous demographic characteristics, is quite varied in terms of the qualifications held. There are five groups of qualifications that have a relative high prevalence: GCSE, with different grades, and vocational qualifications at levels 2, 3, 4 and above. Thus, the saliency of the vocational track is evident, since the only widespread academic qualification is, in fact, the general education certificate gained upon completion of compulsory schooling. Besides these five groups of

qualifications, the residual group “Any other/foreign qualifications” is fairly large. This in part reflects the difficulty of classifying some qualifications specific to this sector, which may not be easily converted into the LFS coding.

When looking at time trends, the first key aspect regards low education attainment – either no qualification at all, very basic vocational training or poor GCSEs. Their share has fallen considerably, so that by 2004-2008 less than 20 percent of childcare workers had either no qualification or very poor ones as compared with 35 percent in 1994-1998. On the other hand, vocational qualifications at levels 2 and 3 have become increasingly popular. This trend is especially marked for those qualifications that are at level 3. Indeed, whereas between 1994 and 1998 only around 6 percent of childcare workers had a vocational qualification at level 3 as their highest qualification, in more recent years this share has jumped to 27 percent.

These figures may however overestimate the magnitude of the change because they probably also capture variations in the way some qualifications were classified. In particular, it is not clear whether the NNEB and the CACHE diploma were classified at level 2 or 3 before the introduction of the National Qualification Framework in 1996. If the NNEB was considered equivalent to 2 O-levels until 1997 and subsequently equivalent to NVQ3, part of the changes depicted here are due merely to a reclassification, rather than an actual change in the qualifications held by childcare workers.³⁶ Unfortunately, there are no statistics on the NNEB and CACHE diplomas against which to check the numbers obtained from the LFS. My calculations based on a guesstimate by Moss and Penn (1996, 100) would suggest that around 10 percent of the workforce was holding an NNEB/CACHE at the beginning of the 1990s. Thus part of the change between 1994-1998 and 1999-2003 is likely to have been created by changes in the way qualifications were recorded.

Even though these numbers need to be taken with caution, there is nonetheless a visible shift towards vocational qualifications. In particular, vocational qualifications at level 3 have become increasingly common, so that by 2004-2008 they were the modal qualification type among childcare workers. The fact that the proportion of workers with five or more GCSEs at grades A*-C as their highest qualification has

³⁶ In 1972 the NNEB was classified as equivalent to 2 O-levels (Wright 1999).

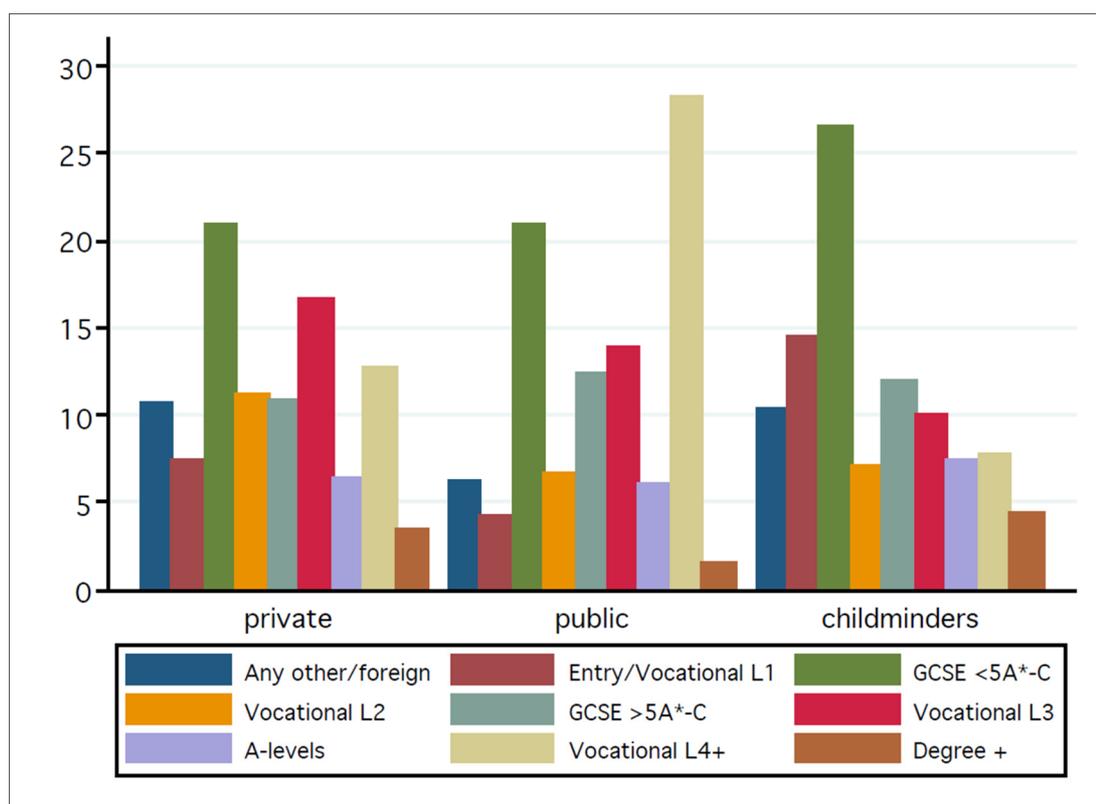
dropped should not be interpreted as a decline in general education qualifications. GCSEs are, in the official qualification framework, pitched at a lower level than vocational qualifications at level 3. This means that a vocational qualification at level 3 would be recorded as the highest qualification held by someone with 5 or more GCSEs at grades A*-C, even though good GCSEs are more likely to confer access to more advanced qualifications than many vocational qualifications at level 3³⁷.

Finally, there has been a slight increase in the share of workers holding post-secondary qualifications. In particular, a growth in vocational qualifications above level 4 occurred between 1998 and 2003, while later – between 2003 and 2008 – the proportion of workers holding a degree increased.

These results suggest that the majority of childcare workers are qualified either at GCSE level or at adjacent vocational ones, namely vocational levels 2 and 3. The incidence of post-secondary qualifications is limited to around 20 percent. However, when looking at the other end of the attainment spectrum, it is also clear that only a small percentage of workers has not obtained their GCSEs, or has ‘poor’ GCSEs. In terms of trends, the results suggest that changes in the highest qualification held have not occurred evenly across types of qualifications or levels. Indeed, there has been only modest growth at tertiary level, though a rapid expansion of vocational qualifications at level 2 and even more particularly at level 3.

While over time the picture of childcare workers’ qualifications has remained roughly stable, there are some notable differences across groups of workers. As before, I distinguish between workers employed in the private sector, those in the public sector and finally childminders. Figure 6.2 reports the highest qualification held by workers in different groups. There are three points to notice in this comparison. First, the incidence of vocational qualifications at levels 2 and 3 is highest among employees in the private sector. Second, it is only among workers in the public sector that vocational qualifications at level 4 and above are common, with more than one in four public sector workers holding a vocational qualification gained at post-secondary level.

³⁷ Hereafter I often refer to 5 or more GCSEs at grades A* to C as “good GCSEs” and to less than 5 GCSEs at grades A* to C as “poor GCSEs”.

Figure 6.2 Highest qualification held, by type of provision/sector

Source: LFS data, 1994-2008, all quarters, first wave respondents only.

Notes: “Entry/Vocational L1” includes “No qualifications”. For a detailed description of how qualifications are defined see text and Table 6.7. Sample includes all childcare workers aged between 16 and 59 (women) and 64 (men).

Third, childminders appear to be the least qualified but it is notable that the percentage of childminders with a degree is in fact higher than for other groups. This is in line with other studies on childminding, which have suggested that childminding is often picked up just for a few years by highly qualified women employed in other sectors when they have their own children (Greener 2009; Mooney et al. 2001).

Overall, it appears that workers in the public sector are better qualified and this could, in turn, explain their higher pay. This point will be explored in more detail in the next chapter.

A closer examination of vocational qualifications

Because changes between 1994 and 2008 have mainly regarded vocational qualification at level 2 and level 3, in the rest of the section I will examine more

Table 6.9 Highest qualification held, by time period

	1994-1998	1999-2003	2004-2008
Other qualification	11.5	10.7	6.4
Entry level/Vocational L1	11.3	7.1	5.7
No qualification	8.9	5.6	4.9
Low skill	0.1	0.1	0.2
NVQ1	0.1	0.3	0.2
RSA low	0.8	0.9	0.2
City & Guilds low	1.4	0.1	0.1
BTEC certificate	0.1	-	0.1
GCSE (<5A*-C)	28.9	20	15.9
Vocational Level 2	6.9	8.9	11.8
NVQ2	1.5	5.0	9.3
RSA Diploma	0.4	0.1	0.1
City & Guilds craft	0.7	0.4	0.5
BTEC diploma	1.0	0.7	0.6
GCSE (\geq 5A*-C)	12.3	12.4	9.2
Vocational L3	6.1	13.3	25.6
NVQ3	1.6	7.7	19.9
RSA High	0.3	0.1	0.1
City & Guilds advance	0.6	0.3	0.2
OND	3.7	5.2	5.3
A-levels	7.3	6.5	5.7
Vocational L4 and above	12.9	18.6	15.2
HND	1.7	2.9	3.7
Diploma in Higher Education (HE)	0.8	2.1	3.2
Other HE diploma (below degree)	1.4	2.6	1.3
Teaching diploma	1.5	2.2	1.3
Nursing diploma	7.5	8.7	5.4
Degree and above	2.7	2.6	4.4
First degree	2.3	2.2	4.0
Higher degree	0.4	0.4	0.5
<i>Unweighted base</i>	<i>2230</i>	<i>2157</i>	<i>1941</i>

Source: LFS data, 1994-2008, all quarters, first wave respondents only.

Note: percentages do not necessarily add up because of rounding. Scottish and Welsh qualifications are included and equalised to English ones. Sample includes all childcare workers aged between 16 and 59 (women) and 64 (men).

closely this group of qualifications. The analysis has two objectives: 1. To understand more precisely what qualifications belonging to these groups have increased more markedly; 2. What the relationship between general education qualifications and vocational ones is.

As for the first point, Table 6.9 reports changes in the highest qualification held by childcare workers, but breaks down the categories used so far into almost unique qualifications. The point to notice is that, among vocational qualifications at level 3, it is NVQ3 that have witnessed the most rapid and substantial expansion. Other vocational qualifications at level 3 have remained uncommon or, in the case of the OND (Ordinary National Diploma), have increased only slightly. Likewise, among vocational qualifications at level 2, it is the NVQ2 that has driven much of the change. As before, caution is needed when interpreting this result. NVQs are a specific type of qualification, but it could be that other qualifications are recorded under this heading because the LFS does not list all the vocational qualifications that are awarded in the childcare sector. For example, someone with a level 3 “Diploma in Early Years Care and Education” is likely to instead be recorded as holding an NVQ3. This would happen simply because the Diploma is considered *equivalent to* an NVQ3. The question arises then as to whether the increase in NVQ qualifications described in Table 6.8 reflect an increase of *true* NVQs rather than of some other qualification.

There are several reasons to think that the data from the LFS capture, by and large, the growth of NVQ qualifications exactly rather than some other vocational qualification not listed by the LFS. First, the defining feature of NVQs is that it does not need to be taught in full-time or part-time courses because the focus of NVQs is on standards of performance (West and Steedman 2003; O’Hagan, Griffin and Dench 1998). Consequently, assessment consists in observation of performance at work. This assessment regime is therefore different to those of other vocational courses which typically combine class-based learning with periods of work-experience; the assessment regime of these other vocation courses usually consists in a series of written examinations. The defining feature of a NVQ is that it can be obtained outside an educational institution. Thus, although NVQs are often taught in colleges, they are on offer as on-the-job training (West and Steedman 2003; O’Hagan, Griffin

Table 6.10 Where highest vocational qualification was obtained, by time period

	1999-2003		2004-2008	
	NVQ	All other vocational qualifications	NVQ	All other vocational qualifications
Solely through school or college	44.4	81.4	40.3	81.2
Solely at place of work	20.6	1.5	20.2	1.4
Combination: workplace and academic institution	31.4	15.3	35.4	16.6
Some other way	3.6	1.9	4.1	1
<i>Unweighted base</i>	<i>306</i>	<i>531</i>	<i>692</i>	<i>295</i>

Source: LFS 1999-2008, second quarters, all waves.

Note: percentages are calculated among childcare workers who receive NVQ *only* and all other vocational *only*. Therefore someone who has an NVQ and a BTEC would not be counted. This is because I am ultimately interested in seeing where those who gain NVQ do so. So, I need to distinguish them from those who have also gained some other qualification.

and Dench 1998). Wherever the qualification is obtained, assessment consists in an observation of performance at work or a simulation of it, and candidates receive the award if their performance reaches a set of standards.

Since 1999, the LFS asks respondents where they have obtained their highest vocational qualifications. This information allows tracking one characteristic of NVQs, namely that they are often gained solely through work. Table 6.10 reports results for childcare workers and distinguishes between those who have obtained an NVQ and those who hold other vocational qualification, but not an NVQ. The point to note is that the difference between NVQs and other vocational qualifications is picked up by the LFS data, which correspondingly report a much higher incidence of ‘solely at work’ attainment among those holding an NVQ than among those who have obtained a different vocational qualification. Indeed, in 2004-2008, only around 40 percent of childcare workers obtain their vocational qualification only at college, while the percentage is almost 81 percent for other qualifications. Over time these proportions have not varied significantly. This means that, despite the imprecision created by coding errors, the overall upsurge in the proportion of childcare workers

Table 6.11 Vocational qualifications at level 3: previous and subsequent educational attainment, by type of qualification

	NVQ3	OTHER VOCATIONAL L3
Highest qualification		
Vocational L3	89.8	71.3
A-levels	7.5	7.6
Vocational L4+	-	19
Degree	2.8	2.1
GCSE (≥ 5 A*-C)	36.9	46.2
<i>Unweighted base</i>	<i>615</i>	<i>380</i>

Source: LFS, 1996-2008, first wave respondents only.

Note: Figures are percentages relative to all childcare workers holding an NVQ3 (first column) or a different vocational qualification at level 3 (column 2). Information on *all* qualifications – as opposed to the *highest qualification* – is collected consistently only since 1996.

holding an NVQ3 qualification reflects an actual increase in this type of qualification. This result is in line with aggregate evidence on NVQs, which points to the rapid increase of this type of qualification and its large use by employers in the care sector (Cooke et al. 2000).

Now that we have established that the increase in NVQ3 qualifications visible in LFS data is likely to be a reasonably accurate picture of what is happening, we can ask ourselves what this increase means. From the start, it is worth remembering that the role of NVQ qualifications in the field of childcare has been debated since their inception (Cameron and Boddy 2006; Moss 2000), with some practitioners welcoming NVQs as potentially able to recognise relevant skills (O'Hagan, Griffin, and Dench 1998) and others fearing that NVQs would water down standards and be unsuitable for the training of 'reflective' practitioners (Calder 1995). This thesis cannot enter into this debate; instead, it can offer some insight into the relation between NVQ3 and other qualifications and also on the views about NVQ3 collected during the interviews with childcare workers.

When examining how an NVQ3 is usually combined with other qualifications, two results stand out (Table 6.11). First, only around 37 percent of childcare workers holding an NVQ3 have obtained 5 or more GCSEs at grades A*-C. The percentage

is higher among those childcare workers who have other vocational qualifications at level 3 (i.e. OND). Second, among those workers who have gained an NVQ3 almost 90 percent will not gain a higher qualification; the NVQ3 will thus be their highest qualification. On the contrary, among those who have a vocational qualification at level 3 other than NVQ (i.e. OND), almost 30 percent will obtain another qualification at a higher level. This result is not surprising: very few NVQs have been issued at levels 4 or 5, while the OND is part of a well-defined progression, culminating in the attainment of an HND/HNC (Higher National Diploma/Certificate) on offer in higher education institutions. Therefore, compared to other vocational qualifications at level 3, NVQs tend to draw their candidates from school leavers with lower grades and are less likely to guarantee further progression.

Evidence from the interviews on the role and value of NVQ3 was mixed. The interviews confirmed in part a point that had already been noted by Moss and Penn (1996, 103): although NVQ qualifications are at a basic level, they are a source of pride to those who have obtained them. For example, Ann was explicit in saying that the NVQ3 had not changed her practice, but that it had nonetheless given her a sense of professionalism.

I work that way anyway. I've always worked that way. So... I guess it makes you feel a little bit more professional.

The link between NVQ3 and professionalism was also expressed by two childminders, who had gained the qualification in their spare time with considerable effort.

Some workers appreciated the opportunity of overcoming specific problems they had. Amelia for example explained that she didn't like "to read in a large group" and that while doing the NVQ course she had learnt ways around that:

You don't need to be stuck on a book and it's boring to hear the book, [but] you *act* the story, it's very, very nice.

Furthermore, some workers reported that by obtaining an NVQ3 they had gained more confidence; for example Janine:

When you're doing Level 3 you've gotta do presentations, standing up in front of people and that's one thing I'm not good at. I really lack confidence, so that helped me out quite a bit. That's why I think got better with it [talking to parents].

Despite the differences in opinion, all interviewees reported that they had gained their NVQ qualification either solely on the job or through a mixture of work and college training. Often, however, the contribution of the college tutor was rather minimal, as Amanda recalled:

I wasn't going to a class where we can get feedback from other people, I was just like on my own, yeah, because 2 days she [the tutor] comes here and assess me and then she would say to me, phone me if you're stuck, but you don't want to be phoning, so it was fairly stressful but I got through it.

Interviewees appeared eager to undertake further training and to progress to higher level qualifications. For many, the progression between level 2 and level 3 had been almost unplanned and natural. Amanda for example recalled that her manager had asked if:

I want to want to do my level 3. I said: 'why not? Because I have done my level 2 I might as well get on to level 3'.

However, those who expressed the desire to move on to the next level – NVQ4 – were aware that this was not easily achievable because the few NVQ4 courses available were in fact related to the 'business' aspect of day nurseries, so actually training nursery managers rather than practitioners. In the words of an official from the Children's Workforce Development Council (CWDC): "there is a bit of a leap" from NVQ3 to any higher qualification relevant to childcare.

Who works in childcare?

So far the chapter has documented several features of the childcare workforce – their demographic characteristics, their working patterns and their educational qualifications – but has examined them one by one, using mainly cross-tabulations. However, the analysis presented in this section looks *simultaneously* at the different characteristics considered so far and it assesses their influence on working in childcare. I use data from the LFS, but restrict the analysis to the more recent five years. The results therefore can be interpreted as describing how the childcare workforce looked between 2003-2008, ignoring the question of what changes have occurred in the last decade and a half.

Two separate questions are considered in this section. First, an overall assessment is made of the differences between childcare workers employed in the private sector, in

the public one, and those working as childminders. Second, I examine to what extent certain characteristics are associated with employment in childcare as opposed to employment elsewhere.

The bivariate analysis has suggested that childcare workers in the private sector are younger, less likely to have children, and are not as well qualified as those in the public sector. Childminders, on the other hand, are older and more likely to have children than are the other two groups, but they tend to hold lower qualifications. This picture is confirmed by a multivariate analysis. I use a multilogit regression model, which estimates the effect of different variables on the probability of working in three alternative groups: the private sector, the public sector, and as a childminder. Table 6.12 reports the odds ratios, or the greater or lesser chances that workers with certain characteristics have of working in the public sector as opposed to the private sector (column 1), as a childminder as opposed to the private sector (column 2), and as a childminder as opposed to the public sector (column 3).³⁸

Four points can be taken from Table 6.12. First, workers younger than 25 tend to be concentrated in the private sector. Likewise, workers above age 45 are more likely to work as minders than as employees in either the private or the public sector. Second, working part-time is associated with the private sector rather than with the public sector or with childminding. This in turn could suggest that there may be a part-time penalty even within childcare, as private sector workers are more likely to work part-time and earn substantially less. However, and this is the third point, there is no significant difference between workers in the private and public sector regarding family status. On the other hand, childcare workers with children are more likely to be working as childminders than to be employed in either the public or the private sector. For example, a childcare worker who is a single parent is more likely by a factor of 3.7 than a married worker without children to work as a childminder rather than in the private or in the public sector. Finally, when looking at qualifications, the previous conclusions are confirmed. In particular, relative to someone without qualifications, a childcare worker with GCSEs is more likely to work in the public

³⁸ I run the multilogit model using the STATA command `mlogit`. I then obtain the odds ratios using the post-estimation command `listcoef`.

Table 6.12 Factors associated with working in one sector/type of childcare provision relative to another

	PUBLIC VS. PRIVATE	CHILDMINDERS VS. PRIVATE	CHILDMINDERS VS. PUBLIC
Age 16-25	0.2403*** (0.0486)	0.0829*** (0.0273)	0.3449** (0.1226)
Age 26-35	0.5452*** (0.0900)	0.8600 (0.1430)	1.5775* (0.2953)
Age 46-55	1.1571 (0.2318)	2.6173*** (0.5509)	2.2619*** (0.4969)
Age 56-65	1.1139 (0.3647)	5.6537*** (1.8858)	5.0758*** (1.8099)
Female	1.1742 (0.8020)	0.3502 (0.2395)	0.2982 (0.2354)
Part time	0.5794*** (0.0805)	0.1441*** (0.0216)	0.2487*** (0.0404)
Married with children	0.9234 (0.1706)	4.3911*** (0.9025)	4.7554*** (1.0376)
Single with children	1.0187 (0.2434)	3.7420*** (0.9698)	3.6732*** (1.0194)
Single without children	0.7542 (0.1410)	0.3250*** (0.0876)	0.4309** (0.1228)
BEM or foreign	1.3899 (0.3121)	0.8903 (0.2300)	0.6405 (0.1769)
Other qualification	0.9510 (0.4049)	0.5898 (0.2051)	0.6202 (0.2790)
GCSE (<5A*-C)	2.2094* (0.7811)	0.6630 (0.1959)	0.3001** (0.1115)
Vocational L2	1.2624 (0.4755)	0.4192** (0.1387)	0.3320** (0.1388)
GCSE (≥ 5A*-C)	2.5352* (0.9560)	0.6027 (0.1988)	0.2377*** (0.0952)
Vocational L3	1.8812 (0.6394)	0.2700*** (0.0780)	0.1435*** (0.0525)
A-levels	1.8854 (0.8047)	0.6977 (0.2739)	0.3701* (0.1748)
Vocational L4 and above	3.9389*** (1.3563)	0.2571*** (0.0812)	0.0653*** (0.0247)
Degree and above	1.2637 (0.5657)	0.5049 (0.1924)	0.3995 (0.1936)
Pseudo R-Square		0.2053	
Wald chi2		831.23	
Prob > chi2		0.000	
Observations		1964	

Source: LFS, 2003-2008, all quarters, first wave respondents only.

Notes: Multilogit model. Sample: all childcare workers aged between 16 and 59 (women) and 64 (men). Figures are odd ratios; figures in parentheses are standard errors; statistical significance levels: * p < 0.1; ** p < 0.05; *** p < 0.01. Controls for region and year are included.

sector than in the private. Likewise, holding a vocational qualification at level 4 or above is significantly associated with employment in the public sector. In contrast, holding any qualification reduces the chances of working as a childminder as opposed to working in centre-based settings. Put another way, childminding tends to attract workers with lower educational backgrounds.

The analysis has, until now, concentrated on childcare workers alone. Indeed, comparisons have been made only among different groups of childcare workers and across different time periods. But this type of analysis does not directly address the question of which characteristics are typically associated with childcare workers. For example, given that the NVQ3 is fairly common among childcare workers, we may be interested in knowing whether holding an NVQ3 increases the chances of working in childcare as opposed to other occupations.

I carry out a multivariate logistic regression analysis on the probability of working in childcare (outcome = 1) as opposed to all other occupations (outcome = 0). Table 6.13 summarises the results, expressed as odds ratio. The reference category is a white man, aged 36-45, employed full-time, married without children, with no qualifications, living in the south-east. An odds ratio greater than one indicates that working in childcare is more likely for those with that characteristics relative to the reference category.

Looking at the odds ratios for different age groups, it appears that younger workers are more likely to work in childcare than those aged 36-45. In part this is due to the fact that there is no qualification entry requirement to work in childcare, while entry into many other occupations is restricted to workers with higher qualifications, who are necessarily older. As may be expected, women are far more likely than men to work in childcare. Indeed, the predicted probability of working in childcare for a white man, aged 36-45, employed full-time, married without children, with no qualifications, living in the south-east is 0.001percent (our reference category). For a similar woman, the predicted probability is 1percent, one hundred times greater. In contrast to this result, a worker from a Black or other ethnic minority background or born overseas is less likely than a white UK-born worker to be employed in childcare.

Table 6.13 Factors associated with working in childcare, 2003-2008

	ODDS RATIOS
Age 16-25	2.5169*** (0.1849)
Age 26-35	1.3390*** (0.0851)
Age 46-55	0.9831 (0.0744)
Age 56-65	0.6661*** (0.0795)
Female	101.9770*** (21.4995)
Part time	0.9222 (0.0458)
Married with children	1.8904*** (0.1288)
Single with children	1.5920*** (0.1413)
Single without children	0.9129 (0.0638)
Black or ethnic minority background	0.6646*** (0.0576)
Other qualification	2.2292*** (0.2940)
GCSE (\geq 5A*-C)	1.9061*** (0.2055)
Vocational L2	2.2790*** (0.2618)
GCSE ($<$ 5A*-C)	1.3914** (0.1650)
Vocational L3	4.7448*** (0.4920)
A-levels	0.8875 (0.1182)
Vocational L4 and above	2.3759*** (0.2576)
Degree and above	0.3348*** (0.0477)
Pseudo R-Square	0.1859
Wald chi2	4100
Prob > chi2	0.000
Observations	208551

Source: LFS, 2003-2008, all quarters, first wave respondents only.

Notes: Logit model. Sample: all those in employment. Figures are odd ratios; figures in parentheses are standard errors; statistical significance levels: * $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$. Controls for region are included.

Reference category: a man, age 36-45, working full-time, married without children, White and born in the UK, with no qualification, living in the south-east.

Part-time work is not statistically significantly associated with employment in childcare. That is, someone who works part-time is not more likely to work in childcare than someone who works full-time, once all other characteristics are taken into account. On the other hand, having children is highly significant, as the chances of working in childcare are higher for those with children than for those who are married and childless. In particular, childcare work is a more common choice of employment among lone parents than among those without children. In order to examine the correlation between part-time work and the presence of children, I have run the same logit regression without including family status and presence of children (results presented in Appendix 6). The odds ratios for part-time employment are 1.11. Thus, not surprisingly, part-time workers are more likely to work in childcare than are full-time workers as they are more likely to be parents.

When looking at qualifications, the thing to notice is that only two qualifications decrease the chances of working in childcare: A-levels and degrees. Workers holding any other qualification are more likely to be in childcare than a worker without any qualifications. This result dovetails with the descriptive analysis of the previous section: only a small percentage of childcare workers do not have any qualifications and, likewise, the share of workers with A-levels and degrees is rather small. On the other hand, the odds ratios of vocational qualifications at level 3 is especially large. Indeed, the predicted probability of a woman with such a qualification working in childcare is 4 percent, compared to the 1 percent of a woman without any qualification. Overall then, this piece of analysis leads to conclusions similar to the ones reached in the bivariate analysis. Childcare does not seem to attract the most poorly qualified workers nor those with the highest qualifications. Instead, childcare workers tend to be drawn from vocational qualifications which are notionally pitched at the middle of the qualifications distribution, but remain below the tertiary level of education.

Discussion and conclusions

The analysis presented in this chapter allows an understanding of what the childcare workforce looks like, how it has changed over time and who, in the most recent years, is likely to work in this sector. Attention has been given to three sets of issues: the demographic characteristics of workers, their working patterns and what kind of

flexibility employment in childcare gives and, finally, the educational qualifications of childcare workers. This section summarises the results and offers some reflections on the relation between the findings and the broader theme of the thesis, namely low pay.

The empirical evidence presented has confirmed that childcare is almost completely an all-female occupation. This lends support to the premise of this thesis – namely that childcare has to be understood as a deeply gendered occupation. The results have also pointed to, perhaps more surprisingly, the lack of change in the gender composition of the childcare workforce since 1994. Despite explicit policy efforts to recruit men, their almost total absence from this occupation endures. This finding underscores the evidence by Cameron, Moss and Owen (1999), who carefully illustrate how childcare work tends to be seen as *normatively* female and consequently men employed in nurseries face formidable challenges.

The lack of change in the gender composition of childcare is also noticeable when compared to other prevalently female jobs. Men have made inroads as company secretaries, telephonists, nursing auxiliaries, care assistants and retail cashiers, which, at the beginning of the 1990s had more than an 80 percent female share (Grimshaw and Rubery 2007, 93-103). Arguably, as noted in Chapter 2, the association with motherhood is likely to be stronger here than in other occupations dominated by women (England, Budig, and Folbre 2002). Furthermore, historically, childcare has always been the exclusive province of women, in contrast with occupations like elementary teaching or secretarial work, which were originally dominated by men. Finally, the fact that childcare remains dominated by women from a White British background perhaps suggests that, in the UK at least, this occupation is not prone to attract foreign workers or those from ethnic backgrounds.

The fact that this occupation is entirely female brings to the fore the issue of reconciliation between family and paid work and in particular that of part-time employment. The finding that mothers are more likely to be found in childcare than are childless women may be interpreted as suggesting that employment in childcare is particularly family-friendly. In addition, evidence about childminders, and in particular the high incidence of mothers of young children within this group surely

further corroborates the idea that employment in childcare is chosen because it allows combining the need of earning a living with family responsibilities. Finally, the regression analysis has shown that part-time work is significantly associated with employment in the private sector as opposed to the public one. As pay is higher in the public sector, one could interpret this as further evidence that part-time work is implicated in low pay.

But, in fact, it seems unlikely that issues of reconciliation and part-time work are relevant to understanding the low pay in childcare. Although part-time employment is undoubtedly common among childcare workers, the evidence presented clearly suggests that it is not a defining feature of this type of work. The majority of childcare workers work full-time, and this remains true even when we exclude childminders. Thus working schedules in childcare are not similar to those of mid-day assistants, a job that has traditionally attracted women also because of the very short working hours and their perfect match with school opening times (Crompton and Sanderson 1989). Indeed, once we control for family status, part-time work is not significantly correlated to employment in childcare.

Furthermore, the literature on the part-time pay penalty suggests that it is the association between part-time and low paid occupations that drives much of the penalty (Manning and Petrongolo 2004; Connolly and Gregory 2008). Thus, women working part-time are at a disadvantage precisely because reduced hours jobs are available almost exclusively in occupations with relatively lower pay. While making part-time jobs available in better paying occupations has been often indicated as a sensible strategy to reduce the part-time pay penalty (Gregory and Connolly 2008), it seems implausible that reducing part-time in childcare would mitigate/solve the problem of low pay in this occupation.

When looking at qualifications, a more complicated picture has emerged. On the one hand, childcare workers remain qualified only at a very basic level. The proportion of workers holding a degree remains low, at around five percent, in sharp contrast with occupations like those of teachers or social workers, who are almost entirely composed of graduates. On the other hand, childcare workers do not belong to the

very bottom rungs of the qualifications ladder: workers with no qualifications tend to take up jobs in other sectors rather than in childcare.

The types of qualifications that are prevalent among childcare workers are the school-leaving certificate and vocational qualifications gained at age 16 or 18. In particular, upper secondary vocational qualifications are significantly associated with work in childcare. The analysis pointed to a rapid increase in the proportion of workers holding NVQ at level 3 (NVQ3) and thus confirmed that the ‘up-skilling’ of the childcare workforce promoted by Labour has been based mostly on this type of qualification. However, the analysis has shown that the NVQ3 is easier to obtain relative to other vocational qualifications and, it has been suggested, cheaper to offer for training providers (Wolf 2004). In addition, this type of qualification is not designed around the principle of progression, as the NVQ3 in childcare is not linked to further qualifications.

The fact that the NVQ3 is now the most common qualification held by childcare workers does not seem to have introduced a substantial change in the educational profile of this workforce. In 1990 the limitations of the NNEB were so summarised: “It is not accepted as a valid entry requirement for higher education or for higher professional training in teaching, nursing or social work. Yet there are few opportunities for career progression for the holder of the NNEB without further education or training.” (Dept. of Education and Science, 1990: 22). The introduction and expansion of the NVQ3 does not appear to have overcome these problems, thus limiting the potential of this qualification in raising the overall qualification level of childcare workers.

By exploring the characteristics of the NVQ3 relative to other qualifications, the chapter has pointed to another important institutional dimension – that of education and training. In this way, this chapter complements the evidence that had emerged in Chapter 5, when attention was brought to characteristics of employment relationships in the childcare labour market. It is plausible to think that the lack of organised representation across all groups of childcare workers is in part responsible for the lack of a well-established training path.

It has been argued that the childcare recruitment strategy run by Labour provides a vivid example of the “classed nature of working in childcare” (Osgood 2005), whereby the image of who should enter the childcare workforce is directly linked to notions of long-term unemployment and out-of-work mothers. The evidence presented in part confirms this. A higher percentage of childcare workers are recruited from non-employment than it is generally the case in the aggregate labour market, and the proportion of lone mothers has visibly increased. Although the class dimension of childcare is not directly explored in this thesis, undoubtedly classed images of childcare work have implications on whether childcare is considered a skilled or unskilled job.

Up to now, the thesis has established one main point: childcare continues to be a female and low-paid job. Despite all the policy changes, the wages and the profile of this workforce has not changed. The next two chapters will delve further and examine, in turn, the way qualifications and skills are implicated in low pay (Chapter 7) and the role of caring motivations in keeping wages down (Chapter 8).

Appendix 6 Additional Tables

Table 6.A.1 Demographic characteristics of childcare workers by time period and type of provision/sector

	1994-1998	1999-2003	2004-2008
<i>Employees in private sector</i>			
Women	98.7	98	98.6
Age	32	32	32
Married or cohabiting	54.7	54.3	53.5
With children	38	37.1	41.8
Lone parent	6.1	6.6	10.1 ^{‡†}
Born in the UK & White	86.2	87.6	88.7
Unweighted base	1027	1079	1104
<i>Employees in public sector</i>			
Women	99	99	99.4
Age	35	37 [†]	39 [†]
Married or cohabiting	69.8	68.6	67.5
With children	45.9	47.2	48.1
Lone parent	7.1	8.1	12.6 [†]
Born in the UK & White	93.6	91.9	90
Unweighted base	577	616	507
<i>Childminders</i>			
Women	99.3	99.1	98.9
Age	38	40 [†]	42 ^{†‡}
Married or cohabiting	84.7	81.3	81.5
With children	77.5	73.8	69.2 [‡]
Lone parent	9.8	12.1	13.1
Born in the UK & White	93.5	93.6	91.8
Unweighted base	569	535	535

Source: LFS, 1994-2008, all quarters, first wave respondents only.

Notes: † indicates that the percentage is statistically different (at 5% level) from that for 1994-1998. ‡ indicated that the percentage is statistically different (at 5% level) from that for 1999-2003

Table 6.A.2 Factors associated with working in childcare, 2003-2008

	ODDS RATIOS	ODDS RATIOS
Age 16-25	2.5169*** (0.1849)	1.7544*** (0.1135)
Age 26-35	1.3390*** (0.0851)	1.2848*** (0.0808)
Age 46-55	0.9831 (0.0744)	0.7448*** (0.0524)
Age 56-65	0.6661*** (0.0795)	0.4283*** (0.0472)
Female	101.9770*** (21.4995)	98.3725*** (20.7104)
Part time	0.9222 (0.0458)	1.1085*
Married with children	1.8904*** (0.1288)	
Single with children	1.5920*** (0.1413)	
Single without children	0.9129 (0.0638)	
Black or ethnic minority background	0.6646*** (0.0576)	0.6769*** (0.0582)
Other qualification	2.2292*** (0.2940)	2.2367*** (0.2947)
GCSE (< 5A*-C)	1.9061*** (0.2055)	2.0241*** (0.2173)
Vocational L2	2.2790*** (0.2618)	2.4613*** (0.2810)
GCSE (≥ 5A*-C)	1.3914** (0.1650)	1.4348** (0.1695)
Vocational L3	4.7448*** (0.4920)	5.0887*** (0.5260)
A-levels	0.8875 (0.1182)	0.8727 (0.1162)
Vocational L4 and above	2.3759*** (0.2576)	2.5271*** (0.2729)
Degree and above	0.3348*** (0.0477)	0.3347*** (0.0477)
Pseudo R-Square	0.1859	0.1805
Wald chi2	4100	4100
Prob > chi2	0.000	0.000
Observations	208551	208551

Source: LFS, 2003-2008, all quarters, first wave respondents only.

Notes: Logit model. Sample: all those in employment, aged 16 to 59 (women) and 64 (men). Figures are odd ratios; figures in parentheses are standard errors; * p < 0.1; ** p < 0.05; *** p < 0.01.

Controls for region and year are included. Reference category: a man, age 36-45, working full-time, married without children, White and born in the UK, with no qualification, living in the south-east.

Chapter 7

Pay, qualifications and the skills demands of childcare work

Introduction

One of the commonly cited reasons for childcare workers' low pay is their low-level qualifications. All previous work on the characteristics of the childcare workforce has supported this view by pointing to the scant presence of graduates in this occupation and more generally to the tendency to recruit childcare workers among school leavers with poor educational attainment (Cameron, Owen, and Moss 2001; Cameron, Mooney, and Moss 2002; Simon et al. 2003). Evidence from Chapter 6 broadly supported this view. Between 1994 and 2008 the educational profile of the childcare workforce has remained fairly similar, with the majority of childcare workers holding either a school-leaving certificate or a medium level vocational qualification.

At policy level, the implication of this view is straightforward: raising qualifications among childcare workers can increase their pay. This is based on the well documented relationship between pay and qualifications, whereby better educated individuals earn higher wages than their less-educated counterparts. While this result holds across the whole workforce, wage differentials *within* individual occupations have not been as extensively explored and it is therefore not altogether clear whether wage dispersion within occupations is accounted for by differences in qualifications. Indeed, much of the wage premium associated with higher qualifications derives from the fact that higher qualifications ensure access to better paying occupations. But what happens to those people holding, say, degrees but working in a low-paying occupation? Are higher qualifications associated with higher earnings *within* the least paid occupations and within childcare in particular? Despite the majority of childcare workers not being highly qualified, Chapter 6 documented that a sizable minority of the workforce holds qualification at tertiary level – either vocational or bachelor

degrees. It is possible therefore to investigate to what extent pay varies across different types and levels of qualifications.

A focus exclusively on qualifications can however be misleading. Clearly, qualifications can be considered as an indicator of individuals' skills, albeit partial and imprecise. Indeed, information on qualifications is used in much empirical analysis as a proxy for skills. But one of the problems highlighted by the literature on women's occupations is precisely the lack of formal recognition of the skills used on the job. Thus, it is often the case that educational or vocational programmes do not exist in relation to the skills used in "women's work". Chapter 3 has offered some evidence on this point relative to the specific case of childcare in the UK. Indeed it has illustrated the difficulties in establishing a post-18 vocational qualification relevant to childcare work. Relying on formal qualifications had therefore the risk of conflating individual characteristics, institutional arrangements in relation to education and training, and jobs requirements. In the case of childcare work, there is no perfect correspondence between these three dimensions.

An example will clarify the point. Let us take the case of teachers. With considerable oversimplification, it can be argued that those willing to enter into teaching can enrol in suitable training, which will certify and further develop their skills. The training will be in line with the requirements of the job – thus it will aim at fostering the skills demanded by teaching. Of course, in practice, misalignments are likely to arise and there can be disagreement about teachers' training and also about what is demanded from teachers. Notwithstanding these imperfections, in the case of teaching one can infer what the job demands are from looking at the qualifications held by those working as teachers. And indeed teachers are all similarly qualified, in that they almost all have qualification at or above degree level. By contrast, in the case of childcare work it is not possible to make a similar inference, because childcare workers hold qualifications spanning from low vocational ones to degrees and above. In the case of childcare workers an education and training infrastructure is somewhat lacking – a point that has been extensively documented in Chapter 3 and by early years commentators (Abbott and Pugh 1998; Pugh 2003; Sylva and Pugh 2005). Further, Chapter 3 has also shown that childcare services in the UK did not share until very recently a common core function, and it remains contested whether the

integration of different functions (and of care and education in particular) has actually occurred (West, Roberts, and Noden 2010; Moss 2010). Thus, in the case of childcare work, a perspective centred exclusively on qualifications misses the structural and institutional factors that are arguably implicated in its low pay.

It is clear that it is difficult to disentangle workers' qualifications from jobs' skills demands. A much more complex analysis is needed in order to go beyond the recurrent finding that childcare workers are low-paid because they are not highly qualified. Such more complex analysis would, for example, ascertain the actual job content of childcare jobs, would seek to reveal the cultural assumptions and the institutional factors that shape the job content and relate these to workers' characteristics and pay. Further, a longitudinal or comparative perspective would help illuminate these issues. It is however obvious that such a project is difficult to undertake. Here the scope of the analysis is much more limited and the aim more modest. The objective is, first, to offer some evidence on the relation between qualifications and pay and to interpret the results in light of the institutional context in which childcare work is embedded. Second, the analysis attempts to go beyond qualifications and seeks to explore childcare work skills demands. The methodology is in line with this double approach. The LFS will be used mainly in relation to qualifications, although evidence from the interviews will complement it. The interviews, instead, will be used to explore workers' views on the skills required to do the job competently.

The plan of the chapter is as follows. The next section reviews some theoretical perspectives that can be useful to understanding how qualifications and skills relate to pay. From this review two research perspectives will be derived. The third section presents the data and the methodology. The fourth section reports the results. It is divided in two sections, one for each research question. The last section concludes.

Theoretical perspectives

The theme of skills is one of the most researched in the social sciences. Both the economic and sociological literatures on the relationship between skills and earnings are vast. Within economics, the perspective is centred on the individual – skills are an attribute of the worker rather than of the job. The perspective is reversed in the

sociological literature (Vallas 1990). Here the interest lies in understanding the skills requirements of jobs, thus shifting the focus from the individual to the *structure* of work, itself the outcome of social processes at the level of individual organisations, occupations and society at large.

Feminist contributions to the debate on skills have emerged mainly from sociology and have uncovered a variety of structural mechanisms contributing to the gender pay gap. Here the focus will be, in particular, on the literature which takes “occupations” as its level of analysis. Gender interacts with skills at different levels – namely work group, workplace, occupation and society. Yet, in the case of childcare work, it is *occupational* sex typing that appears to be the most salient, given that childcare workers are overwhelmingly female and this feature is stable over time and across countries.

In what follows I outline briefly economic perspectives on skills and then turn to feminist contributions. As will be made clear, the two literature do not overlap and, in fact, are developed on the basis of irreconcilable assumptions about individual decision-making processes and the determinants of the value of skills. As will be explained at the end of the section, the aim of the empirical analysis will not be to adjudicate between incompatible theoretical frameworks. Rather, the analysis aims to explore those theoretical insights that can be the most helpful in explaining low pay in relation to skills.

Perspectives from economics

Much of economists’ thinking about skills and wages rests on some critical assumptions about the functioning of the labour market and its link with the product market. In the conventional neoclassical labour market there is a perfect matching of workers to jobs, whereby more skilled workers obtain better paying jobs. Employers are able to pay higher wages to more skilled workers because workers’ skills increase the productivity of the firm. Competition on the product market ensures that the more productive firms thrive, while those that fail to be productive enough to meet their labour costs are driven out of the market. As noted by Horell, Rubery and Burchell (1989), in a neoclassical labour market there is a perfect alignment between the

workers' skills, their productivity, the demands of the job and the value of their work.

Within this framework, economics' perspective on education and its relationship with earnings is based on human capital theory (Machin 2004). The decision to undertake education is understood, according to human capital theory, as individuals' choice to invest in their productivity in order to obtain higher earnings. Individuals bear the costs of education – direct costs and opportunity costs of forgone immediate earnings – in order to acquire the knowledge and skills that will enhance their future productivity and therefore their future earnings. And indeed there are volumes of empirical evidence that show how better-educated workers earn relative higher wages than less educated ones, thus suggesting that there are positive returns to education.

Much of the applied economics literature on education has been devoted to estimating such returns to education. The conventional technique is to use data on earnings and education and to regress pay on education and a series of individual characteristics which are thought to influence wages (Machin 2004; Blundell, Dearden, and Sianesi 2005). The idea therefore is to net out other determinants of wages in order to isolate the “true” effect of education. More sophisticated econometric techniques have been developed precisely with the objective of distinguishing the contribution of education on earnings from other factors, most notably innate ability (Card 1999).

While studies from the US tend to measure education as “years in full-time education”, in the UK the approach has been to use *qualifications* instead (Blundell, Dearden, and Sianesi 2005). This approach better fits an education system in which academic courses and vocational ones are often of similar duration but are generally considered of markedly different value (see Chapter 6). This way, the UK literature offers detailed evidence on the returns to different types of qualifications (Dearden, McGranahan, and Sianesi 2004; Dearden et al. 2000; Jenkins, Greenwood, and Vignoles 2007; Robinson 1997, 1996). The thrust of the results is that the returns to some vocational qualifications, especially NVQs are very low. Thus, individuals

holding these qualifications do not have earnings that are significantly higher than those of workers without any qualification.

Importantly, empirical analyses on the returns to education do not account for occupations. Indeed, much of the wage premium associated with higher qualifications derives from the fact that higher qualifications ensure access to better paying occupations. Someone with a medicine degree is able to earn more than most other workers precisely because she is likely to work as a doctor, not because of the degree itself. Thus, in the empirical literature on the returns to education, the structure of occupations is treated as exogenous.

Interest in the returns to human capital is also prominent in the literature on the gender pay gap. In particular, the closing educational gap between men and women in the last three decades prompted the need to look at other sources of differences in the human capital of men and women. In relation to education, attention has moved from gender differences in *levels* of education to other characteristics: subject of study or, relatedly, the level of specialisation of human capital. Further, human capital theory has been used to explain the sex occupational segregation and the fact that prevalently male jobs pay more than prevalently female jobs (henceforth: male jobs and female jobs) (England, Budig, and Folbre 2002; England 1992, 1982). There is a socioeconomic literature that looks at the relation between pay, jobs' characteristics and individuals' human capital. One distinction put forward to explain male jobs' relatively higher pay is the one between *general* and *specialised* human capital. The idea is that investment in *specialised* human capital is relatively more risky, as it reduces the chances of transferring it to other jobs. This explains why occupations requiring more specialised training pay more than those which demand general human capital. The negative effect on wages of working in female occupations is thus attributed to the fact that female occupations tend to require lesser levels of specialised training and education than male occupations (Tam 1997; for a reply, see England, Hermsen, and Cotter 2000). Recent analysis of UK data partly confirms this point. Female occupations appear to require lower levels of specialist knowledge relatively to male ones, but a negative relationship between occupational feminization and wages remains even after controlling for a wide range of relevant factors and individual-specific effects (Perales 2010).

Yet, similarly to economic analyses of the returns to education, this type of study needs to take the structure of occupations and their skills requirements as exogenous. Indeed, variations in skills demands of different occupations are usually captured by using data on the qualification required to enter the occupation and standard classifications of the work complexity within each occupation. There is the problem thus that the relationship between pay and skills is explored only within a given labour market at a specific point in time. This way it is not possible to understand what drives the structure of occupations and/or of jobs' demands.

Within economics, the short answer to these questions is: technology. And in recent years much attention has been devoted to exploring the relationship between technological change and skills. It is argued that technological change has increased the demand for "skilled" labour as opposed to that for "unskilled" labour, thus altering the structure of occupations (for a review, see Katz and Autor 1999, 1530-1538). Further, the argument runs that technological change has made "skilled labour" more productive, thus allowing for greater pay growth relatively to "unskilled labour". Indeed, within economics, the relationship between qualifications and pay hinges invariably on productivity.

But, it has been difficult, so far, to increase the productivity of caring activities by the systematic application of technology (Goos and Manning 2007). This raises the problem of what mechanism ensures that wages in low productivity sectors do not fall too far behind wages in the more productive sectors – a problem originally identified by Baumol (Baumol 1967). Baumol's answer was public spending.

Overall then, the analytical framework prevalent within economics can guide the empirical analysis insofar as we are interested in differences in the returns to different qualifications. However, economists' perspective remains anchored to the notion of productivity. Insofar as this notion may not be applicable to the case of childcare, economics may have little to say about the relationship between skills and wages.

Feminist perspectives

There is a large body of feminist studies focusing on the pay inequalities between the sexes arising from the fact that women tend to concentrate in jobs classified as low-skilled. Conceptually, these contributions apply a social constructionist perspective to reveal how processes of skill designation uncritically incorporate a male-bias. At the political level, the comparable worth movement in the 1980s and the research surrounding it offered a telling account of gender discrimination, whereby female jobs were systematically paid less than comparable male jobs (Remick 1984; Steinberg 1990; England 1992; Acker 1990). Some of the most famous examples brought forward by comparable worth proponents in the USA involved childcare jobs: dog pound attendant or zoo-keeper (typically male jobs) were rated higher than nursery school teacher and day care worker (Remick 1984).

Crucially, feminist perspectives reject the idea that the designation of jobs as skilled or unskilled is a neutral process, driven by technology. In stark contrast with orthodox economic thinking, “the acquisition, valuation and utilisation of skill” are viewed as “socially determined processes” (Green 2010, 7). Three insights from the vast literature on gender and skills are particularly relevant to the case of childcare workers.

The first regards the lack of union organisation and of craft tradition of female work. Historical studies of specific occupations uncover the very process through which skills are recognised. Examining manufacturing occupations in the 1970s in Britain, these studies conclude that the skills divisions whereby men’s work had been classified at a higher level of skills than women’s resulted from the struggle of unionised men to retain their higher status, often at the expenses of women (Phillips and Taylor 1980; Craig et al. 1982). Collective bargaining and, more generally, the distribution of power and control within the labour market is thus often responsible for skill distinctions along gender lines. In the service sector, where female employment growth in the last four decades has concentrated, Dex notices that the idea of women’s work as unskilled was “built in from the start” (Dex 1985).

A second, related point, refers to the training system, which is considered as another important mechanism perpetuating the employers’ and societal views on women’s

work. Within the field of the sociology of the professions, a number of accounts shed light on the *politics* behind the emergence of “female professions”. Witz (1990) aptly illustrated the contested nature of the development of training systems in the cases of nurses and midwives at the turn of the twentieth century. The claims that nurses and midwives could make were limited by the power of the (male) medical class and, more generally, by societal views on the role of women. Likewise, Davies’ (1995) account of reforms of nurses’ education in the 1980s illuminates the contested and gendered nature of training. Yet, according to Davies, formalised training poses problems to the nursing profession because it ill-fits the type of knowledge and expertise relevant to nursing (1995, 56-63). Put simply, formal training tends to be moulded on a male-centred notion of skills and knowledge which privileges abstract universal principles over contextually relevant knowledge. Thus it fails to recognise the *type* of skills and knowledge actually used and developed by nurses.

This takes us to the third contribution of feminist analyses of skills. Comparable worth studies not only reveal inconsistencies in the valuation of skills, whereby similar job demands are rated differently in female and male jobs. They also uncovered the fact that *emotional* skills brought to jobs remain largely invisible and thus were not compensated (Steinberg 1999; Steinberg and Figart 1999). But this literature concentrates on revealing the strain and the effort involved in emotional work without exploring how the ability to deal with other people’s emotions is developed and how it may relate to other skills.

Thus, the main lesson from feminist scholarship on gender and skills is that skills definition is biased against female work and that this bias is embedded at different levels and in a variety of institutional mechanism, from the structure of pay system to that of training. Because the relation between wages and skills is viewed as a socially determined process, little attention has been given to the issue of productivity.

Yet, drawing on Baumol (1967; Baumol and Bowen 1965), feminist economist Himmelweit (2005) insists that the relation between wages and productivity is highly problematic in care services, because care services “by their very nature, permit only sporadic increases in productivity” (Baumol 1967, 416). The low productivity of the caring sector makes it difficult to sustain any wage growth. This results in low wages

relative to the rest of the economy, as continuous productivity increases elsewhere will lead to rising wages in other sectors. While suggesting that limited productivity is at the heart of the problem of low wages in care, Himmelweit proposed a solution which requires “the political will and power” to allocate more resources to caring activities (Himmelweit 2005: 173). Thus, ultimately, the process determining the rewards for care work needs to be a social one.

The research questions

It is clear that the frameworks of analysis just outlined are very different. They differ in their assumptions and in their focus. Within economics, agents are assumed as responding to the economic incentives they face, rather than to the social context surrounding them. The assumption is reversed in feminist contributions and far greater attention goes to examining the context. Further, within economics the focus is on the supply side. This way there is no direct examination of jobs’ content. Rather, as noted by Horell, Rubery and Burchell (1989), jobs are considered undemanding if the incumbents are low-skilled. By contrast, sociological analyses – and feminist ones in particular – focus on jobs characteristics and treat the notion of skill as problematic. Although on a general level these two different approaches are irreconcilable, they both provide helpful insights on how skills are implicated in the low pay of childcare workers.

Thus, the research questions guiding the analysis do not aim at testing the validity of one approach against the other. Instead, the objective is to document empirically some of the processes that the literatures suggest contribute to low pay in childcare. To mark the questions, I use here the same numbering as in Chapter 4, where the research questions were briefly overviewed. The first question is:

- 2a) Within childcare, are individual productive attributes, and qualifications in particular, correlated with pay?

This question follows in the footsteps of conventional economic analysis of the association between individual characteristics and pay. But whereas this association is usually estimated across the entire labour market, here the aim is to check if a positive correlation exists also within childcare. Further, this approach makes it possible to test the differences across qualifications. As chapter 6 has shown,

childcare workers have different qualifications and there has been an increase in the incidence of NVQs. It is interesting therefore to examine whether different qualifications are associated with greater or smaller pay advantages.

The second question moves away from formal qualifications and aims at tackling the problem of skills in relation to the job done:

2b) What are workers' views on the skills demands of childcare?

The question is exploratory. It aims at understanding possible processes of valuation and utilisation of skills from the perspective of workers. The objective here is double. First, to overcome the assumption that the relation between skills and qualifications is unproblematic. As the review of the literature suggested, in the case of female occupations the system of formal qualifications may be especially ill-fitted to reflect the skills used on the job. This prompts the need to look at skills not exclusively from the angle of formal qualifications. Second, by addressing this question the analysis shifts the perspective from the workers to the job itself - what does the *job* require in terms of skills?

Terminology will change throughout the chapter to reflect the different foci of analysis. In the first part, the analysis will be on *qualification*, while the second part will be on *skills*. Before presenting the results, I explain the data and methods used.

Data and methods

As in previous chapters, I use data from both the LFS and the interviews. In relation to the first question, I rely mainly on LFS data and use the interviews to help interpret the evidence. This approach has also been used in Chapter 6 and is especially fruitful given the possible measurement problems that arise in relation to qualifications (Chapter 6). In addition, as the previous section has outlined, economics makes strong assumptions about the functioning of the labour market. Once these assumptions are relaxed, the interpretation of the results are no longer unequivocal. Thus the interviews will be helpful also in order to understand the mechanisms underpinning the relationship between pay and qualifications. In relation to the second question, the interviews are the only source of information.

The Labour Force Survey

The analysis of LFS data will be based on a conventional earning function. However, the aim of the analysis is not to estimate the returns to education, or to the different qualifications. Rather, the intent is simply to verify to what extent better qualified workers are better paid than less qualified ones. In other words, I seek to explore the wage structure in childcare in relation to qualifications. To this end, I use a linear regression model to estimate the following wage equation:

$$W = \alpha + \beta Q + \theta Y + \gamma X + \varepsilon$$

Where w is the log of the hourly wage. As in Chapter 5, information on wages is derived by dividing the gross weekly wage by the usual weekly paid hours, and I use 2005 as base year to deflate hourly wages by the consumer price index. Q are a set of dummy variables indicating the highest qualification held. I use the same classification used in Chapter 6 to classify the different qualifications. Importantly, I exclude from the analysis those childcare workers who have as their highest qualification a foreign or “other” (non classified) qualification. The category “no formal qualification” is set as the reference group.

I also use information on other characteristics, which are conventionally considered to increase workers’ “productivity” – indicated as x . These are job tenure and potential experience. Indeed we would expect workers with greater experience to have higher wages than workers who are new to the job. Unfortunately, the LFS does not contain information on experience in the occupation. Thus it is possible to account for time spent in the current job only. In addition, potential experience serves as proxy for time spent in employment. I will also use information on supervisory responsibility. This is a feature of the job, rather than of the worker. So it will be possible to glean the relationship between jobs hierarchy and pay. These two variables – experience and responsibility – will be discussed in more detail when they are introduced in the model.

γ indicates a set of control variables. I include age to account both for the empirical regularity that wages tend to increase with age and for the fact that workers of different age are likely to hold different qualifications, because they have received

education and training at different points in time. As noted by Green, Machin and Manning (1996), one could argue endlessly about the choice of controls and indeed there is not a right answer as to what should be included or not. In particular, one problem could be that the attainment of certain qualifications could be correlated with demographic characteristics, like family status or ethnicity.³⁹ If we want to tease out the correlation between qualification and pay, this aspect of a qualification may be important and consequently should not be netted out. In fact, and perhaps most importantly, the results do not vary whether these variables are included or not, and indeed personal characteristics, with the exception of age, are never statistically significant. The only variable which is not included in the model, but which appears to be correlated with pay, is part-time. Results including part-time are reported in Appendix 6, but, again, this different specification does not alter the patterns of results.

I restrict my sample to women only. As Chapter 6 has shown, the number of men in this occupation is very small. Excluding men does not affect the results. Further, I control for proxy respondent to take into account the fact that information of wages obtained by proxy respondents is systematically lower (Chapter 5). I also net out possible regional effects, by including twenty dummies indicating region. Time trends are controlled for by a set of dummy variables for the year of the interview.

In contrast to most individual characteristics, the choice to leave out *employers'* characteristics has more substantial implications. As Chapter 5 and 6 have shown, there are considerable differences in pay across sectors. In this chapter, I start the analysis with a specification that does not incorporate controls denoting employer's characteristics. Subsequently, I will move on and explore the demand side of the childcare labour market. I will take into account employers' characteristics and concentrate especially on the sector of employment.

The interviews

Interviewees were asked a series of questions related to both qualifications and skills. In particular, workers were asked about their education and training and the

³⁹ For example, Calder (1995) mentions that NNEB courses had traditionally had a bias against minority students.

advantages (or lack of) from attaining qualifications. Some of that evidence has already been reported in the previous chapter. In addition, workers were asked what they thought was the level of training required to enter the job. Importantly, the interviews also gained information from employers. Thus it was possible to understand whether employers considered the available qualifications appropriate to the job.

The interviews also sought to elicit workers' view on the *skills* required by the job. All workers were asked: "what do you think makes someone good at this job?". The question aimed at distinguishing between qualifications and skills by investigating workers' views on what the actual skills required were. In order to distinguish, albeit at a superficial level, between workers' normative views on what the job required and their actual experience, interviewees were also probed by the question: "what has made *you* good at this job?"

Clearly, open-ended interviews of this kind cannot be used to assess the demands of childcare work in an "objective" way. Questions were not sufficiently systematic to resemble a job evaluation exercise. Indeed, workers varied in the categories of job content they talked about: some referred to the skills or responsibilities involved, some to effort required and others to the undesirable working conditions.

Nevertheless, the material elicited was informative of the variety of perspectives held by workers. The fact that some placed greater emphasis on some aspects of the job rather than others was a finding in itself. Importantly, the interviews took place between June and September 2009, almost a year after the introduction of the new curriculum – the EYFS. The EYFS established a single set of standards across all types of provision and contained detailed guidance to practice. All settings and all childminders were required to base their practice on the EYFS. In theory, therefore, all types of provision were meant to share similar objectives and involve similar work.

Pay and qualifications, and other productive characteristics

Do childcare workers holding higher qualifications receive on average higher pay relative to less qualified workers? I start by using an Ordinary Least Squares (OLS) model to estimate the wage regression presented above. Results are reported in Table

7.1, column 1. Qualifications are entered into the equation as a vector of 7 dummy variables and the omitted category is 'no qualification'. Thus, for each qualification, the coefficient indicates the percentage increase in wage associated to that specific qualification relative to 'no qualification'.

The figures reported indicate that the pay hierarchy does not match the qualifications hierarchy. In particular, the pay advantage associated with A-levels and degrees is lower than the pay advantage associated with good GCSEs or Vocational qualification above level 4. For example, someone with good GCSEs is likely to be paid 33 percent more than someone without any qualification, while someone with A-levels or a degree is likely to be paid only 29 percent and 23 percent more than a worker with no qualification. Furthermore, someone with vocational qualification above level 4 is paid on average 42 percent more than someone without any qualification. Such a large pay advantage may be interpreted as a sign of large returns to occupational specific qualifications gained at tertiary education levels. It is however more difficult to explain the large pay advantage accruing to those workers with good GCSEs, as this qualification cannot be considered occupation specific.

The 'mismatch' between pay hierarchy and qualifications appears also in relation to Vocational qualifications at level 3. Results suggest that those holding a vocational qualification at level 3 earn 26 percent more than workers without any qualification. By contrast, workers with good GCSEs tend to be paid 33 percent more than those without any qualification.

In sum, the coefficients reported in Table 7.1 column 1 suggest that childcare workers who have gained some educational qualification tend to be paid between 20 and 42 percent more than those workers who, instead, lack any qualification. Qualifications thus seem to matter. It is however more difficult to understand how advantageous qualifications are relative to one another. *Vocational* qualifications obtained in the tertiary education appear consistently to be associated with the largest

Table 7.1 The association between pay and ‘productive’ attributes

	(1) Basic specification	(2) Controlling for experience	(3) Controlling for experience and responsibility
GCSE (\geq 5A*-C)	0.252*** (0.043)	0.201*** (0.043)	0.205*** (0.043)
Vocational L2	0.202*** (0.045)	0.193*** (0.044)	0.197*** (0.044)
GCSE ($<$ 5A*-C)	0.325*** (0.046)	0.256*** (0.046)	0.260*** (0.046)
Vocational L3	0.256*** (0.042)	0.230*** (0.043)	0.238*** (0.043)
A-levels	0.286*** (0.049)	0.225*** (0.050)	0.231*** (0.050)
Vocational L4 and above	0.419*** (0.043)	0.336*** (0.043)	0.342*** (0.043)
Degree and above	0.228*** (0.057)	0.114* (0.063)	0.122* (0.064)
Age		0.058*** (0.007)	0.059*** (0.007)
Job tenure		0.002*** (0.000)	0.002*** (0.000)
Potential experience		-0.024*** (0.006)	-0.024*** (0.006)
Supervisory/managerial responsibilities			-0.030* (0.017)
Controls for regions and years	Yes	Yes	Yes
Observations	2866	2866	2866
R-squared	0.302	0.379	0.380

Source: LFS, 1994-2008, all quarters, fifth wave respondents only.

Note:

1. Sample: all female childcare workers, age 16-59.
2. Dependent variable: log(hourly wage)
3. Robust standard errors in parentheses; significance levels: *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$
4. Omitted category for education: no qualification or entry qualification (Level 1)
5. Additional control: proxy respondent.

Table 7.2 Qualifications relevant to childcare

	Percentage	Standard Deviation
Vocational L4 and above	0.48	0.50
Degree and above	0.34	0.47

Source LFS, 1994-2008, all quarters, first wave respondents only.

Notes: sample includes childcare workers holding a post-secondary qualification, for whom the subject of the qualification is not missing.

pay advantage. But there does not seem to be much of a pay gain associated with holding vocational qualifications at level 3 or A-levels or even degrees. Workers with these qualifications do not appear to earn more than those with simply good GCSEs.

There are several possible explanations for the relatively low pay of workers with A-levels and degrees. First of all, pay figures for these two groups are less precise than those for other groups of workers, simply because these two qualifications are less common within childcare (see Chapter 6). Secondly, and more substantially, these two qualifications are likely to be less *relevant* to work in childcare in so far as typically they do not cover subjects related to the job such as nursing, teaching or developmental psychology. It could be therefore that degrees and A-levels indicate a lack of *occupation specific* training, whereas vocational qualifications signal the opposite.

Both Chapter 3 and Chapter 6 have pointed to the dearth of qualifications relevant to childcare work at tertiary education level, and in particular at degree level. In order to understand whether degrees are less occupational specific than vocational qualifications, I use information on the subject studied at tertiary education level. The LFS codes a very high number of possible subjects, but this variable is reported as missing for a large proportion of the sample considered here. As I do not attempt to address this “missing-values” problem, caution should be used when interpreting the figures. I have coded the information on the subject studied and constructed a binary variable taking value 1 if the subject is relevant to childcare and value 0 otherwise. Relevant includes subjects belonging to the broader subject areas of

nursing, teaching, psychology and social work. It is therefore possible to gain some insight into the subjects studied by childcare workers. Table 7.2 shows that among those obtaining a vocational qualification, almost half fall into subject areas related to childcare. By contrast, only a third of those with degrees have studied a relevant subject. This supports the assumption that vocational qualifications are more likely to be occupation specific than degrees. As for A-levels, although there is no information about *which* subjects were covered in the examination, it is plausible to consider them as not occupation specific.

But what about other ‘productive’ individual characteristics? Do they bear any positive correlation with pay? The second column of Table 7.1 reports the results of an OLS regression that includes age, job tenure and potential experience among its covariates. The inclusion of these variables reduces the coefficients of all qualifications, thus showing that pay advantages correlated with qualifications are partly driven by other factors. In particular, the large pay advantage associated with good GCSEs appears greatly reduced once age is taken into account. This suggests that it is mainly older workers to have good GCSEs as their highest qualification.

Both age and job tenure are positively associated with pay, thus indicating that older workers and those who remain in the same setting for longer earn relatively more. As job tenure is expressed in months, the result indicates that an additional month in the job is associated with pay 0.2 percent higher. The negative coefficient of potential experience indicates that workers who left full-time education earlier on in their lives tend to be paid less than those who left later and who therefore have less potential work experience. This correlation between potential experience and pay is responsible for reducing the coefficient of degrees, as workers with degrees are those who are more likely to have left full-time education later in life. Thus, work experience does not seem to be an important source of pay advantage, especially vis à vis qualifications.

Finally, I include a further variable in the regression – managerial and supervisory responsibility. This variable captures job demands more than individual productive characteristics: if a worker is responsible for supervising others, her job is generally considered more demanding. At the same time, we would expect employers to assign

more qualified workers to posts with greater responsibility, not least because regulation in childcare imposes such constraint. Thus supervisory responsibility could be reflecting workers' productive characteristics and is likely to be positively associated with some qualifications. Contrary to the expectations, the coefficient of supervisory and managerial responsibility is negative (Column 3, Table 7.1). Furthermore, all other coefficients remain largely unvaried. It would seem therefore that workers assigned to more demanding jobs are paid less than those who do not have such responsibilities and that there is no correlation between qualifications and job roles.

Overall, these results suggest that the correlation between some qualifications and pay is strong, while other qualifications make little difference. In addition, there is no correspondence between responsibility and pay, thus hinting to the lack of career structure which the literature on childcare work often refers to (Rolfe 2005).

It could be argued that a clear educational gradient in pay cannot emerge within an occupation that is narrowly defined. The LFS sample excludes teachers and nursery managers, thus by definition truncates the progression routes available to childcare workers. Nonetheless Chapter 6 has illustrated that childcare workers tend to hold different qualifications – this occupation is not as homogenous as it may be the case of teachers or nurses or domestic staff. In other words, although this occupation is rather narrowly defined, there is some variety in the profile of the workforce. For example, given the diversity of childcare workers' qualifications, we could have expected employers to hire people with different qualifications or experience and pay accordingly. In other words, a stronger relation between qualifications and pay could have resulted by systematic differences across employers, with those seeking better qualified or more experience candidates paying higher wages.

Differences across sectors in the correlation between pay and qualifications

This sub-section explores precisely this point – whether differences across employers affect the correlation between pay and qualifications. In particular, I concentrate on sectoral differences and examines whether employers in the public sector compensate qualifications and experience more generously than employers in the private sector. Chapter 5 has shown that pay is substantially higher in the public sector. In addition, pay is set differently in the sector, with collective agreement and

pay scales affecting only workers in schools and in local authorities settings. It is therefore of interest to understand whether a more regulated labour market may result in smaller pay differentials among workers. Or whether, instead, the use of pay scale may result in a more visible association between subsequently higher qualifications and higher pay.

Table 7.3 The association between pay and ‘productive’ attributes, by sector

	(1) Private sector	(2) Public sector
GCSE (< 5A*-C)	0.055 (0.055)	0.401*** (0.075)
Vocational L2	0.088 (0.057)	0.307*** (0.079)
GCSE (≥ 5A*-C)	0.106* (0.059)	0.405*** (0.076)
Vocational L3	0.106* (0.056)	0.386*** (0.076)
A-levels	0.074 (0.064)	0.393*** (0.081)
Vocational L4 and above	0.147** (0.059)	0.469*** (0.075)
Degree and above	-0.018 (0.079)	0.423*** (0.103)
Age	0.041*** (0.011)	0.026*** (0.010)
Job tenure	0.000 (0.000)	0.001*** (0.000)
Potential experience	-0.020*** (0.008)	-0.014** (0.007)
Managerial/supervisory responsibility	0.064*** (0.021)	0.020 (0.025)
Controls for regions and years	Yes	Yes
Observations	1658	1166
R-squared	0.415	0.370

Source: LFS, 1994-2008, all quarters, fifth wave respondents only.

Note:

1. Sample: all female childcare workers, age 16-59.
2. Dependent variable: log(hourly wage)
3. Robust standard errors in parentheses; significance levels:*** p<0.01, ** p<0.05, * p<0.1
4. Omitted category for education: no qualification or entry qualification (Level 1)
5. Additional control:proxy respondent.

The estimation strategy is straightforward. I estimate the same regression equation on two samples, one for each sector. Table 7.3 presents the estimates and it is immediate to notice that in the private sector only good GCSE and high vocational qualifications attract some statistically significant returns. By contrast, in the public sector, the returns to *all* qualifications are positive, large and statistically significant. There is therefore a stark difference between the sectors, and indeed the coefficients are statistically different in the two groups.

Starting from the public sector, there are two key points to emphasise. First, the coefficients of high vocational qualifications and of degree are large and although they are not statistically different from one another, they are significantly larger than the coefficients of other qualifications. This means that someone with a qualification gained in a higher education institution is paid 47 percent more than someone without qualifications and approximately 7 percent more than someone with good GCSE. The second point refers to all other qualifications: their coefficients are large but the difference among them is not statistically significant. This means that, as usual, there appears to be little difference across qualifications: someone with A-levels does not earn on average more than someone with a vocational qualification below level 2.

In the private sector, the results suggest a very different story. Workers holding good GCSEs, a vocational qualification at level 3 or a higher vocational qualification are paid between 10 and 12 percent more than workers without any formal qualification. Instead, there appears to be little evidence that other qualifications are associated with any sizable pay advantage. Interestingly, in the private sector supervisory responsibilities are correlated with higher pay, around 5 percent higher, whereas in the public sector the coefficient is not significant. Childcare workers are more likely to have managerial or supervisory responsibilities when employed in the private sector than when working in schools. This is probably because in schools nursery officers work alongside teachers, who remain in charge of the administration of the nursery classes, and teachers are not included in the sample here.⁴⁰ Insofar as

⁴⁰ In the next section I will discuss in more detail the difference in responsibilities between teachers and nursery officers working in schools. It may however useful to clarify that in schools the

workers employed in the public sector have higher wages, this could partly explain the negative coefficient of supervisory responsibilities reported in Table 7.1 when the estimates were calculated on the entire sample without controlling for sector.

Overall then, the link between qualifications and pay is fairly weak in the private sector, especially in comparison to the large coefficients in the public sector. However, for neither sector is the hierarchical structure of qualifications perfectly mirrored in pay differences. Nonetheless, the difference between sectors is remarkable and raises the question of whether public sector workers differ systematically from private sector ones. Is the pay gap between the private and the public sector accounted for by these differences in returns to qualifications? Or is it the case that workers employed in the public sector have different characteristics?

The conventional way of decomposing wage separates the average wage differential between private and public sector workers into two elements: differences in the average value of wage-determining characteristics and differences in the returns to such characteristics (Jann 2008). Here I control for those demographic characteristics that have been explored in Chapter 6, which showed that public sector workers and private sector ones were slightly different in terms of age, family status and ethnicity. The thrust of the results however does not change if I control for qualifications only.

Table 7.4 indicates that, on average, public sector workers earn 44 percent more than workers in the private sector. Of this large pay differential, slightly less than a third is accounted for by differences in the observable characteristics between the two groups, while two thirds are due to differences in the returns to such characteristics and therefore can be considered a public sector wage premium. This result seems plausible in light of the fact that public provision is geographically concentrated in some urban areas and therefore it is unlikely that better qualified workers over the entire UK manage to gain access to public sector employment (Owen and Moss 1989). As chapter 6 reported, only a quarter of the workforce is employed in the

responsibility for the supervision of *children* and the organization and involvement in children's activities tends to be shared equally between teachers and nursery officers.

Table 7.4 Decomposition of the private sector/public sector wage

<i>Overall differential</i>	<i>Portion attributed to differences in</i>	
	<i>Characteristics</i>	<i>Public sector premium</i>
0.439	0.149***	0.270***
(0.0161)	(0.0240)	(0.0183)
100%	34%	62%

Source: LFS data, fifth wave respondents only.

Note:

1. Sample: female childcare workers aged 16-59.
2. Standard errors in parentheses; significance levels: *** p<0.01, ** p<0.05, * p<0.1
3. Oaxaca-Blinder decomposition. Controls include: highest qualification, ethnicity, family status, presence of children, part-time work, temporary employment, size of workplace (base category: 10 or less), educational sector, proxy respondent, region and year.

public sector. The evidence reported by researchers from the Thomas Coram Unit (Cameron, Owen, and Moss 2001; Cameron et al. 2001) is also in line with this finding. The sample of childcare students they surveyed had a clear preference for working in schools. However, by the end of their studies, only a few of those students who had found a job had obtained it in a school (Cameron, Owen, and Moss 2001, 44).

Taken together, the results suggest that workers in the public sector enjoy higher base wages and larger returns to qualifications than workers in the private sector. In both sectors wage differentials between workers with different qualifications are narrow. This is particularly the case in the private sector, where high vocational qualifications do not seem to be associated with higher wage than lower qualification. Consequently, only workers in the public sector have an incentive to improve their qualifications, although the monetary returns do not appear to be substantial.

Managers' and workers' views on qualifications

The interviews were used to explore the role of qualifications in the childcare sector. This evidence can help further our understanding of the relationship between qualifications and pay. The earnings of childcare workers who have different qualifications do not vary substantially, but there is a considerable difference

between the pay of workers employed in the public sector and of those in the private one. Is it the case that the available qualifications are weak and inadequate? Are managers willing and able to recognise worker's qualifications with pay rises? Through the interviews it is possible to glean, although cursorily, the context shaping the relationship between qualifications and pay.

The interviews pointed to some differences between the managers in the public and in the private sector, in relation to their judgement about qualifications. Three heads of children centres, which were managed by the local authority, had strong views about NVQs, which, as shown in Chapter 6, have become the most widespread qualification.

These level 3 vocational, which I think are a load of rubbish, absolute rubbish [...] They do not prepare the students for what actual work that they need to be doing. [...] I expected a level 3 to come in, work with babies, and do that, not for me to actually train them on the job. [Janet]

The new qualification is NVQ3s. Crap I'm afraid. I mean, there are occasional individuals who are good, but that's not because they had that training, they're good because they're good. The training is rubbish and quality of the applicants is poor. [Susan]

We were finding with the NVQs and such, like the level 3 NVQ, a lot of people that had done the NVQ level 3, their literacy and such wasn't as high as a level 3. They were coming in at quite low level. [Claire]

Conversely, managers of private or voluntary nurseries did not single out specific qualifications, but talked about 'qualifications' more generally. Their views appeared somewhat ambivalent. On the one hand they were ready to say that workers needed qualifications. On the other, when they described what they look for in job applicants, qualifications seemed a secondary concern:

Yes they've got to have their qualifications but for me they've got to have a bit of heart. A bit of personality that I know that, you know, that I'm satisfied that they can work with the staff that are already existing and the staff can work with them and I look at their attitude. You know, qualities like that that you can't see. Qualities that you can't put on paper. [Angela]

They have to have qualifications and they've probably got the experience but sometimes it's just that gut feeling that you know that they're going to get on well with the staff because they're going to have to get on well with the staff and the children. Sometimes it's not always about qualifications, sometimes it's experience and how that person comes across to you. [Rose]

Moreover, sometimes there was no interest in selecting a qualified person, because on-the-job training was considered sufficient. Cath described the process of hiring someone responsible for children with special needs this way:

At the time with the special needs worker the SENCO [Special Education Needs Coordinator] from the [*name of the local authority*] said that they would do in-house training, so they were saying it's more important to get a person that's gonna be loving and kind and patient and we can train them to what we want them to be, so in that respect this is what we were hoping with this lady.

Maral describes interviews with job applicants and implies that qualifications lead to an overemphasis on paperwork:

If they are newly qualified they all talk about health and safety, all those things, and equal opportunities: all that paperwork comes up first thing.

Despite their talking about 'qualifications' without further specifying *which* qualification they referred to, in almost all private and voluntary sectors nurseries visited staff were not qualified above level 3. Thus, in effect, managers in the private sector seemed not to trust those same qualifications that the three heads of children's centres considered "crap".

The evidence collected from workers further supported private sector managers' views, as it showed how work was not organised on the basis of qualifications. For example, Ann said:

I don't really see the difference of having Level 2 and having Level 3 [qualifications]. Because some of the girls that work here they done Level 1. And I've never heard of Level 1, because when I started I went straight onto Level 2. So I think it should just be the same... the same... because everyone does the same amount. No one's different. Everyone does everything the same, they all do the planning. They all have to do their observations. [...] So there's no point in having Level 1, Level 2 and Level 3, because you're still... Level 2 people are still doing the same work as Level 3. So I don't see the point in it. It should just be Level 3.

Indeed Ann was still classified as 'Nursery Assistant' – without supervisory responsibilities – rather than 'Nursery Officer' even though she had obtained her level 3 qualification. As a consequence, her pay had not increased after she gained the qualification.

A further insight was given by Jenny, who recounted her experience in a nursery where she had been employed:

At one point there was no manager, there was no room leader, there was nobody there to give everyone guidance on what to do so I sort of then took it on board to make sure

simple things like the register, accident reports were done because I discovered what the other room needed so I kind of had the experience and just sort of watched everyone and then I just took it on board to do it myself because there was no-one else to do it. Then we had a new manager coming in and then she said to me: 'do you want to be the room leader?' and I said 'well I'm not qualified, I've got no qualification' and she was quite shocked that I didn't have any so she put me on to do the Level 2 and then obviously we worked from there.

Thus, there was a poor correspondence between qualifications, job roles and pay. Not only there were few job titles, but, in addition to that, the evidence seems to suggest that they do not necessarily match with the available qualifications. This, in turn, could explain why the results from the LFS do not indicate a monotonic correlation between pay and qualifications.

Managers' ability and willingness to reward their staff upon gaining qualifications varied across settings. In one setting, run by a voluntary committee, the manager expressed some frustration with the fact that workers were not granted any pay raise:

Amanda's done the NVQ3, I've asked for an increase for her, there may be, could be, in the future, but I think that that should just go with it because, you know, if people choose not to do, then why shouldn't the ones that choose to do it get some compensation for doing it - it's dedication.[Cath]

Another manager treated the issue more matter-of-factly, as she explained why wages had not gone up:

That wasn't down to me; it was down to the owners. But apparently the proprietor doesn't have to give a pay rise because you've done your qualifications. [Rose]

Sometimes difficulty in rewarding staff financially for the qualifications gained was mixed with some reluctance in seeing higher qualifications as a vehicle to improve practice. For example, Patricia, who owned and managed a small nursery, explained the problems faced by private nurseries when she talked about workers gaining the Early Years Professional Status (EYPS):

The government has funded all these courses for three years now these people have reached their professional status, they should be paid like a teacher but nurseries don't have money to pay them. [...] Nurseries cannot generate that money. You can't generate unless you charge parents...£15 an hour? £20 an hour?

At the same time, she was sceptical about the need for staff to obtain a degree.

All my staff are level 3, level 4. That's it. They don't need to go any higher.

But one worker from Patricia's nursery had embarked on an Early Childhood Degree, with the objective of becoming an EYP. When asked if she was going to have a pay rise, Patricia said no, but later also added:

I don't think a degree would make my teaching of the children any better.

The opposite picture emerged from one of the children's centre, where Tessa, the head, explained at length how she was able to recruit graduates:

I have been very lucky with the staff. I've been able to attract a considerable number of staff with very high qualifications who are working at what some people might consider in the years gone by, a more menial level. I, for example, have people with good degrees working as nursery officers on a scale 4.

Tessa's ability to attract qualified workers depended on several factors. First, a nursery officer on a scale 4 was paid more than most private sector workers. Indeed, Steven, who had previously worked as agency worker in different settings and was employed in the children's centre led by Tessa, remarked:

I get paid more here as a nursery worker than someone who's a head of room in a private nursery, so they're higher than me but they're on less pay.

Thus, the public sector premium was important. In addition, Tessa explained that she managed to employ highly qualified workers also because she was "very heavily committed to Continuing Professional Development" and sought every occasion to offer training opportunities to her staff:

I begged, borrowed and stole. So if I was helping a school out with some work on early years myself and they had got an in-service day with a specialist, I would send my staff on that course. It was bartering really: "I'll do something for you, you do something for my staff."

Her dedication was also matched by considerable public funding, a proportion of which she could devote to fund staff training:

We got Investors in People at the beginning of 2001 and then we put in for Early Excellence status and that brought us money direct from the Government, ring fenced on top [...] So I was able to offer people, you know, so they [staff] could go off and do their degree and I could afford the supply cover and perhaps pay for their course or if I couldn't I would buy them laptops and the textbooks to go on the course, you know, and sort of help them and support them.

Notwithstanding Tessa's willingness to reward qualifications and her access to public funding, it remained the case that salaries did not reflect staff's qualifications.

Indeed Steven, who had a Bachelor degree in Education, was on a scale 4 and paid around 19K, well below the starting salary of a teacher.

Even though Children's Centres could pay their staff more than other nurseries, managers remained constrained in their ability to reward staff financially on the basis of qualifications. Janet, the head of another centre, explained it very clearly:

We can't [differentiate pay according to qualifications], it's set, [*Local Authority's name*] sets the salaries. [...] All the qualified [i.e. with level 3 qualification] come in as a scale 4 and then there's I think, 16, 17, 18 point increment, once you reach 18 that's it, you stay there, even if you've got a Level 4, you stay there.

She also explained that 'room leaders' were paid as much as other workers, although the local authority was looking into giving "them a bit of extra money, probably not going to be a lot." When probed about the fact that room leaders were paid the same as other staff, Janet replied:

The same yes, it's only that we say to them you can put it on your CV that you're actually supervising staff, we can't give them financial rewards for it, it's just we have to play it up.

Therefore, the local authority's pay scales did not differentiate either between qualifications or between job roles. Managers had to compensate their staff in different ways, either by subsidising staff's courses – as Tessa did – or through additional payments outside the basic pay. So, Susan, also head of a children's centre, explained the complicated way in which she had managed to give more money to a member of her staff:

So I wanted to promote her to a senior. I wanted to pay her more money. I talked about paying scale 6, but scale 6 would have been less money than scale 4 on her terms and conditions, because it [scale 4 on those terms] is such an advantageous arrangement. So what we've agreed to do, me and Human Resources, is to pay her scale 4, plus honorarium. And so basically it's plus £1,500 a year. [...] This is a short-term arrangement, but I needed to recognise her skills and her seniority

Thus, the substantial difference between the two sectors was that managers in the public sector were able to attract workers who held a tertiary level qualification, while managers in the private sector were not. The children's centres could pay higher salaries across the board. In addition, when managers were determined to recognise and promote workers' qualifications, they could find ways to support them financially outside the official pay scale.

The evidence from the interviews is therefore in line with the results from the LFS. The weak correspondence between qualifications and pay is not only common in the private sector, but also built in the pay scale operating in the public sector.

Discussion

Although the relation between pay and qualifications in childcare is not straightforward, some clear-cut points have emerged from the empirical evidence presented. First, workers holding qualifications tend to be paid more than those without. Qualifications are, thus, important and workers without any qualification earn on average substantially less than other workers. But it is difficult to trace a clear pattern in the relation between pay and other qualifications. Only vocational qualifications above level 4 are associated with a pay advantage. The size of this advantage varies between sectors, but it remains visible across all specifications used. Instead, when other qualifications are considered, there is no consistent association with pay. Workers holding different qualifications tend to be paid fairly similarly. In particular there seems to be little difference in the pay of workers with good GCSEs and those with vocational qualifications at level 3. This finding is in line with evidence on the returns of NVQ2 and NVQ3, which suggested that workers gained nothing or very little by obtaining these qualifications (Dearden et al. 2000; McIntosh 2006; Jenkins, Greenwood, and Vignoles 2007). Furthermore, evidence from the interviews suggested that some employers do not rate NVQs highly. This also matches with evidence on the role of NVQs in the elderly care sector (Cooke et al. 2000).

The evidence on the difference between private and public sectors in the correlation between pay and qualifications raises another set of issues. The results show that the two sectors differ in the ability to pay staff and to compensate for qualifications. Better qualified workers have very small wage premium in the private sector. In the public sector, on the other hand, the pay premiums are substantial. In the public sector the qualification premium is likely to derive from collective wage negotiations. But also, more generally, public sector provision could be more able to attract better-qualified workers because of public funding. In the public sector, funding from government gives managers greater opportunities to support their staff

financially. In other settings, on the hand, managers operate within much tighter margins, and pay increases have to be matched by higher fees. Notwithstanding these difference in constraints, it could be that managers in the public sector are more willing to recognise qualifications and compensate for them than is the case in the private sector. More research would be needed to explore this point, but a recent exploratory study suggests that providers in the public sector spend a higher share of their budget on staffing costs relatively to voluntary and private sector providers (West, Roberts, and Noden 2010).

Finally, both results from the LFS and the interviews suggest that qualifications are not tightly linked to occupational titles and, consequently, with pay. This result holds both in the private and public sectors. The results underscore a more general feature of the British labour market, namely the limited relevance of “occupational labour market” – labour markets that are based on occupational-specific qualifications (), as could be said to be the case for teaching or pharmacy. Indeed, studies on the vocational education system in the UK point to the poor linkage between labour markets and many vocational qualifications (West and Steedman 2003).

Take the example of childcare in Germany – a country in many respects similar to the UK, with historically low levels of services and little reliance on public provision. In Germany a more regulated labour market and a stronger vocational education system create a closer match between occupational titles and qualifications attainment. In the childcare sector, there are three occupational groups, each corresponding to a specific training programme and qualification. In order to work as a *Kinderpfleger*, one has to successfully complete two-year vocational training in a *Fachschule* (similar to further education colleges). The title of *Erzieher*, instead, requires the completion of a two- or three-year programme in a *Fachhochschule* (broadly equivalent to a higher education college, ex-polytechnics). Finally, one can become *Sozialpädagoge* upon completing a bachelor degree in Social Pedagogy (Oberhuemer, Schreyer, and Neuman 2010; OECD 2006; Oberhuemer and Ulich 1997). *Erzieherinnen* make up roughly two thirds of staff employed in childcare settings (Oberhuemer, Schreyer, and Neuman 2010).

The findings from the LFS thus reinforce the results from Chapter 3 and Chapter 6. Chapter 3 illustrated the difficulties that had beset the Labour Government's lukewarm attempts to reform the qualification system and to raise entry qualification requirements. The point made was that childcare remained an open occupation, insofar as no qualification was required to work as a childminder or in a nursery. Chapter 6 confirmed this picture by documenting an increase under Labour in the number of workers with NVQs, but no sizeable change in the incidence of workers with degrees or high vocational qualifications. In a context in which qualifications requirements are low and the vocational qualification system is not well-developed, it is predictable that the relationship between pay and qualifications will not be strong.

The skills demands of childcare work

So far we have looked at childcare mainly from the point of view of workers' qualifications. Even though the results have been commented on extensively in light of the institutional arrangements in which they are embedded, the perspective has presumed that the demands of childcare work are fixed and determined somewhat exogenously. This section attempts to complete the analysis by addressing the second research question of this chapter:

“What are workers' views on the skills demands of childcare?”. More specifically, the analysis attempts to go beyond the assumption that childcare is undemanding *because* qualifications are not an important factor in the determination of pay and *because* childcare workers have low general education qualifications or intermediate vocational ones. The focus thus shifts from workers' formal qualifications to the skills requirements of the job itself.

Ideally, this exercise would require direct and systematic observational measures of job content. The analysis reported here is much more tentative and relies on workers' self-assessment about the requirements of the job as gathered through the interviews. Both managers' and front-line workers' views are reported. Questions aimed at eliciting workers' views about the demands of the job, with a particular focus on skills. However, workers touched on other demands of the job, for example responsibility or effort. Perhaps unsurprisingly, interviewees varied tremendously in their answers. Some considered it hard work, involving complex tasks and a fair

share of theoretical knowledge. Others considered it easy and undemanding. The whole spectrum of complexity was reflected in the answers collected, and this already suggests the difficulty in pinning down exactly the skills required by this job.

The interviews gave prominence to emotional skills necessary to deal with children, parents and also other staff. Angela explained what was needed by to work well in this job in the following manner:

A good mind. You've got to be mindful that you're working with people where the job is extremely hard. You've got to have...to care I think. You've got to have your knowledge and you've got to have a lot of strength. A lot of patience. [short pause] Yes care. Because if you've got parents who are stressed and they come to you because they've got a concern, then you've got to care. You've got to care about the human element of it [...] I've got the parents, I've got the staff, I've got the children and that's so many different characteristics to be dealing with. So you've got to have an open mind and also try and keep yourself somewhere in there I think. Listening skills are very good. I've still got to fine-tune mine. Communication has got to be in there as well. You know, communication is hand in hand with this and an understanding that everyone is different.

Being required to deal with different sets of people may be considered demanding in itself and this idea that the job entailed dealing with different peoples and their demands was also conveyed by Donna:

It is draining on all levels, because we are containing most of the feelings that the children are facing, and, so we're like their containers, but not only the children but also the parents anxieties, so one you're absorbing all that, it's obviously, it's a physically, mentally and emotionally draining job.

In what follows I explore more in depth the demands linked with the direct work with children, and will not report, for reasons of space, on the challenges arising from working with other staff or dealing with parents. This is because the particular features of childcare are most evident when examining the direct work with children.

Among those who considered their job difficult, some emphasised the observational skills involved:

You need to be on the ball all the time, and you need to have that peripheral vision, like constantly scanning what's going on and what's going to happen and that way. That is, that is difficult. [Donna]

If you're sitting down doing a puzzle with 'em, you're not just sitting and helping them with the puzzle, we're talking colours, we're talking about what they're seeing and you're watching whether their physical... you know what their coordination's like and... you're looking all the time, for all those different things. You're not just sitting doing a puzzle with them. [Lorraine]

Another aspect of the work that emerged quite clearly was the need to pay attention to the individual child – who could be somehow problematic – as much as to the group and the overall environment:

It's not easy working with children. It's very demanding. It can be stressful. [...] If you're working with two to three year olds, you will have the odd child that's gonna keep going round biting all the children and... but you have... as I said, because of your knowledge of child development and how children learn, you expect it, so you just take it as part of your role, how to deal with it and obviously with experience you deal with situations better. [Deborah]

By contrast, some workers made the opposite point – namely that working with children was easy. For example, Ann described her role in the nursery:

I just work in the room. Basically, the children in pre-school they've got a lot of independence, so they basically do everything themselves and we're just there to interact with them and just play with them and if they need any help then we'll help them, but we prefer for them to try themselves first.

Jenny, on the other hand, gave prominence to the relational and menial aspects of the job:

I don't think there's anything that I find difficult really. There's, you know, I don't have a problem with anything really. You know, I get on well with the parents, I get on well with the children, I don't mind clearing up and tidying up after my mess, I don't mind doing nappies.

Interestingly, some interviewees noticed how the introduction of the curriculum had changed workers' practice. In particular, workers were required to observe children more attentively and also to reflect more explicitly on the goals of their practice.

It [the curriculum]'s changed the way we think about how we write our profiles. We don't just write them [...] we're not just writing daily diaries every day and not noticing what the children are doing. It's given us food for thought. [Angela]

It [the curriculum]'s made a big difference because everything's more involved, because everything's more structured and because you're working to... to the curriculum, as I said. Going back to when I first started doing it, we would just come in and we'd put the puzzles on the puzzle table and some counting thing on another table and some drawing on another table, but there was no... there was no actual meaning to it like there is now with the curriculum. You're working towards something all the time. [Lorraine]

The greater emphasis on observations was accompanied by increased paperwork: workers needed to record children's progress in a detailed manner. Staff often complained about the amount of paperwork involved, but it often meant more training. Therefore paperwork was associated with learning new skills in order to

write observations and activities plans. So, for example, Deborah reported the changes brought about by the introduction of the curriculum:

In the practice-wise no, paperwork yes, because it was a lot to get our heads around [...] But we had training. We all had an in-set day training for Early Years Foundation Stage.

For some, the paperwork involved had increased the status of the job:

My husband even thinks of it as a job now. But he just used to think that I'd be standing in a hall making sure children don't hurt themselves and letting them play with some toys. So even he realises now with all the stuff that I have to do at home, all the paperwork. [Cath]

Childcare workers' comments on the introduction of the curriculum pointed to changes towards a more active role, with workers engaged in more observations, planning and the connected paperwork.

A related theme was that around the distinction between workers' role and that of teachers. Terrence framed the problem very clearly:

I don't think you need to be a university graduate to do this [work in a nursery]. It depends on how far you want to go though. I mean if you're talking about teaching secondary school and primary school that would be, yes, I think you should go to [university], as a teacher you should have that level. Nursery practitioner, no. Because what you have to understand is you are not here to *teach* the children, you're here to help them develop. That might sound like a contradiction but you're not here to teach them, you're not qualified to actually teach like a teacher. You don't have a lesson plan. We have planned activities. It is about learning, [children] learning by themselves.

Thus, according to Terrence, childcare workers have a *supportive* role because children are "learning by themselves". There is therefore the idea that teachers' role is more active. In order to pursue this point further, it is useful to explore the views of teachers. As Chapter 3 explained, one of the features of the current system of childcare and early years provision in the UK is that teachers are also employed to work with pre-schoolers. Do teachers working with children under 5 see themselves as *teaching*? If not, how do they describe their role?

Dianne was especially articulate on this point:

Children are able to extend their own learning and what we do is we *enhance* their learning. So we might think: "oh, they seemed really interested in power rangers last week, how can we use their interest in power rangers to teach them about size, length, maths, literacy?"

The account given by Sandra, a nursery teacher who had been working in a Children's Centre, where none of the staff was qualified at tertiary level was especially insightful:

The main thing that we changed was the planning which was based on the observations of the children. So I set up a system where we had four focus children for the week and everybody observed those children and then we took them to the planning meetings and then we discussed their interests and needs and things like that. So I had an influence on what the other staff were doing because I suggested, sort of, activities that they could follow on, that the children needed or wanted.

These quotes suggest that teachers shared Terrence's view on what their job was about, namely supporting children's learning. Although work with pre-schoolers did not entail teaching in the traditional sense of being primarily a teacher-led activity, teachers saw themselves as *actively* involved in extending children's learning. This entailed observing children, understanding their interests and using such interests to design activities that furthered children's development.

But Terrence's comment noticeably points to a link between training and workers' subjective views on the demand of the job. His way of describing the role of a nursery practitioner was coherent with the training he had received and thus downplayed the demands entailed in "supporting children's development".

Training requirements appeared to influence also Aisha's view of the demands of childcare work:

In offices it's like they need to train you up. I know in all jobs they need to train you up, but office work, it's like...if it's in a council there's so much to learn. Obviously it's a good thing, but you know you have to know a lot of things. Whereas in childcare, kids come first and that kind of comes sort of naturally – looking after the kids – and then the written work and stuff like that you get trained up on. Obviously like certain things you get trained up on, but I just find childcare a bit more easier.

Childcare seemed easy precisely because it did not require extensive training and knowledge.

Two points emerge from this evidence. First, institutional features of the provision of childcare affect the work content and workers' views of their job's demands. In particular, the evidence suggests that the curriculum was largely regarded as making the work harder. Not only had this regulation introduced new tasks – like the recording of observations and planning. It had also required a stronger focus on

learning and development goals. As Lorraine put it, the curriculum involved “working towards something all the times”. This evidence dovetails with a recent job evaluation study of nursery nursing in Scotland (Findlay, Findlay, and Stewart 2009). Beside the curriculum, the availability of training and related requirements appeared to influence workers’ views about the demands of the job. Although further research would be necessary to better understand the ways in which training influences workers’ perceptions of their role, it is hardly surprising that training imparts a view on how the job should be done. Rigorous and thorough training implicitly and explicitly conveys the idea that the job is demanding. Further, this evidence is in line with previous studies showing how the job content varied in relation to the prevailing approach and the philosophy underpinning the service, which, in turn, have historically been correlated with the training system.

The second point that emerges from the interviews relates to some intrinsic features of childcare work. The interviews suggest that the job can be anything between letting children play to actively enhancing children’s learning. This variation relates, in part, with the long-standing distinction between care and education. And indeed teachers were especially articulate in describing what *enhancing* children’s learning entailed. However, this variation in job content touches upon a defining feature of care work, namely that care can be active and passive, entailing both tasks and responsibilities (e.g. Leira 1992). In the literature on care, this double meaning of care has emerged more prominently in relation to family childcare. In particular, time-use studies have found it difficult to distinguish between forms of childcare that involve being at home in order to be available to children and other forms, like performing household chores with children in tow (Folbre and Yoon 2007). But paid childcare workers are confronted with a similar continuum, whereby their work spans from letting children play to constantly observing them or interacting with them.

However, a discourse around skills pertains to the *active* aspect of care only. It is difficult to see how “being available” can be skilled. Indeed, as noted by Davies in the case of hospital nursing, our conventional notion of “being skilled” is deeply “agentic”, in that it presupposes an active actor “making a difference in the world” (1995, 59). However, care remains a relational activity. This means that care

recipients are involved in the relationship. The extent to which children can be *acted upon* is therefore necessarily limited.

Conclusions

This chapter has set to answer two questions: first, what is the correlation between qualifications and other “productive characteristics” and pay in childcare? Second, what are workers’ views on the skills demands of childcare work? The results have suggested that pay in childcare is rather flat and particularly so in the private sector. There is a sizable difference in the pay of workers who hold *a* qualification as opposed to those without any qualification. But there is little difference between the pay of childcare workers with different qualifications. Likewise, experience does not seem to account for differences in pay between workers. Instead, the pay advantage associated with qualifications is much larger in the public sector as opposed to the private sector, and this difference in the returns to qualifications explains much of the pay gap between public and private sector workers. Within the general picture, the case of vocational qualifications above level 4 is slightly exceptional, as they are invariably associated with the greatest pay advantage.

The evidence from the interviews underscored the fact that there is a poor link between job titles and qualifications. In addition, some managers were found to hold new vocational qualifications in low esteem. Finally, material from the interviews suggests that workers’ views about the demands of the job are likely to be influenced by factors like training and other requirements like the curriculum. So, for example, the introduction of the curriculum has favoured a more active approach, whereby childcare workers are more aware of the learning outcomes of the various activities done by children.

How do the results relate to the different theoretical perspectives outlined at the beginning of the chapter? The conventional economic approach of estimating the association between qualifications and earnings has been helpful to show which qualifications are associated with greater pay advantages. In particular, the specific qualifications that have been sponsored by the Labour Government are associated with no or very low additional earnings. Policy aimed at improving the career

structure in childcare should, instead, promote those occupational qualifications at tertiary level that are associated with additional financial returns.

Yet the results also show that better qualified workers have a very small wage premium in the private sector. By contrast, in the public sector the pay premiums are substantial. This disparity was explained in relation to the difference in public funding between the two sectors. The interviews confirmed that public settings have access to more generous government funding than is the case for private and voluntary settings (see also Chapter 3; West, Roberts and Noden, 2010). This, in turn, affects settings' ability to pay their staff good wages. Chapter 5 pointed to the role of collective bargaining, prevalent in the public sector, in securing higher wages relative to the private sector. This chapter adds a further piece of information by showing the role of both managers' commitment to improving staff's qualifications and of government funding in enabling such commitment. Indeed, public sector pay scales alone do not seem to ensure a close correlation between pay and qualifications.

But the problem remains as to what market mechanism should ensure that more qualified workers receive better pay in the *private* sector, where government subsidies are much more limited. Within economics, the link between qualifications and pay hinges on productivity: better qualified workers make it possible to increase output relative to costs. In the case of childcare, this could translate into more children being care for by a given worker. Employers would have an incentive to hire better qualified workers if they could care for more children relatively to less qualified ones. It is worth noticing that staff to children ratios usually introduce this kind of incentive, whereby a higher ratio applies to more qualified staff. The underlying idea is precisely that better qualified staff are more able to care for children and can, therefore, care for a greater number (McGurk et al. 1995). In the English case, however, ratios are set according to *type of provision* (see Chapter 3) rather than workers' qualification. This means that the regulatory framework does not encourage employers to hire better qualified staff.

More fundamentally perhaps, it is clear that after a certain point an increase in the number of children cared for will lead only to a deterioration of quality. As pointed

by Himmelweit (2005), it is difficult to increase the productivity of childcare activities.

Thus, *quality*, rather than productivity, is the notion that better capture the effects of an improvement in qualifications may have. However, despite being better suited, quality does not make the relation between qualifications and pay any simpler.

Unlike productivity, quality tends to drive up costs – productivity gains result in lower production costs, whereas quality improvements usually entail higher costs. Unless higher costs are recuperated by higher prices, there is no market mechanism that ensures the pursuit of quality. Moreover, the actual possibility of increasing childcare prices is restricted. If families have limited resources (and therefore place emphasis on prices), price competition is likely to outtrump competition on quality.⁴¹ This problem is likely to be especially acute in childcare, where demand is particularly sensitive to prices (for an overview, see Blau 2001: chapter 4).

There also remains the question of whether highly qualified workers are more able to deliver good quality childcare relatively to less qualified ones. The answer will depend on cultural images of what constitutes good care – what Kremer (2007) refers to as “ideals of care”. She persuasively argues that welfare states actively promote specific ideals of care and such ideals are underpinned by precise views on what is required in the job. Thus, in Denmark, the dominant “ideal of professional care” means that good quality is equated to childcare delivered by highly qualified workers. By contrast, in Flanders the dominant ideal of care is that of the “surrogate mother”. Consequently, there is high reliance on home-based provision and qualities like warmth and affection are deemed more important than qualifications.

Cultural ideas about good childcare are also likely to be shaped by existing institutions, in that institutions shape what is actually feasible. Thus, a poor training system undermines the “professional ideal of care” described by Kremer (2007) because it falls short of preparing workers to do their job well. Likewise, it is difficult to see how an ideal of professional care can emerge in a context characterised by inadequate funding.

⁴¹ Indeed, research in health suggests that that if buyers give importance to prices this drives down quality (for a review, see Gaynor, Moreno-Serra and Propper 2012).

It would seem therefore that the idea that the skill status of an occupation is socially constructed is especially pertinent in the case of childcare. Not only are the skills demands of childcare work better understood if they are viewed as the outcome of a social process. But cultural notions of what constitutes *good quality* childcare services are especially salient. Indeed, the actual job content comes to depend on societal views on what childcare services are about and what they should try to achieve.

Undoubtedly, care work, and childcare work in particular, requires “loving, thinking and doing” (Leira 1994). The interviews have confirmed this well-known aspect, with some workers pointing to emotional skills, other mentioning mental tasks, and some others referring to theoretical knowledge of child development. Yet what remains contested is the actual balance between the three components. Much of the focus of the new wave of qualifications in England has been on “doing”. Indeed NVQs refer to the ability to perform a certain task to agreed standards. At the same time, both the introduction of the curriculum and the launch of a new professional category of staff at graduate level have moved the emphasis on thinking – “food for thought”, as Angela put it. Further research would be needed to explore whether the most recent shift towards a “professional ideal of care” is mirrored in wages changes. Finally, the “loving” aspect of care work remains problematic in relation to skills insofar as it is not clear what learning process may be underpinning emotional skills. The next chapter leaves aside the theme of skills, but explores in more detail the relation between love and pay.

Chapter 8

For love and for money: motivation among childcare workers

Introduction

Those feminist scholars that have unravelled the many explanations of the low pay in caring occupations have argued and shown that skills and qualifications are only part of the story (England, Budig and Folbre 2002). They suggest that implicit assumptions about care workers' motivations may be implicated in the low pay of these sectors (Nelson 1999; England 2005; England and Folbre 1999). This chapter therefore completes the empirical analysis of this study by presenting evidence on the relation between pay and motivations.

There is little question that highly motivated and caring workers are desirable. A cursory look at job advertisements in the leading national childcare sector magazine confirms this, as nurseries appear to be seeking *enthusiastic, passionate, highly motivated, kind and loving* applicants. Furthermore, a recent study exploring parents' trust in childcare providers suggested that staff motivations and attitudes play an important role in reassuring parents (Roberts 2011).

What is instead highly contested is the relation between caring motivations and pay. The mix of money and love is an uneasy one. The two indeed appear to belong to different spheres and to appeal to different motives. So love is associated with personal relations, altruism and authenticity. Money, on the other hand, is the prototypical medium of market transactions, which are seen as self-interested exchanges. Such a dichotomous view is however increasingly challenged by empirical realities in which activities that entail altruistic concerns are performed for pay. The case of formal childcare work is obviously a case in point. If money and caring motives are seen as incompatible, it becomes difficult to account for the fact that often paid childcare workers are strongly committed towards the children they care for. More generally, the fact that increasingly large amounts of what used to be

unpaid care work is done by paid workers makes such a dichotomous view not especially useful from an analytical perspective. Indeed, the idea that money and love are necessarily antithetic cannot uncover the arguably more complicated interplay between the two.

Feminist scholars of care have long explored the several tensions arising from the coexistence of pay and care work. Crucially, they have dispelled the romanticised view of care as consisting only of feelings, which strips care of the labour activity necessarily involved in it (Graham 1983). Likewise, they have revealed how unpaid family care is not necessarily the expression of pure love, but can often result from “compulsory altruism” (Land and Rose 1985). Thus they have offered insightful accounts of the complexities involved, which escape analyses that do not straddle usual dichotomous categories like paid/unpaid, private/public or formal/informal. Yet many of these early analyses had unpaid care work as their starting point. Although many of the dilemmas they illustrated are almost ubiquitous, their accounts are of inevitably lesser cogency in the case of waged care work.

Interest in the dynamics of motivation has also developed within other areas of research, and in particular within economics and more generally public policy studies. This has often occurred in the context of reforms of public services (for example, Le Grand 2003, 1997). In fields such as health, care or education, quality is difficult to monitor or measure, thus hampering both users’ and policy makers’ power to control providers. In addition, it is generally recognised that providers’ – whether organisations or staff – motivations play an important role in shaping the kind of service offered. More specifically, whether or not providers are intrinsically interested in the service they provide becomes a salient factor. However, if motivations are recognised to be more varied than the simple pursuit of profit or pay, the use of financial incentives becomes questionable. Indeed, in the presence of complex motives it is not all together clear if financial incentives can elicit more effort or commitment.

This chapter addresses a specific set of questions within this wider theme. More precisely, the analysis presented here is interested in exploring the relation between motivations and pay in the case of childcare work. The ultimate objective is to

understand whether assumptions on workers' motivations are implicated in their low pay. Systems of rewards often contain implicit assumptions about agents' motivations (Le Grand 2003, 1997). Thus this chapter examines a number of alternative theoretical propositions on the way pay and motivations interact. The main goal is not to offer a complete account of the interplay between pay and motivations in the case of childcare workers. More simply, the analysis aims at providing some evidence that can help assess the merits and limits of different theoretical propositions. The methodology used is in line with this approach. I use data from the LFS and evidence from a series of interviews with childcare workers. This double-headed empirical strategy serves to both test the theoretical propositions found in the literature and to assess their relevance to the case of childcare workers.

The plan of the chapter is as follows. The next section presents a number of theoretical propositions about the relationship between pay and motivations and presents the research questions. The third section describes the data and the methodology used. The fourth section reports the results. It considers to what extent high pay is associated with lower levels of motivations; it also examines whether pay increases are correlated with a reduction of intrinsic motivation. The last section discusses the findings and considers their implications for theory.

Theoretical perspectives

With considerable oversimplification, this overview identifies two different literatures that have put forward a number of theoretical propositions about motivations that are relevant to the case of childcare workers that will guide the empirical analysis. First, there are economists' accounts on the role of pecuniary incentives when individuals have been motivated also by non-pecuniary rewards. Second, there are feminist perspectives on care work, which have explored motivations in relation to both the nature and quality of care services and in relation to women's position and agency.

These two perspectives have developed separately and have moved from distinct concerns. Feminist scholars are interested in care work, broadly defined. Economists, on the other hand, are more generally concerned with the provision of those services

that have a marked aspect of public utility and which do not rely predominantly on ‘selfish’ motives. Thus, the idea cutting across the two perspectives is that a salient aspect of the provision of services such as childcare is that workers care about the output being produced – they are *intrinsically* motivated. The specific case of childcare can therefore be fruitfully examined in light of the propositions offered by both of these perspectives.

Perspectives from economics

A major focus within economics has long been the study of incentive systems. Standard economic theory suggests that an increase in the financial incentives given to a person will enhance her effort and performance. Financial incentives can thus be an effective tool for overcoming information asymmetries and monitoring problems. Efficiency wages are a case in point. Employees whose performance cannot be constantly monitored are paid above their productivity. This, in turn, will reduce their incentive to shirk because it increases the opportunity cost of losing their job.

The long-standing tenet that financial incentives increase effort has however been challenged in recent years, partly because it does not accommodate motives other than self-interest well. If individuals are motivated by altruism or more generally by social concerns of different kinds, financial incentives may turn out to be a blunt tool. This problem arises especially in the context of those economic activities in which human behaviour is widely seen as underpinned by some form of commitment or sense of responsibility. This is the case, for example, of services whose consumption yields collective benefits, like education or health. In such cases, efficiency wages may not be the appropriate solution, because workers are not predominantly interested in pay.

Conversely, low pay may reduce the need for both monitoring and for paying efficiency wages. Individuals whose motivations are sustained by the pursuit of activities enhancing collective benefits will be interested not only in their current and future remuneration but also in the quality of the service they provide. In their discussion on how to increase productivity in the provision of services with strong external benefit, like health and education, Besley and Ghatak (2003) observe that “individuals who work in the production of these goods may factor the value of the

output that they produce into their decision to work in that sector and in the amount of effort that they put in” (241). As long as workers can find the organisation that produces what they value – whether education or preschool services – it is possible to save on financial incentive and achieve, for less money, a more efficient output.

When this type of argument is applied to the case of a specific occupation, we have what Heyes (2005) has referred to as the “economics of vocation”. Workers with a vocation are defined as those who will work “beyond the call of duty” because they experience an intrinsic fulfilment in doing the job. For them, total pecuniary plus non-pecuniary remuneration will exceed the actual wage. Since what attracts workers to a job is *total* remuneration (pecuniary and non-pecuniary), higher wages risk attracting the wrong type of workers – namely those who have lower levels of motivation towards the job. Hereafter, I will refer to this view as the “screening proposition”, because low pay is here considered as a screening device that reduces an adverse selection problem.

Heyes’ argument essentially applies the logic of compensating wage differentials to a context in which people differ in their level of vocation or commitment toward one occupation – nursing is his example. Based on this logic, Heyes contends that “other things being equal a lowly paid nurse is more likely to have a vocation, and so over-perform in his role, than a highly paid one” (568). While the reasoning underlying the screening hypothesis may explain why an individual with a strong vocation is willing to accept a lower wage relative to a someone with no vocation, Heyes’ conclusion points to a *composition effect*, whereby higher wages in vocation-intensive sectors will reduce the overall proportion of committed workers employed in the sector. However, the model does not take into account the role of alternative employment opportunities, and in particular the fact that people may differ in regards to not only their level of vocation, but also their job options.

Thus economics offers an understanding of the interplay between intrinsic motivations and pay in which the two are essentially traded-off, in line with the logic of wage compensating differentials. This perspective equates motivations to choice, and views choice as the outcome of a costs vs. benefits calculation. This way economics widens its perspective, traditionally restricted to selfish motives, and

incorporates a new area of analysis: altruistic motivations or commitment. Yet it analyses motivations with traditional and powerful economic concepts and tools, without exploring whether commitment or altruistic motive would be better understood within a different framework.

In recent years, more sophisticated accounts of how intrinsic motivations respond to incentives have emerged within economics. Especially notable are the contributions by Bruno Frey and his colleagues (Frey and Jegen 2001; Frey 1998, 1997; Frey and Oberholzer-Gee 1997), who have pursued the idea that payment rewards may, in fact, reduce performance. They have introduced into economics a more nuanced understanding of motivation, by importing the distinction, well-established in social psychology (e.g. Deci 1975), between intrinsic and extrinsic motivations. Extrinsic motivation refers to a situation in which a person performs an activity because of an external reward attached to it; this external reward can take different forms: money, promotions, awards etc. For example, a childcare worker who works hard in order to receive a promotion would be considered extrinsically motivated. On the other hand, intrinsic motivation describes a situation in which a person is rewarded by the activity itself, either because she takes pleasure in it or because it fulfils her sense of duty. In this case the example would be a childcare worker who finds the activity of taking care of children fulfilling, rewarding and important *in itself*.

External rewards may reduce performance because, although they increase extrinsic motivation, they may crowd-out intrinsic motivation. According to Frey's "motivation crowding-out theory" (henceforth: the crowding-out theory), such a detrimental effect on intrinsic motivation occurs when the external reward is perceived as *controlling* by the individual performing the activity. A childcare worker may lose her own willingness to care for children if she feels pushed in that direction by a set of external incentives. By contrast, external rewards can crowd *in* intrinsic motivation when the "individuals concerned perceive it as supportive" (Frey and Jegen 2001, 595). In the case of workers Frey suggests that an external intervention may foster intrinsic motivation when it is considered by workers as "acknowledging their high work morale" (Frey 1997, 91). This would be the case of a childcare worker who is promoted because her manager sees her as eager to learn and to take on more responsibility. The psychological mechanism at work is simple:

if the individual feels that the locus of control over her performing a certain activity shifts outside herself, her sense of intrinsic reward from the performing that action diminishes.

The motivation crowding-out theory offers a more varied understanding of the interplay between different sources of motivations. Different motivations are not fixed and simply traded-off; instead, they interact in a more complex way. Another salient aspect of the theory is its attention to the *nature* of external rewards. The effects of external rewards come to depend on the way they are perceived and interpreted by the recipient. If the reward is “controlling” it is likely to crowd-out intrinsic motivation. Alternatively, when the reward is “acknowledging” it is likely to enhance intrinsic motivation. Given the saliency of this distinction, Frey and his colleagues have studied under which conditions an external incentive is likely to be perceived as controlling rather than supportive or acknowledging. Within the domain of work motivation and compensation policy, Frey points to some regularities. Employees are likely to interpret as controlling those external interventions that are uniform across the workforce. Indeed, if the reward is the same for all employees it cannot be acknowledging the individual worker’s intrinsic motivation or effort. Conversely, more personalised and non-monetary rewards are more likely to boost the recipient’s intrinsic motivation (Frey 1997, Chapter 10).

The crowding-out theory therefore offers a complex picture of how intrinsic motivations respond to external incentives and money incentives in particular. But theory has developed to challenge the idea, dominant in economics, that financial incentives enhance effort and performance. Much of the emphasis is therefore on the crowding-*out* effects rather than on the crowding-*in* ones. For this reason perhaps, claims that pay increases are likely to reduce workers’ intrinsic motivation are often supported by invoking the crowding-out theory. Yet such claims do not carefully examine the context in which such pay increases are introduced or their intention. The introduction of this distinction between different types of incentives complicates the assessment of the crowding-out theory but makes it more relevant to the case of childcare workers.

Feminist perspectives

Within feminist scholarship motivation to care has long been recognised as an intrinsic aspect of care work. Indeed, since the seminal work of Graham (1983), care is understood as demanding both love and labour. Subsequent literature has reiterated how caring means both caring *for* – the activity of attending another person’s needs – and caring *about* – the desire for another person’s wellbeing – and has explored the ramifications of this double meaning. In the context of family relations, often caring about provides the motivation to engage in caring for. So, for example, parents attend their children’s needs because they care about them. Yet in the case of care work performed by paid workers it is more difficult to see caring activities as triggered by a sense of love and connectedness. Inevitably, in the case of waged work, the role and the nature of motivations becomes more problematic.

Himmelweit (1999) contends that the intrinsic double nature of caring implies that paid workers will be concerned about the results of their work and, necessarily, their motivations will not be entirely monetary. Because “what people hope to take from work is not just pay” (Himmelweit 1999, 36), pay will not drive out intrinsic motivation. From a slightly different perspective, Folbre and Weisskopf (1998) discuss the need for a new social contract able to promote caring activities based on feelings of affection and concern. They argue that within the context of wage employment higher pay may facilitate caring relationships but will not be sufficient without social norms favouring a diffuse sense of responsibility for caring for and about other people. Indeed, a higher wage will reduce the opportunity costs of caring work, thus enhancing the opportunities of intrinsically motivated workers to actually engage in such work. But ultimately, the supply of caring labour will not depend on market forces, but on the presence of the kind of values that underlie such caring labour, like altruism and sense of responsibility.

This idea that pecuniary incentives are not necessarily conflicting with caring motives has been further elaborated by economists Julie Nelson and Nancy Folbre, and sociologist Paula England (England 2005; Nelson and England 2002; Folbre and Nelson 2000; England and Folbre 1999; Nelson 1999). They reject both the dualism between self-interest and altruism, and the notion of money as related to self-interest alone. In relation to the former, they propose a richer understanding of motivation

whereby multiple motives coexist alongside each other without conflicting. In the relation to the latter, they draw on the sociological literature on money (for example, Zelizer 1994) and argue that the *meaning* of money often depends on the context in which money transaction occurs. Thus, pay can be interpreted as a gift as much as an insult, with obviously different effects on motivations.

These views almost dovetail the propositions of the crowding-out theory. Similarly to the approach proposed by Frey, these feminist scholars argue that caring activities are motivated by different types of motives – intrinsic as much as extrinsic. But the emphasis has been on the complementarity between the two, rather than on external incentives crowding-out caring motives. Moreover, Nelson and Folbre (Nelson 1999; Folbre and Nelson 2000) have insisted on the relevance of the distinction between *types* of external rewards – whether controlling or acknowledging. This distinction bears strong similarity to the idea that the meaning of money is not univocal, but pushes the point further. Indeed Frey suggests that money, by virtue of being fungible and anonymous, is less likely to be perceived as acknowledging. Rewards in kind and prizes, on the other hand, can be more easily personalised, thus are more apt to convey the kind of appreciation that boosts intrinsic motivation. Yet in the context of *women's* work, payment *levels* may become more important than the distinction between rewards in kind and money. Indeed, both Zelizer's (1994) analysis and Kessler-Harris' (1990) historical account have illustrated how the meaning of “a women's wage” has changed over time and how different *amounts* of money tend to convey different meanings. So, small payment are often viewed as tokens and reflect not so much the value of the recipient's contribution, but rather an appreciation of commitment. From this perspective, low levels of payment for care work implicitly reinforce the idea that care work is undertaken predominantly for love.

Feminist literature on care has therefore insisted on the importance of motivations in care work. In particular, intrinsic motivations are a constitutive aspect of caring activities, which entail that workers ‘care about’ the persons they are caring for. In relation to pay, feminist scholars have challenged the view that pay necessarily erodes the ‘care about’ component of caring work. Correspondingly, their emphasis is on the possible crowding-in effects of pay. Furthermore, some scholars suggest that pay can be understood as conveying reward from the employer and society,

rather than signalling greediness from the side of the employee. Viewed from this angle, pay therefore becomes an important tool to boost intrinsic motivation.

Research questions

Given these different propositions and views on the interplay between pay and motivations, this chapter examines two sets of questions. As in the previous chapter, I indicate the questions according to the numbering used in Chapter 4, when the “operational research questions” were overviewed. However, I add here two ancillary questions (3b and 3d). The first set refers to the screening proposition, and in particular to the idea put forth by Heyes. They are:

- 3a) All else equal, are lower-paid childcare workers more likely to over-perform in their role or to exhibit a higher level of commitment to the job?
- 3b) Do the assumptions underlying the screening proposition fit the case of childcare workers?

Question 3a is fairly straightforward and calls for the empirical testing of this specific prediction. Crucial to this exercise are the measurement of both pay and commitment. The second question (3b) requires teasing out the assumptions underpinning the screening proposition. So I explore the extent to which the “all else equal” clause is plausible and what its implications are. Further, I investigate whether workers’ choices are framed according to the logic of the compensating differentials.

The second set of questions, instead, refers to the crowding-out theory. Empirical investigation of crowding-out effects is no simple matter. It is impossible to ascertain simultaneously whether an external incentive crowds-out intrinsic motivation and, at the same time, whether the incentive is acknowledging or controlling. Usually, experimental approaches control the type of incentive used and test the theory by examining the effect produced. If uniform and explicitly controlling pay incentives are found to crowd-out intrinsic motivations, the theory is confirmed.

In the case of childcare workers, it difficult to validly test the crowding out theory because there are no incentive payments. Thus this chapter will explore a more general proposition:

- 3c) Are payment increases associated with a decrease in workers’ commitment?

3d) Is it possible to identify other factors that support or undermine workers' intrinsic motivations?

Question 3c is relatively clear-cut. Yet, in this case, results cannot confirm or refute the crowding out theory. More simply, they can only be interpreted in light of the analytical framework proposed by the crowding out theory. The second question (3d) instead seeks to explore the context in which pay and other rewards are given to childcare workers. This exercise will help assess to what extent the effects of external interventions vary in relation to the context in which they occur.

Cutting across the two sets of questions are different sources of information and different methodologies. Questions 3a and 3b will be explored using LFS data.

Questions 3c and 3d will be examined by drawing on material from the interviews.

The next section explains the different methodologies in more detail.

Data and methods

As in the previous chapter, I use two different sources on information: data from the LFS and material from the interviews with childcare workers. The choice of using both microdata and interviews is consistent with an empirical strategy that seeks to be both deductive and inductive. More specifically, the data from the LFS are used in two ways. First, to test the hypothesis that among childcare workers higher pay is positively associated with higher levels of commitment. Second, to verify what happens to motivations when pay increases. Information from the interviews, on the other hand, is used to explore whether both the screening proposition and the crowding out theory need to be *formulated* differently. In other words, the interviews help verify which new issues should be integrated in a conceptual framework that tries to analyse the relation between pay and motivations. In this section I present the variable used (in relation to the LFS) and the questions asked (in relation to the interviews).

The Labour Force Survey

As it was explained in Chapter 4, the LFS is a quarterly survey, but is structured as a rotating quarterly panel: each sampled household is surveyed for five consecutive quarters, so that in each quarter one fifth of the sample will be interviewed for the first time, one fifth for the second time and so on. I use the LFS both as a cross-

section survey and as a panel survey, and perform three separate analyses: two in relation to question 3a and one in relation to question 3c. Because the longitudinal analysis can be carried out only for the 1997-2008 years, the entire chapter is based on this time span to increase consistency and comparability across sets of results.

Dependent Variables

The main problem of any empirical analysis interested in motivations and using observational data is that of finding a suitable proxy capturing workers' vocation or motivation. In relation to the screening hypothesis I use two different variables, and the analysis is performed on two slightly different samples. In relation to the crowding-out hypothesis, I use one of the previously used outcome variables, but, again, the sample will be slightly different.

First, I use information on unpaid overtime to measure workers' level of commitment. Unpaid overtime has been recently used by Gregg et al. (2008) in order to examine whether people employed in the public and non-profit sector are more likely to 'donate their labour' than employees working in the private sector. In the case of childcare, this seems a suitable indicator because of the way work in nurseries is generally organised. Beside the actual work of caring for children, childcare workers need to carry out a series of tasks while not directly engaged with children, for example planning weekly activities or keeping records of children's progress (Findlay, Findlay, and Stewart 2009). Yet nurseries tend to operate with a minimum level of staffing, and this means childcare workers are rarely entitled to time during which they can carry out planning and reporting tasks – so-called “non-contact time”. Consequently, this type of work often gets done while children are around. Alternatively, workers can work longer hours or take work home. It seems therefore that unpaid overtime can be a plausible proxy of dedication to the job: those workers who are more dedicated and involved are likely to be reluctant to do the planning and reporting while directly engaged with children and are, therefore, more likely to work overtime. Thus, in the first part of the analysis on the screening proposition, unpaid overtime is the outcome of interest.

The LFS asks all respondents in work for information on the usual number of unpaid overtime hours. One fifth of childcare workers do work some overtime hours, but

among those who do so the actual amount of overtime tends to be limited. Given that there is little variation in the number of overtime hours, I construct a variable with value 1 when respondents work any unpaid overtime and 0 when they do not.⁴²

In the second part of the analysis on the screening proposition, I measure commitment using a different variable. I examine the probability of childcare workers remaining in the sector, as opposed to gaining employment somewhere else.

If accepting a low wage denotes high intrinsic reward from doing the job, we would expect workers with lower wages to be more likely than workers with higher wages to remain in childcare in face of better-paid jobs in other sectors. In addition, the issue of retention among childcare workers is of interest in itself. Indeed, from a policy perspective retention in the sector is important because it affects the overall number of recruits needed and because it reduces the average level of experience among childcare workers. However, it is important to notice the difference between questions about the ‘vocation’ of workers on the one hand and ‘caring motives’ on the other. If the perspective adopted is that of vocation, the interest lies in the number and type of workers employed in the occupation at hand – childcare in this case. In this case, a measure of the probability of remaining in the sector is appropriate. By contrast, if the focus is on the individual caring relationship between worker and child, it would be more correct to examine the probability of changing job, irrespective of sector of employment.

The LFS, as mentioned above, contains a rotating panel. Since 1997, questions on wages are asked at the first and fifth interviews. This allows the matching of individuals across waves in order to obtain a panel with two observations fifteen months apart. I pool these short panels across years to have a sufficient number of observations. The resulting dataset spans from 1997 to 2008 and observes each individual at two points in time, which I will refer to as t_0 and t_1 respectively.⁴³

The sample I am interested in for this part of the analysis includes those working in childcare at t_0 . Among those who are in childcare at t_0 , 84 percent stay on, whereas

⁴² I have also constructed the overtime variable as a continuous variable and I have used this to carry out the same analysis presented here. I used both a tobit model and a linear probability model – the results were very similar to those presented here.

⁴³ Because of the rotation structure of the panel, t_0 will be any quarter between the first quarter of 1997 and the last quarter of 2007. t_1 will be any quarter between the first quarter of 1998 and the last quarter of 2008.

16 percent move to different jobs. These new jobs may either have some affinity with childcare (e.g. speech and language therapist or educational assistant) or be totally unrelated (e.g. shelf filler or sales assistant). Although tracking whether workers remain in a sector which may be similar to childcare could offer useful insights on motivations, the small sample does not allow investigating this point further. What is instead possible is to explore whether there is some support for the idea that the lower the initial wage of a childcare worker, the higher her devotion to and preference for the job, measured by her probability of still being in the job after a year. So, the screening proposition is also investigated by using a dependent variable that equals 1 if the respondent is still employed in the childcare sector and 0 if she has moved to another sector.

The analysis of the crowding-out theory, by contrast, uses unpaid overtime as an indicator of commitment. In this case however, the variable is constructed in a different way. What is of interest in the crowding-out theory are *variations* in commitment induced by external incentives. Therefore I use the longitudinal LFS sample and I construct a variable as the difference in the number of hours of unpaid overtime between t_0 and t_1 . This way a childcare worker who worked 5 hours of unpaid overtime in t_0 and 1 hour only in t_1 will be assigned the value -4. Given that only a minority of workers work unpaid overtime, for the majority of them the assigned value will be zero. The sample used here is only slightly different from the previous longitudinal one. For this part of the analysis, I am interested in those who are in childcare *both* at t_0 and t_1 . Thus, the sample is a bit smaller than the previous one, which, instead, included workers who had chosen a different occupation in t_1 .

Independent Variables

I use a similar set of covariates in the three parts of the analysis and in all cases the main independent variable of interest is pay. As explained previously in Chapters 5 and 7, the LFS contains information about gross weekly pay. I derive hourly pay by dividing the gross weekly wage by the usual weekly paid hours. These wages are then deflated by the consumer price index, using 2005 as base year.

As discussed in Chapter 5, there are well-known measurement problems affecting earnings information elicited directly from workers, and in particular from low-paid workers, who tend to not receive regular pay slips. Thus there will be some

measurement error in the *independent* variable, which will cause attenuation bias in the estimates. The coefficients are therefore likely to underestimate the correlation between pay and the outcome of interest (Greene 2000, 365; Wooldridge 2003, 305).

Of course, both unpaid overtime and the probability of being employed in childcare at time t_1 are likely to be affected by several factors and not only by pay. Central to my selection of control variables in the regression analysis, is the idea of capturing those influences that are likely to be relevant to the reality of childcare work and to the characteristics of the sample. I control for age and presence of small children to account for differences in personal characteristics that are likely to affect the possibility of working overtime and of finding a different job. I include a set of dummy variables capturing educational qualification. Qualifications are likely to be correlated with responsibility, and therefore with the necessity of working some extra hours. Likewise, workers with higher qualifications are better positioned to find alternative employment.

I also incorporate two controls related to job-characteristics which are likely to limit the willingness to work overtime and, on the other hand, may provide an incentive to move to another sector: number of usual hours worked and being on a temporary employment contract. Furthermore, I control for sector of employment for two reasons. Chapters 5 and 7 have shown that pay is highly correlated with sector, with public sector workers paid substantially higher wages than private sector ones. In addition, previous research on motivations and pro-social behaviour has highlighted how workers in the private sector are less likely to ‘donate their labour’ than employees in the public and non-profit sector. I also net out regional influences and year effects, but, in fact, the results do not change whether or not they are included. Finally, I include a dummy variable indicating whether a proxy respondent had in fact provided the information.

As in Chapter 7, only women are included in the sample and no control for ethnicity is included. As before neither the inclusion of men in the sample, nor the additional control for ethnicity change the pattern of the results.

The interviews

As explained in Chapter 4, the interviews were mainly geared towards eliciting information about workers' motivations. Information on the decision to enter into childcare was elicited mainly through two questions: "How did you start working in childcare?"; and "When you started, what were your expectations?". The first served to set the decision into the context of the respondent's life. The second question helped to better identify those workers who had "slipped" into childcare because it suited their circumstances at the time and had subsequently stayed on. Beside these initial questions, respondents often provided additional, sometimes contradicting, information on their occupational choice at later stages of the interview and were consequently probed.

It was more challenging to elicit meaningful information about motivations as such. Indeed, in line with well-established findings in social psychology, people tend to present accounts of their experience whereby they appear consistent and committed to the choices they made (for example, Cialdini 2001, Chapter 3). Given that I was interviewing only people working in childcare at the time of the interview – not people who had worked in the sector and left it afterwards – I was bound to come across an overall positive account of the rewards of the job. Some indirect questions were therefore used to explore what aspects of the job people most disliked or liked. For example, respondents were asked: "Have you ever thought of looking for another job?". Furthermore, they were asked about their future plans and where they saw themselves in five years time. Finally, I asked respondents what advice they would give to a young person who was considering starting to work in childcare. All these questions helped gain a more nuanced picture of the benefits and the problems experienced by different workers.

In relation to money, unsurprisingly, different *terms* were likely to bring out diverse reactions, simply because they had different connotations; for example "big bucks" as opposed to "pay". This, in turn, highlighted the relevance of framing problems. But such different reactions, and the variety of meanings that the topic of money could take, became a finding itself rather than an obstacle.

Findings

Findings are presented in two sections, corresponding to the screening proposition and the crowding-out theory respectively. Within each section, results from the LFS and the interviews are presented separately. While some immediate comments are offered alongside the results, the bulk of the discussion is put off to the concluding section.

Low wages as a screening tool: results from the LFS

I start by estimating a logit model on the probability of working unpaid overtime. Results are reported in Table 8.1. The difference between the columns (1) and (2) is simply that the latter includes controls for the sector of employment – private, voluntary or public; all other covariates are identical between the two specifications. Looking at column (1), the coefficient of pay is positive and significant, indicating that those on higher wages are more likely to work overtime without receiving additional payment. This is contrary to the intuition offered by the screening hypothesis, which suggests that low-paid workers are more likely to over-perform their role relative to better paid ones.

When looking at the other variables, the results indicate that longer work hours are associated with a higher propensity to work unpaid overtime. This result is perhaps surprising, given that working longer hours in itself reduces the number of hours available to work unpaid overtime. But it could perhaps capture the fact that full-time workers tend to have more work responsibilities. The coefficient of temporary employment contract is negative. This may reflect the fact that staff on temporary contract are likely to be employed by an agency, rather than directly by the nursery, and this, in turn, may reduce their level of commitment.

This pattern of results remains stable when controls for sector of employment are included. Indeed, all coefficients in column (2) are very similar to the ones in column (1), with only the exception of “presence of children”, which is now statistically significant. The presence of small children is negatively correlated to unpaid overtime, presumably because family caring responsibilities make it more difficult to work longer than the contracted hours. At the bottom of column (2), the coefficients

Table 8.1 Pay and the probability of working overtime

	(1)	(2)
	Basic specification	With sector
Pay	0.012*** (0.003)	0.010*** (0.003)
Age	0.006*** (0.001)	0.005*** (0.001)
Children	-0.024 (0.017)	-0.030* (0.017)
Work hours	0.002** (0.001)	0.002*** (0.001)
Temporary job	-0.067*** (0.023)	-0.066*** (0.023)
Voluntary sector		0.156*** (0.035)
Public sector		0.059*** (0.019)
Controls for: Qualifications, temporary job, regions and years	Yes	Yes
Pseudo R-squared	0.0983	0.1098
Wald chi2	235.88	257.68
Prob > chi2	0.000	0.000
Observations	2704	2704

Source: LFS, all quarters, fifth wave respondents only, 1997-2008.

Note:

1. Sample: female childcare workers age 16-59
2. Entries are the estimated marginal effects (calculated at the mean) in logistic regressions on the probability that the respondent works unpaid overtime.
3. Robust standard errors in parenthesis; significance levels:*** p<0.01, ** p<0.05, * p<0.1
4. Additional control: proxy respondent.

of sector of employment are positive, suggesting that those employed in the public and voluntary sector are more likely to work unpaid overtime. This is in line with the results of Gregg et al (2008), who, using British data, show that workers in the public and voluntary sector are more likely to work unpaid overtime because of a sorting mechanism, whereby more motivated workers tend to select this type of organisation as opposed to the private sector.

Overall then, these results suggest that childcare workers on a higher pay are more likely to “donate their labour” than workers with lower wages. The association is however small: other things being equal, a wage increase of £1, which is equal to an increase of 17 percent of the average wage, is associated to an increase of one percentage point in the probability of working unpaid overtime. Relative to average probability of working unpaid overtime, this increase is only of five percent. In short, the association is not very strong, as a very large wage increase corresponds to a small, albeit not negligible, variation in the probability of working overtime. Yet there seems to be little support to the idea that workers receiving lower wages are more likely to over-perform relative to better paid ones.

The other strategy used to examine commitment is to estimate the probability that someone employed in childcare will still be working in the sector fifteen months after the first interview. Similarly to the previous set of findings, Table 8.2 presents the results in two columns, according to whether or not the specification includes controls for sector of employment. The results are however very similar across columns.

The immediate point to notice is that the higher the pay at t_0 , the higher is the probability of working in childcare at t_1 . This correlation contrasts with the prediction of the screening hypothesis, according to which a lower initial wage attracts the most motivated people, who are, by virtue of their motivation, most likely to continue to work in the sector. When looking at the coefficient of pay at t_1 , we find that the higher is the wage at t_1 , the lower the probability of being in childcare at t_1 . Here it is important to notice that wage at t_1 reflects wage both in childcare and

Table 8.2 Pay and the probability of working in childcare at t1

	(1)	(2)
	Basic	Sector
Pay (t ₀)	0.0213*** (0.00690)	0.0136* (0.00695)
Pay (t ₁)	-0.0156*** (0.00529)	-0.0174*** (0.00523)
Age	-0.000273 (0.00100)	-0.000870 (0.000986)
Children	-0.0506** (0.0251)	-0.0485** (0.0246)
Work hours (t ₀)	0.000669 (0.00154)	0.00106 (0.00149)
Work hours (t ₁)	-0.00174 (0.00164)	-0.00146 (0.00158)
Voluntary sector		0.0763*** (0.0213)
Public sector		0.0946*** (0.0238)
Controls for: Qualifications, temporary job, regions and years	Yes	Yes
Pseudo R-squared	0.0704	0.0910
Wald chi2	58.97	74.35
Prob > chi2	0.0342	0.0021
Observations	1096	1096

Source: LFS, five quarters longitudinal datasets, 1997-2007.

Note:

1. Sample: female childcare workers age 16-59 at time t₀
2. Entries are the estimated marginal effects (calculated at the mean) in logistic regressions on the probability that the respondent will be still working in childcare at time t₁
3. Variables that appear only once refer to t₀
4. Robust standard errors in parenthesis; significance levels:*** p<0.01, ** p<0.05, * p<0.1
5. Additional control: proxy respondent

outside of it, therefore the negative coefficient could indicate that those who move to other jobs, have, on average, higher wages. As for the other coefficients, only a few are statistically significant. Presence of children is negatively correlated with working in childcare, thus suggesting that childcare workers without children are more likely to move to other jobs. Interestingly, being employed in the public or voluntary sectors is positively associated with remaining in childcare. This is consistent with evidence of a higher turnover rate in private sector settings than elsewhere (Phillips et al. 2009). As wages are higher in the public sector than elsewhere, when this control is included the coefficient of pay at t_1 becomes smaller.

The results suggest that a childcare worker who is better paid at t_0 is more likely to stay on in childcare. This positive correlation holds despite the fact that a childcare worker with high wage at t_0 is more likely to have a higher wage at t_1 , and those with higher wages at t_1 are less likely to be working in childcare. As in the previous set of results, the association is rather small. When sector of employment is taken into account, a wage increase of £1, equivalent to almost a 19 percent increase, is associated with an increase of one percentage point in the probability of remaining in childcare. This in turn means an increase of only one percent relative to the average probability of working in childcare at time t_1 . Yet over the limited time span of fifteen months, an increase of one percent may not be considered insignificant. In addition, if there is measurement error in the pay variable, the coefficient is likely to be biased downwards, thus underestimating the positive association between pay and continuity.

Clearly, these findings from the LFS are rather descriptive and do not go far into explaining which mechanism may be underpinning the positive relation between pay and overtime, and between pay and continuity in childcare. Simply put, these positive associations could be due to several factors that are not related to motivations. For example, the fact the positive association between wages and unpaid overtime could be brought about by money concerns, rather than intrinsic motivation towards childcare. Workers with lower vocation are likely to choose better paid jobs within the sector, and, at the same time, will have more incentive to work unpaid overtime in order to obtain a promotion. Furthermore, the analysis is looking at wages across the entire childcare workforce, rather than at initial wages,

which, unfortunately, is not part of the information recorded by the LFS. These concerns are certainly valid, but do not appear especially cogent in the case of the childcare sector, which is notably characterised by poor advancement prospects and low wage increases (Rolfe 2005). Indeed, individual wage profiles are likely to be rather flat, with little seniority raises and few chances of obtaining a promotion to more senior level. Therefore the idea that childcare employees work unpaid overtime out of interest in future promotions seems rather implausible.

As for the association between pay and the probability of being in childcare after 15 months, the coefficient of pay can be interpreted as an elasticity of separation to other jobs not in childcare. This result is not altogether surprising: higher wages seem to help retention in the sector. But what can we say about the *type* of people who continue working in childcare? The negative coefficient of pay at time t_1 suggests that those workers who stay on in childcare are foregoing better-paid jobs elsewhere – they are therefore more committed to the job than those who leave. The short time window and the small sample size necessarily limit the scope of the analysis, leaving unaddressed the important question as to whether this positive association would emerge also when examining longer intervals. Furthermore, the association could be endogenous: employers pay higher wages to more committed workers, who by virtue of their commitment are more likely to remain in the childcare sector. This interpretation is perfectly plausible, but does not change the essence of the results. Indeed, what the LFS findings indicate is that employers do not, for whatever reasons, use low pay to select the most motivated staff.

Taken together, the results presented in this section indicates that higher pay is associated with a higher probability of working unpaid overtime. Likewise, higher initial pay is positively correlated with the probability of not leaving the childcare sector. Therefore, the results call into question the proposition that a low paid worker is more likely to over-perform or have a vocation than a highly paid one.

Low wages as a screening tool: evidence from the interviews

The screening hypothesis makes the assumption that workers trade-off between money and their intrinsic motivation to care for children. This section will use material from the interviews to investigate the extent to which this assumption is

plausible, if at all. The idea that childcare workers saw their jobs as intrinsically rewarding is generally supported by the interviews. With only a few exceptions, all workers enjoyed working with children and expressed their passion for seeing children growing up:

It's so rewarding when you see the child progress. It is really. [Ann]

It's because you can see a child that comes in not speaking, very shy, not confident or they come in as a baby and you just see them leave as a child ready for school with the tools ready to go and learn. That's what's rewarding about the job. [Rose]

However there were only a few workers who talked about their choice to enter into childcare in relation to other, better-paid options. These workers had degrees and had chosen childcare after becoming dissatisfied with their previous job.

I don't want to deal with the office politics, so that's why I found it difficult going back to HR [Human Resources] [...] And with children it is rewarding, it's hard work, and sometimes I do think "why am doing this?" especially because you know, the pay is not fantastic but then you think about what do you want from life as well: "is money everything?" to be in an unhappy job or [to be] where you know what you're doing has a significant impact on those lives. [Donna]

I did work as a customer service advisor, but I hated it. ... it's mainly sat in an office and that's quite a bit higher paid, but it's just not what I want to do right now. [Mary]

By contrast, there was little support for the idea that workers with lower qualifications had traded off money for the intrinsic reward of working with children. For example, Lorraine explained:

I did one time look into going to work in Sainsbury's, but the money was so poor and I thought well if you're gonna change your job, you don't change your job for less money than what you're getting, because I really looked into it you know, what with the petrol money and everything, getting up to work every day, but it's still... still not enough.

A similar point was made by Amanda. She worked part-time in childcare and part-time in a supermarket. When asked if she would swap her job in the supermarket to take a part-time position in childcare for less pay, she said:

I don't think you could pay less [laughs], I don't think anywhere's going to pay less than Morrisons! [Amanda].

Indeed several interviewees reported that their previous jobs has been in other low-paid sectors:

I've done a million things...I worked in Top Shop [...]. I worked in Choice. I worked in a hairdresser as well. I've worked in a flower shop. I used to clean. [Tasha]

Likewise Jenny, who had had a few jobs in hairdressing before coming to childcare, said:

When you look in the paper, if you're looking for jobs, you're right at the bottom with the cleaners and, you know, you think "well I might as well become a cleaner then". At least you're sort of there by yourself and you can get on with it.

In several cases thus the intrinsic reward of working with children had not figured prominently in the choice of occupation, which was, instead, the result of a limited set of options all of which were similarly low-paid. This meant that the reward of seeing children growing was often not weighted against better-remunerated but less rewarding jobs. Instead, it was one of the few positive aspects of the job, as a manager explained:

It's poorly paid as it is and there really isn't any reward other than seeing your children grow up and move onto the next stage. There isn't any more. You might make a few good friends and I think from their [workers'] point of view it's not that much more. You know, the pay is poor. [Angela]

There was only one worker who clearly expressed the idea that genuine choice about the job was essential to motivation:

I think you need to have passion, you need to enjoy what you're doing and that's the difference between, I would say, like the old set of practitioners ... where they're just doing the job because it was a dead end job and they didn't know what else to do ... and there are some individuals, like, they're looking at why they're in the job and it's, it's more their own choice, I think that's the difference. [Donna]

More implicitly, one manager mentioned the fact that workers often choose childcare out of a few options and hinted to the implications that this had on the "type" of workers applying:

Always childcare has been an easy option when you're at school, you either go off and do hairdressing or you do childcare. [...] I'm seeing young girls coming in now that, possibly because they want to get off the dole queue, and because they've had that love missing in their life, so they're trying to make up for it by working with children, but they shouldn't be here, they're getting the wrong thing out of it. [Janet]

There was also evidence that workers had different "reservation wages", and this difference was often related to age. Among older workers there was, for instance, the view that their main family role had been to raise their own children and thus the money they earned was topping up family income rather than contributing substantially. Clearly, these workers saw their husband as the main breadwinner. For example, Lorraine described her first job in childcare:

It was just a little part-time job that fitted in with the children basically.

Likewise, Thelma, a childminder in her late fifties, when asked if she was planning to stop working soon, replied:

While I can keep going I need to keep working or else that'll be the end of holidays.

The money she earned was therefore seen as earmarked for treats, like holidays, not for living expenses. On the other hand, younger workers expressed concerns about their ability to earn more money:

A lot of pressure from my partner as well to earn more money, quite poorly paid in childcare ... He [partner] is very money, salary orientated in terms of us progressing and moving on in our home, in terms of buying a house and just moving up that way. So obviously he knows that working with children isn't the quickest way to do that. [Deborah]

Another worker with young children gave prominence to similar issues, and expressed resentment about childcare precisely because of its low pay:

I don't think it [working in childcare] is worth [working in]. I think they give us too much work to do for the amount of money [...] To me that [money] is what makes the world go round, because if you didn't have money where would you be? You know you couldn't support your kids if you had nothing. You know, you couldn't support a house, you couldn't pay a mortgage, you know you couldn't pay your bills so, why do you want to work? [Lizzie]

The focus and extent of these critical views on pay in childcare varied within workers' accounts and seemed to be in part related to their family income, normative views on their role in the family and their expectations about pay. There was therefore evidence that workers had different reservation wages, with younger workers possibly facing more pressure to contribute financially within their family.

Despite these differences, all workers were acutely aware of the low pay problem. Yet they did not frame the problem as an unavoidable dilemma between money and love for the job. Rather, they experienced it as a contradiction that they had to put up with:

This is the one sort of job where you love it and hate it at the same time. Everybody does it, loves working with children but hates it because of the pay. The pay is really bad. [Tasha]

My first lot of wages was really rubbish and it's not much better here. It doesn't affect me in regards to be with the children and, you know, it doesn't affect me in that way. Obviously personally like paying bills and stuff like that it does affect but it doesn't affect me in being with the children at all. [Jenny]

More generally, workers insisted that money was not their priority but nonetheless they did not hold the idea that a desire for money necessarily signalled greediness or

selfishness, because money, as Lizzie had put it, “makes the world go round”. Indeed, comments on pay were mostly framed in relation to necessities. For example Ann, after explaining that she was currently paid more than in the nursery where she had worked previously, commented:

But then it doesn't seem like you get paid that much when you've paid everything out, you're not really left with very much, like once you've paid your rent and say your bus pass for the month and whatever. You're not really left with very much.

Money was perceived as conflicting with childcare work when it was referred to as ‘big money’. For example Cath stated the obvious, when she remarked:

It's not the job that you come in for if you want big money, big bucks...[Cath]

But later, after reporting that a woman holding a similar same role in a nearby nursery was paid a few pounds more, Cath commented:

It would be lovely [to be paid more]. *Money's always lovely isn't it?* I can then buy my grandchildren something. [emphasis added].

So the evidence seems to suggest that *levels* are important and what the money is for is also important. Thus being able to make ends meet does not seem to be in conflict with the workers' job role.

Overall then, the material from the interviews highlights a number of issues that are relevant to the understanding of how pay and motivations interact in the context of an occupation like childcare in the UK. Findings from this type of study clearly cannot be generalised; they have, instead, to be considered as the results of an exploratory exercise. If seen this way, these findings can be useful to uncover the extent to which the screening hypothesis rests on premises that are relevant to the case of childcare.

In particular, the intuition that only the most motivated workers accept low wages is based on the assumption that workers trade-off wages and intrinsic reward – implicitly compensating differentials. Thus workers are assumed to face job offers that vary in relation to *both* wages and the intrinsic reward they offer. The interviews however gave little support to the idea that worker's occupational choice had been based on the careful weighting of pecuniary advantage against the non-monetary rewards of working with children. Although workers expressed their liking for work

with children, the majority of them had no better-paid employment alternatives. That is, they had chosen childcare out of a limited set of low-paid job options.

In addition, workers appear to have different financial responsibilities towards their families. We cannot presume that workers who contribute relatively more to their household income are less likely to have a vocation or show commitment to their job. But differences in reservation wage influence the effective functioning of low pay as a screening device.

These two points already call into question the assumptions used by the screening hypothesis. More specifically, the interviews suggest that the intuition that low wages may help attracting the ‘right sort’ of people may have limited relevance to the case of the childcare occupation. This is not so much because motivations are not salient for this type of work. It is, instead, because childcare workers differ not only in their motivations, but, more importantly, in the range of alternative employment opportunities they face and in terms of the financial responsibilities they shoulder.

Finally, the interviews offer little insight about the interaction between motivation and choice. It is plausible to presume that workers with genuine occupational choice are highly motivated. This is indeed the point made by one worker, who framed her decision to work in childcare as a careful and deliberate choice. Nevertheless, the fact that almost all workers found the job intrinsically rewarding may suggest that even those who *drifted* into the job are likely to develop caring motivations.

Repeated interviews would be needed in order to explore the dynamics of workers’ motivations over time and to better understand how the initial choice of entering into childcare is related to subsequent motivation.

Money crowds out motivation: findings from the LFS

So far the analysis has been concerned with the “screening proposition”. In this section and the next one, the focus will be on the crowding-out theory. More specifically, in this section I will test whether pay increases are associated with a reduction in commitment, measured as a decrease in the number of unpaid overtime hours. Hence I estimate the association between variation from t_0 to t_1 in unpaid overtime and variation from t_0 and t_1 in pay. If pay reduces commitment, we would expect a negative correlation. The coefficient is presented in the first column of

Table 8.3 Pay and variation in overtime hours

	(1)	(2)
	Without any control	With controls
Δ pay	-0.164*** (0.0448)	-0.157*** (0.0480)
Age		-0.00506 (0.00773)
Children		0.236 (0.188)
Work hours (t_0)		-0.00166 (0.0154)
Work hours (t_1)		0.00609 (0.0162)
Temporary job (t_0)		0.242 (0.420)
Temporary job (t_1)		-0.310 (0.413)
Voluntary sector		0.0478 (0.276)
Public sector		0.181 (0.186)
Controls for:		
Qualifications, temporary job, regions and years	Yes	Yes
Observations	919	919
R-squared	0.014	0.045

Source: LFS, five quarters longitudinal datasets, 1997-2007.

Note:

1. Sample: female childcare workers age 16-59 at time t_0 and t_1
2. Entries are the estimated OLS coefficients on the difference in unpaid overtime hours between t_0 and t_1
3. Variables that appear only once refer to t_0
4. Robust standard errors in parenthesis; significance levels:*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$
5. Additional control: proxy respondent

Table 8.3 and is indeed negative, which suggests that as pay increases, unpaid overtime decreases.

Column (2) report the results obtained when covariates are included. Yet, variations in overtime hours appear not to be significantly correlated to any of the controls. Instead, what remains stable, is the coefficient of variation in pay. Similarly to column (1), the correlation between variation in pay and variation in overtime hours is negative.

These results therefore suggest the presence of a strong crowding-out effect. This finding is especially striking given that, overall, workers with higher wages are more likely to work overtime, and we would expect those on higher wages to have better working conditions, and, in turn, larger pay increases. That is, we would expect that more committed workers receive the largest pay increases and are more likely to increase their unpaid overtime. In fact, the opposite seems to be occurring: workers with positive pay increases drop their number of unpaid overtime hours.

The crowding-out theory maintains that crowding-out effects are more likely to occur when the external intervention is uniform across the recipients. The rest of the section will explore this point further. Indeed, once I have checked that pay increases are negatively associated with increases in unpaid overtime, the question arises as to what *type* of incentive such pay increases are.

As Chapter 5 has shown, the introduction of the NMW in April 1999 and its subsequent upratings have lifted the bottom tail of the wage distribution in childcare. If pay growth is largely driven by the NMW we would expect to see larger increases at the bottom of the wage distribution. This is indeed the case. Table 8.4 shows the average wage growth rate of the different quartiles of the wage distribution. Wages in the bottom quartile have grown more than the subsequent quartiles. Wages in the top quartile have negative growth. In short, the lower the wage the largest the pay rise.

In order to take into account differences in the pay growth rate along the wage distribution, I interact the wage growth with the four quartiles of the wage

Table 8.4 Average pay growth by pay quartile

Average hourly pay growth rate	
1 st quartile	0.327 (0.603)
2 nd quartile	0.116 (0.328)
3 rd quartile	0.098 (0.259)
4 th quartile	-0.004 (0.286)
Observations	919

Source: LFS, five quarters longitudinal datasets, 1997-2007

Notes:

1. Sample: female childcare workers age 16-59 at time t_0 and t_1
2. Entries are the average growth rate of hourly pay between t_0 and t_1
3. Standard deviation in parenthesis; significance levels:*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

distribution (at time t_0). This allows me to check whether similar variations in pay are associated with different variations in unpaid overtime depending on the level of pay the worker starts from. If the NMW has depressed morale especially among those on relatively higher wages, we would see a larger correlation coefficient.

This is indeed the case. Results are reported in Table 8.5 and indicate that the crowding-out effect remains statistically significant only for workers in the third quartile. These workers are likely to be above the NMW, and therefore unaffected by the introduction of the NMW and the uprates. At the same time, they are the ones who have felt the most the narrowing of pay differentials, because workers paid less than them have enjoyed larger pay increases.

These findings should be taken cautiously. Measurement errors are likely to be more pronounced in this part of the analysis, which uses the difference between pay at t_0 and t_1 as an independent variable. By combining the two there is indeed the risk of magnifying possible errors and the consequent statistical bias. Yet the evidence is not altogether implausible; it is, in fact, in line with other findings. Evidence from the

Table 8.5 Pay growth by quartile and variation in overtime hours

	(1)
Δ pay	-0.0755 (0.251)
Δ pay * 2 nd quartile	-0.686 (0.522)
Δ pay * 3 rd quartile	-1.596** (0.648)
Δ pay * 4 th quartile	-0.778 (0.621)
Age	-0.00540 (0.00775)
Children	0.196 (0.188)
Work hours (t_0)	-0.000648 (0.0153)
Work hours (t_1)	0.00441 (0.0161)
Voluntary sector (t_0)	0.0462 (0.275)
Public sector (t_0)	0.242 (0.189)
Controls for: Qualifications, temporary job, regions and	Yes
Observations	919
R-squared	0.049

Source: LFS, five quarters longitudinal datasets, 1997-2007.

Notes:

1. Sample: female childcare workers age 16-59 at time t_0 and t_1
2. Entries are the estimated OLS coefficients on the difference in unpaid
3. Variables that appear only once refer to t_0
4. Robust standard errors in parenthesis
5. Additional control: proxy respondent

Low Pay Commission for example confirms my findings: wage increases have been larger for the lower deciles of the wage distribution, where wages below the NMW concentrate. This, in turn, has meant that wage differentials have been squeezed, and this may have, in turn, affected morale. One illustrative example reported by the Low Pay Commission describes the case of a nursery in which qualified staff had resented the large pay increases given to unqualified staff (Low Pay Commission 2003, 95).

Beside pointing to a crowding-out effect, these results could be interpreted in a slightly different way. It could be that childcare workers have perceived and judge the increase in pay not only on the basis of their previous situation – “more money than before” – but also on the basis on the information that external intervention itself conveys: the wage previously received was below a minimum standard (Gneezy and Rustichini 2000). It could be therefore that increases brought about by the NMW served to expose the paucity of previous pay rather than being perceived as a personalised acknowledgment of workers’ performance.

Overall the evidence from the LFS suggests that increases in wages among childcare workers are associated with a decrease of unpaid overtime – a crowding-out effect is indeed recognisable when examining the wage of childcare workers. As wage increases have been driven, in the main, by the introduction and subsequent uprating of the NMW, the evidence has been interpreted as suggesting a negative correlation between the NMW and intrinsic motivation. This of course should not be interpreted as evidence against the NMW. The analysis does not say much about the impact of the NMW on workers’ income and position. If anything, the data are unambiguous in suggesting the extent to which the NMW has been important in improving wage levels. Thus it is clear that the NMW can be effective in overcoming the problem of very low wages among childcare workers. But it remains similarly clear that the NMW is not and cannot be an effective intervention to bolster childcare workers’ intrinsic motivation. Indeed the NMW does very little to recognise and acknowledge workers’ commitment.

Money crowds out motivation: evidence from the interviews

The results from the LFS suggest that pay increases delivered through the NMW do not support workers’ intrinsic motivation as measured by variation in unpaid

overtime. Yet the question remains as to whether such a crowding-out effect is due to the characteristics of the NMW – its being uniform and blind to commitment – or to the fact that money itself tends to drive out intrinsic motives. This section uses material from the interviews to explore whether money and/or other factors sustain or undermine workers' intrinsic motivations.

The interviews confirmed that in the childcare labour market incentives payments are not used, nor are other forms of monetary incentives. For most workers earnings consisted of basic pay only, and differences across settings regarded the extent to which employees were entitled to holidays, sick pay or pension contributions. In this context, there cannot be much evidence of possible crowding-out effects, simply because money does not seem to be used to elicit more effort or commitment. Nevertheless, it is possible to tease out some distinctions across types of employment conditions and to relate them to differences in motivations.

Perhaps the most vivid example of a “basic” employment contract was given by Angela:

We don't get sick pay. There's not a pension in place but if they [workers] have got their own private pension then more power to them. We just get basic pay and that's it. There's no bonuses, no rewards.

This was therefore a one-dimensional transaction in which only labour was exchanged for money. Shortly after, when asked about whether she ever takes work home, Angela reported:

I can say, I can honestly say in my career of spanning 26 years [...] I don't do it [taking work home]. I understand that my boss pays me from this time to this time and whatever I've got to do gets done inside that time. You don't pay me for anything extra so you're not going to get that out of me. If I feel love and warmth for you then I might.

Angela's comment seems to suggest that as long as employment contracts are viewed as 'narrow' and entailing only the trading of labour and money, workers' commitment to 'over-perform' is unlikely to be enhanced.

There was also evidence that the problem of pay resulted in more hostile relationships between employers and workers. Employment contracts seldom include pay premiums and pay scales, in use mainly in the public sector, do not automatically recognise seniority. This effectively means that workers have often to fight in order

to obtain pay increases. This was, for example the case of Harriet, who was working in a primary school:

We had to fight really hard to move up from the scale to the next, so our pay would continue to rise, and that took a real battle, we had to write to the Chair of Governors, who then spoke to the rest of the Governors, who then spoke to the Head and it was a real battle to get that increase.

Likewise, Michelle described her previous employment experience by an agency:

From beginning [pay] wasn't good at all. I think it was about £5. And I was qualified then, Level 3 really. So for me to actually get to what I've got, which was £8, it was a struggle, cause every time you had to really fight with the agency to put your money up or to sort of threaten them, "Oh, I'm gonna leave you and find somewhere that pays a bit higher."

Conversely, many workers obtained pay increases by moving to a setting offering more favourable conditions. Reporting about her previous job in another childcare setting, Amelia explained:

We [herself and three more colleagues] did not leave because of the kids; we left because of the manager. We would have gone nowhere over there. About the money: she [the manager] never put the money up, never. I was working there for 6 years and my money never went up, but when I came here I had it [pay raise] three times - they changed my wages, so that's why [I came to current setting].

There was also some evidence of mistrust towards employers, especially in private nurseries. For example Jenny commented:

They [private providers]'re trying to trick you into making you get less money for more hours. They're always trying something new and they make you think that it's a good idea at the time and then when you think: "hang on a minute, this ain't right". And because you're young at the time you don't think things through and I think that's why a lot of young girls go to these private nurseries – because they're just fooled to believe in things like that.

This view was echoed by Tasha:

There's something about private nurseries that I just don't like. You get overworked, you are underpaid. You want to take time out that you're owed and everyone wants to make a big fuss about it.

More generally, often workers raised the problem of low pay alongside that of lack of praise, thus conveying the impression that both factors contributed to their not feeling appreciated. For example, Jenny, again, said:

[Childcare is] hard work, because [...] you want to do your best, so you're doing your best but it's not appreciated through praise or through pay.

The lack of appreciation for the work done was an issue raised also by Deborah, who described the situation in her previous job this way:

There wasn't much praise given but if you made the wrong decision about something, you would be come down on like a ton of bricks.

Within this context of difficult relationships with employers, the bond with children seemed to become a less prominent concern. Indeed most workers were glad they had left jobs in which they had not felt supported or paid fairly, although many of them expressed regret of having left the children behind. Not surprisingly, it would seem that caring motivations do not flourish or cannot be fully acted upon if workers distrust their managers and feel undervalued. What is however noticeable is that, often, low pay was not the only factor causing suspicion and antagonism towards employers. For some workers "feeling appreciated" through praise for example was similarly important.

Yet there were also several workers who described much more favourable work environments. Relationships with managers and other colleagues were often viewed as supportive. So, for example, Amelia described her manager:

Sue helps me, I mean: she's great; she helps. You can go to Sue and say, ask for anything, advice, how to do this, and she would tell you, she's a great help.

Likewise, Steven reported how his manager was "always available". For Lorraine, her manager was "more like a friend" because they had been working together "as a team" for a long time. Lorraine had been taking home the washing for the small setting where she worked every week for many years. More specifically, it was very important for staff to be in a workplace in which managers and colleagues were ready to accommodate each other's needs, and this aspect was especially crucial for those workers with family responsibilities or undergoing training. Debbie and Jenny are two cases in point:

When I was getting my Level 3, I was given loads of support from the nursery [...] everyone was really supportive [...]. So I didn't find it that hard. [Debbie]

I have got a little boy who is four and [...] if I am running late or I have got a situation I can always say to Patricia [manager]: 'Pat I am really sorry but can I do this or can I...' and she has always been very flexible with things like that so that's why it makes it a bit easier to come back after having a child. [Jenny]

The theme of support was interwoven with that of recognition and of valuing workers for what they do. Tessa, the head of a children's centre described her experience as manager making these two points:

Always supporting them [workers] [...] They know I'll listen to them if their mother has just been diagnosed with dementia, or they have just fallen out with their boyfriend; but in return I do expect quite a lot from them in that I expect them to take joint responsibility.

One of the hardest thing I have had to do was to build the confidence of the staff who believed they were in dead end jobs: there wasn't any chance of promotion; if you had been there for years you might get a senior job then you could boss around the other ones but your qualifications and experience weren't valued.

Correspondingly, workers often felt recognised if they had an input and they could “take joint responsibility”:

Our opinions are valued, everyone's always contributing to try and improve and change... just making the practice better really and obviously our views and opinions are listened to and, as long as it's feasible, change does happen. [Deborah]

Recently it's been sort of a team effort, with Helen [coordinator] it was a team effort and we had a really fantastic year together. And last year was great here with the Nursery, and looking back over photos thinking: “oh actually we did this, we did this and we did this” so we had done a lot, even though they were quite small! [Harriet]

Recognition and value were also granted through pay.

Yet more money did not always imply more respect. Some workers who had worked in schools had had mixed experiences: for some the better pay and working conditions had been accompanied by lack of acknowledgement from the nursery teachers or the headteacher. One worker had been referred to as “the woman in the afternoon” for almost two years by the headteacher. Another worker reported that she had worked with teachers who had not involved her nor sought her input in the management and planning. As Jenny put it:

You'll get more money in a school but it doesn't necessarily mean that you'd be valued by a head or by the Government. Sometimes value does a lot more than pay.

There was, finally, a worker who talked about a different source of recognition: a prize. She had recently received the award “Best childcare worker” organised by the Local Authority. When I asked what it had meant for her, she described “how amazing” the award ceremony had been for the whole team and how she got “lots of praise from everyone”, and concluded:

My kids were so pleased and because my husband never ever praises you with anything or that, I put it [the award] in the doorway [...] I never have ornaments in the doorway and he said: “what's that doing here?” and I said: “That's so you know who I am when I come in.” [Cath]

It would seem thus that a more appreciative and supportive working environment contributed to sustain workers' intrinsic motivation in two ways. At the most basic level, workers who enjoyed supportive staff and managers could keep their job while having small children, doing training or having family difficulties. Second, when the employment relationship was framed in terms of commitment and reciprocal understanding – as described by Tess – workers appeared to be better positioned to contribute to the improvement of the service.

Overall, the interviews highlight how the absence of clear rules governing labour contracts in the childcare sector leaves space for personal, and therefore discretionary, exchanges. In this way, pay and working conditions come to depend on mutual respect and generosity, or lack of them. But motivations seem also to be sustained or hampered by the *nature* of the employment relationship. A relationship that is based exclusively on the labour exchange, does not appear to foster workers' commitment. For Angela, who works only the exact number of hours she is paid for, the exchange is clearly limited to the accomplishment of her duties as nursery manager – that is what she is paid for. Furthermore, the labour exchange does not seem to last if workers feel “tricked”, underpaid and overworked. Indeed many change setting. By contrast, workers appeared more able to take on responsibilities for the service – from doing the laundry to proposing changes – when the employment relationship was underpinned by reciprocal interest in wellbeing and mutual respect.

This set of findings from the interviews has several limits and, most importantly, cannot be used to verify whether pay increases support or undermine workers' intrinsic motivations. Indeed, the childcare labour market is not a context in which crowding-out effects can be tested easily, given the total absence of performance-related-payments or other similar kinds of monetary incentives. Nonetheless, the material presented here can bring some helpful indications concerning the problem of *when* external incentives are likely to be perceived as supportive rather than controlling.

Generally, when the employment relationship was characterised by reciprocal understanding, workers perceived management's initiatives as supportive. Amelia

does not view her recent three pay increases as a way to elicit more effort. Nor does Jenny think that Patricia's accommodating nature is ultimately a "trick". In a context of trust, external rewards are likely to be perceived as acknowledging and supportive. Furthermore, workers from all settings appeared invariably aware of the poor pay that characterises the childcare sector and of the practice of setting pay levels at the very minimum. This awareness may contribute to a sense of gratitude towards employers who do pay *above* the minimum, thus reinforcing workers' commitment. Although this interpretation of the interviews is somewhat tentative, it suggests that in the case of childcare work external incentives are likely to crowd-in intrinsic motivations rather than undermine them.

Conclusions

Interest in motivation within the childcare labour market is well justified. This interest accords with the long-standing insistence by feminist scholars that motivation to care is an intrinsic aspect of care work. It is also in line with the widely-held view that working in a sector like childcare offers some form of intrinsic reward to some people. The relationship between such intrinsic reward and pay is however much more debated. This chapter has presented some evidence on two specific aspects of the problem.

First, it has explored if low pay is an effective screening mechanism, which helps selecting into childcare only those who are most highly motivated – only applicants who are highly motivated will accept a low wage. The evidence from the LFS gives no empirical support to this idea; in contrast, it suggests that those childcare workers who are better paid are also more likely to work unpaid overtime or to remain in the childcare sector. Furthermore, the material from the interviews has highlighted the shortcomings of the logic underpinning the screening mechanism: the logic of the compensating wage differentials cannot alone explain occupational choices, thus other factors need to be incorporated in the analysis. Indeed for many interviewees the choice to enter into childcare is dictated by caring motives as well as by different kinds of constraints.

Second, the chapter has explored whether pay increases are associated with a decline in intrinsic motivations and commitment. Findings from the LFS suggest that this is

indeed the case, despite the fact that across individuals those on a higher pay show stronger commitment (expressed in terms of hours of unpaid overtime). Such a crowding-out effect can be explained by the introduction, and subsequent uprating, of the NMW: the NMW is indeed the major determinant of pay increases among childcare workers. The NMW is a uniform external intervention, which has lifted the wages of all workers whose pay was under a specific threshold.

Its negative effect on pay can be explained by the fact that the NMW, by design, cannot acknowledge and support workers' commitment, because it is an external intervention which is by definition not tailored on the individual recipient. Workers receiving a pay increase because of the introduction of the NMW are unlikely to see the change as recognition of their work. More plausibly, the NMW could have depressed workers' motivations by highlighting the paucity of their wages. Indeed, material from the interviews suggests that pay increases and, more generally, better pay levels are one important way of valuing childcare work. In a context characterised by minimum wage levels and little appreciation of the work done, better pay levels are associated with more understanding managers and more supportive working environments. All together, these factors appeared to facilitate workers' commitment and involvement.

What are the implications of these findings for the theoretical approaches outlined in section 2? I discuss them starting from the screening proposition with the objective of bringing together the results from the different parts of the analysis. A useful starting point is a graph showing the relation between the supply of caring labour and wage. I reproduce here (Figure 8.1) the graph presented by Folbre and Weisskopf (1998, 193) and draw on their analysis. I comment on the graph as if it refers to the specific case of childcare workers and with reference to the results. The graph describes the supply of childcare in a society, where childcare is measured by total amount of people/hours. Up to the point H^* , childcare is offered without any compensation – by relatives or neighbours for example. Yet further than H^* , a wage is necessary to elicit more childcare. If caring motives are not taken into account, the supply curve will be S_x – the upward slope indicates that the higher the wage the more hours will be provided, in line with economic theory. People will be ordered along the X axis according to their alternative wage possibilities, with those who had

a low reservation wage coming forward first – for lower wages – whereas those with better alternative possibilities will require higher wages in order to offer childcare. Suppose now that some people are motivated not by money only, but also by their interest and pleasure in providing care. A lower wage can be offered and some people – those most strongly motivated – will come forward and provide childcare for a wage W (which is lower than W_x). On the basis of this intuition we can draw a curve, S , which indicates the supply of childcare labour in a society in which some people have caring motives.

How will people order themselves along the X-axis? This time *both* alternative wage opportunities and caring motives must be taken into account. The first to be available for working in childcare will be the people who have poor alternative opportunities and high caring motives. Subsequently, as wages increase, childcare will attract either people who have poor alternatives and low motivation, or those with good alternatives and high motivation. Finally, the very high wage will elicit the care provision of people with low motivation and good alternative options. On the basis of this insight, it is possible to further discuss the results and the screening mechanism.

The screening mechanism seems to work only in part. At the extremes of the wage spectrum we find people with different motivations: at very low wages there will be only those very keen on caring for children; in contrast, for the very high wage, there will be, almost exclusively, those who have few caring motives. The evidence from the interviews suggests that it is indeed the group at the bottom that forms the majority of childcare workers: respondents generally enjoyed working with children and found it rewarding; at the same time their alternative employment opportunities were all within the lowest paying sectors. But among people who do not have access to better-paid jobs, it is not the low pay that allows screening among applicants. Childcare, as *every* job, tends to attract those who find it fulfilling and enjoyable (England, Budig, and Folbre 2002, 459). The matching process is ensured by the fact that there are different jobs from cashier to sales assistant or hairdresser – the “million things” that Tasha referred to. So it is not surprising that the overwhelming majority of workers liked their job. If they preferred hairdressing, for instance, they could easily take a job there. This effectively means that even when *all things are*

equal and workers have similar alternative opportunities, low wages do not work as a screening device.

But what about those who are keen on providing childcare and also have better employment opportunities? These people would be in the middle, along the X-axis. For this group of people, sorting through wage becomes a less effective mechanism because it is more difficult to distinguish between those who have few alternatives and poor motivation from those who, despite having other options, are motivated enough to enter this type of job. In other words, it is impossible to separate ‘caring motives’ from ‘lack of alternatives’ motives, and this in turn makes it hard to translate the screening mechanism into practice: what is the wage level that would ensure that only very motivated people take the job? According to the logic of the screening mechanism, a wage so low to attract only volunteers. But if, more realistically, a wage is to be offered, then its level will ultimately depend of the distribution of caring motives across the population and the structure of alternative opportunities.

Folbre and Weisskopf (1998) for example insist, convincingly, on the importance of values: caring motives indeed will also be shaped at societal level. Presumably there will be more people willing to engage in caring activities in societies that especially value care work. But the structure of alternative opportunities is also crucial. This point has been explored mainly in relation to teaching, another vocation-intensive sector. Eide, Goldhaber and Brewer (2004) show that teachers in the US used to be among the most academically proficient college graduates in the 1960s, whereas, nowadays, teachers are drawn from the bottom end of the achievement distribution. Chevalier and Dolton (2005) point to similar problems in the UK. In both cases, the authors suggest that graduates with strong academic skills can find alternative occupations where they will receive higher pay. Thus the composition of the teacher workforce depends simultaneously on the compensation of teachers and on the compensation in other occupations.

The first part of the analysis of LFS data has assessed precisely this composition effect in the case of childcare work. Indeed I have investigated whether, on average, a better-paid childcare worker is less likely to work unpaid overtime or to remain in

childcare, as would happen if lower wages were effective in sorting more motivated applicants. But the opposite seems to be occurring: the higher the pay, the more childcare workers over-perform their role or remain attached to the sector. In relation to overtime, it is possible to partly attribute the positive association to an element of gift and reciprocity within the employment relationship (Akerlof 1982). Employers paying above the necessary minimum are likely to receive some ‘donated labour’ in exchange. This is a very different dynamic from that suggested by Heyes (2005).

The importance of the *nature* of the employment relationship has also been highlighted by the interviews used to examine the crowding-out theory. In a labour market in which pay is set on an individual basis and which is characterised by very low wages, personal bonds between employers and employee are especially salient. The picture emerging from the interviewees is not one of anonymous and impersonal market exchange. Employment relations, by virtue of often being long-term and close interactions, rarely have the characteristics of pure market exchange. A strong gift economy is likely to run parallel to market exchange (Offer 1997). Thus the usual relation between employers and workers entail not only a “money versus labour” trade, but also a much richer exchange based on trust, reciprocity and loyalty. The case of childcare work is no exception: many workers described the importance of supportive and trusting relationships with managers and colleagues. What is perhaps different in the case of childcare is the degree to which *pay* seemed to depend on such relationships.

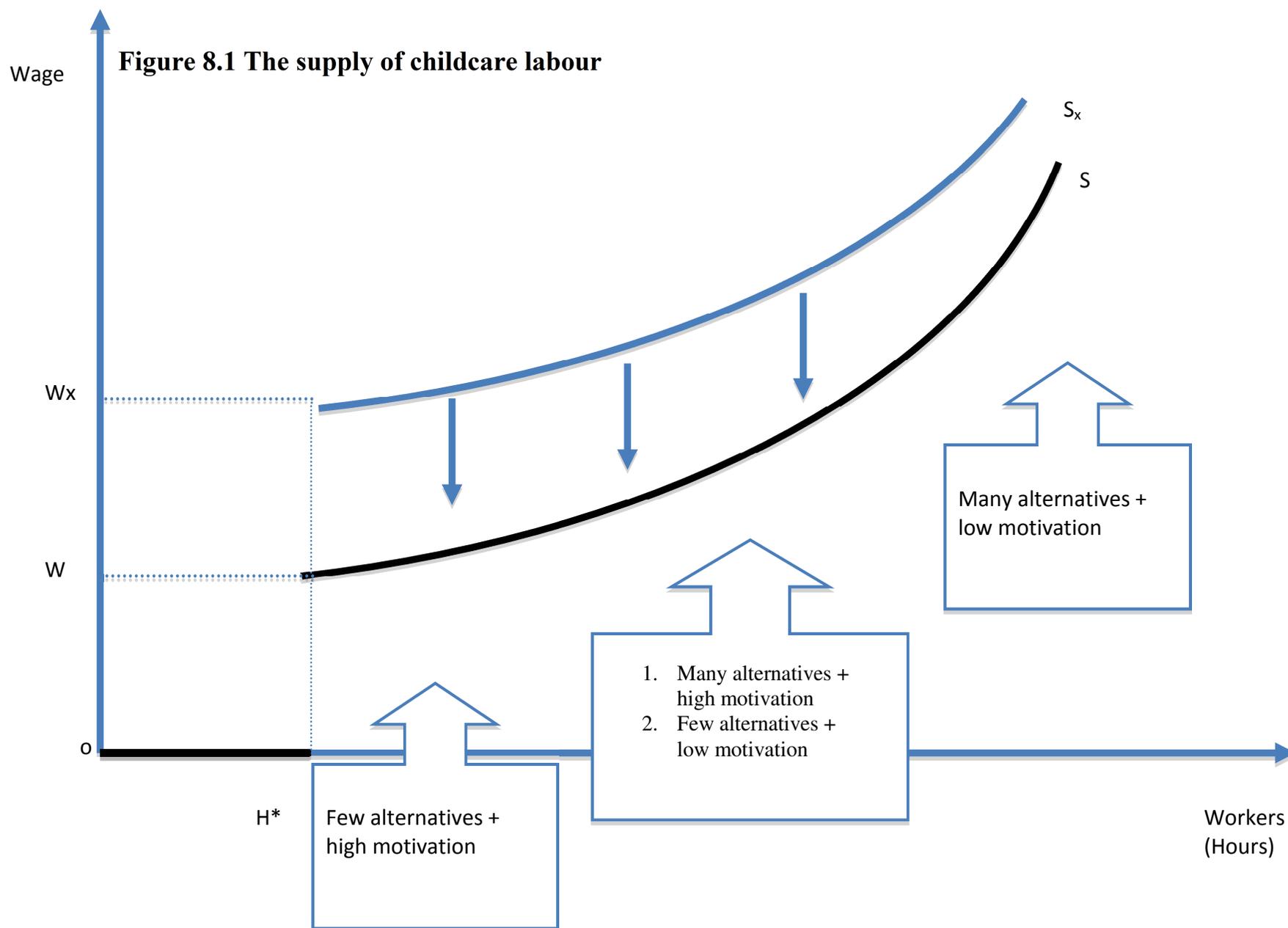
This aspect can perhaps be explained by the absence of labour market institutions in this specific labour market. Indeed there is little in terms of collective agreements, a uniform payment system or clear rules. Pay is, in the main, set by the manager according to the circumstances of the individual setting and her own personal approach. This arbitrariness, which responds only in part to the impersonal laws of demand and supply, effectively means that labour exchanges function more like gift exchanges rather than market ones. Indeed the relationship conveys regard as much as, if not more than, economic advantage. Drawing on Offer (1997), regard is here used to describe the various products of personal relationship: acknowledgment, respect, love, friendship etc. Employment relationships are therefore highly personal, reciprocal and discretionary. In this context it is perhaps not surprising that pay can

often become a means to grant approval and recognition, or to deny it. The relationship is so personal that even the money exchange becomes personalised and is therefore interpreted as acknowledging or, if money is withheld, as debasing.

This discussion highlights a sort of paradox, but also helps to uncover what are the assumptions underpinning the crowding-out theory. The paradox is the following: childcare workers seem to be caught in a double bind. The arbitrariness that prevails in the childcare labour market makes employment relationships highly personal. Such arbitrariness often results in poor working conditions, very low pay and mortifying experiences. At the same time, the flip side is that the employment relationship can be extremely rich and personal, entailing the exchange of regard and economic advantage. This, in turn, reduces the chances that pay increases afforded by the employer crowd-out intrinsic motivations. Thus, in the case of childcare workers, the distinction between different types of external rewards – whether supportive or controlling – turns out to be of little cogency. Rewards are given only within the context of supportive relationship and are therefore interpreted as such. Conversely, much of the discussion put forward by Frey has in mind performance-related payments. These compensation schemes however work under precise rules and measurement criteria. In addition, they are introduced in the context of employment relationships that are highly formalised. Examples are public sector services or large private organisations. This means that the context in which these schemes are introduced is recognisably less personal than is the case in the childcare labour market. This in turn makes it more difficult to determine from the context of the employment relationship whether an incentive is supportive or controlling.

To conclude, I would like to notice that the evidence presented in this chapter questions the usefulness of economists' framework of analysis focussed on *incentives*. Indeed such interest and emphasis may be wrong-headed in the case of childcare work, or of those activities that benefit from altruism and commitment. Economists have always suggested that behavioural change can be pursued by altering the system of incentives, rather than by promoting different values (Hirschman 1977, 1985). Indeed, incentives, and economic incentives in particular, have been long presented as the most effective way to “economize love” – whereby love stands for altruism, commitment or, according to Offer, regard (Robertson

1956). Yet, in the case of childcare workers, we want exactly the opposite: we do not want to “economize love”. Instead, a desirable policy objective is to foster workers’ intrinsic motivations. This, Frey (1997) suggests and the evidence from the interviews corroborated the point, can be done with external interventions that are acknowledging and supportive. As such, these interventions, whether through money or rewards in kind, do not try to steer the recipient’s behaviour into a certain direction – they are not incentives. Instead, acknowledging rewards attribute an *intrinsic* value to what the recipient is doing. Frey (1997) gives the example of titles given for one’s life-long achievements as likely to crowd in intrinsic motivation. They do so exactly because they do not want to steer the person into “more achievement”, rather they reflect the fact that society *values* what that person has done. Thus, as suggested by Folbre and Weisskopf (1998), a different system of values rather than a correct system of incentives is arguably what is needed in the case of childcare workers.



Notes: adapted from Folbre and Weisskopf (1998, 1993)

Chapter 9

Conclusions

This thesis has set out to answer the question of *why* childcare is a low-paid occupation. It has presented an empirical analysis examining the specific case of the childcare workforce in the United Kingdom from 1994 to 2008. The UK offers an interesting case study because, since the late 1990s, childcare policy has taken a much larger place on the policy agenda and childcare services have witnessed substantial developments.

As childcare is increasingly provided by formal services, the issue of the rewards attached to this type of work becomes more prominent for several reasons. From a gender equality perspective, the fact that the great majority of childcare workers continue to be female makes the problem of low pay one of women's disadvantage relative to men (Lewis 2009). Low pay is also problematic when the policy perspective is centred on children's wellbeing, as low pay makes it harder to secure highly qualified staff or, more generally, to attract workers (Moss 2003). Finally, increasing public support for care services arguably means that the social services workforce – its position and its characteristics – becomes an important dimension of welfare state analysis (Morgan 2005).

The thesis has adopted a policy-oriented perspective. In this respect, it has sought to highlight the relevance of the policy dimension in shaping the services in which childcare work is carried out, the content of such work and the position of childcare workers. Within this perspective, the argument running through the thesis is that childcare work has some unique characteristics that make it prone to poor remuneration. Drawing on the feminist literature on care, and in particular on feminist economists' contributions, the thesis has used the insight about the "cost disease" in the care sector as its starting point. The thesis has then enriched the analysis of this problem by identifying the series of mechanisms that, at institutional and cultural level, contribute to keep care work wages low. In particular, it has

singled out two sets of issues. The first relates to the skill content of childcare work. Feminist scholars have long revealed a bias against the skill status of female jobs (Acker 1989; Jacobs and Steinberg 1990; England 1992). Work usually done by women is often considered unskilled not so much because of its demands, but because of the inferior position of women relative to men (Phillips and Taylor 1980; Steinberg 1990). Institutional arrangements reinforce such bias – the lack of training systems for the accreditation of skills being one example (OECD 1998).

The second set of issues concerns the salience of intrinsic motivations in childcare work. Systems of reward often contain implicit assumptions about workers' motivations. In the case of care work, images of devotion and selflessness can reinforce the normative idea that the appropriate reward of care work should not be monetary (Nelson 1999; Folbre and Nelson 2000).

In relation to pay, the assumption underpinning the whole analysis is that pay serves multiple purposes and is the result of the complex net of relations between economic forces, social norms and institutional arrangements (Grimshaw and Rubery 2007; Figart, Mutari, and Power 2002; Rubery 1997). Thus the thesis has not sought to ascertain one single mechanism responsible for low pay in the childcare sector. Rather, its contribution lies in revealing the way in which such economic forces, social norms and institutional arrangements interact with the unique features of childcare work to result in low pay.

Within this framework, the thesis has used a mixed-methods strategy. It has combined analysis of data from two large national data surveys with the collection and interviews of childcare workers. The different data sources have complemented each other, thus extending the scope of analysis. In particular, national survey data have been used to understand workers' pay and characteristics. On the other hand, interviews have made it possible to elicit workers' views and experiences.

This concluding chapter summarises the findings in the order in which they have been presented in the thesis. It then moves on to reflect on the analytical framework used in the thesis. In particular I will relate the findings to the theoretical issues

presented in Chapter 2 and I will discuss the overall empirical approach used, its limits and possible further developments. Finally, the last section discusses the policy implications of the findings and offers some tentative thoughts on the likely outcomes of the most recent policy developments.

Summary of the key findings

The importance of childcare policy

An overarching theme in the thesis has been that of the role of policy in influencing the rewards attached to childcare work. In particular, the thesis has concentrated on childcare policies, while considering labour market institutions as contextual factors. The focus on childcare and early education is justified on the basis that employment in childcare is not seen as an example of “low-waged occupation”, on a par with cleaning, shelf-filling and several others (Gautié and Schmitt 2010; Lloyd, Mason, and Mayhew 2008). Instead, childcare work is viewed as being at the interface between social policy and the labour market, in that childcare services have increasingly fallen within the remit of social policy.

The policy dimension of low pay in childcare has been explored in two ways. First, an account of policy through policy documents has been offered (Chapter 3). Second, part of the empirical evidence has been examined in relation to policy (Chapter 5 and 6). In this section I bring together findings from these three chapters in order to highlight the complementarities across different parts of the analysis.

With regard to childcare policy, Chapter 3 has analysed the complicated system of childcare and early years services in the UK. In particular, the chapter has focused on the last Labour Government’s Childcare Strategy (DfEE and DSS 1998) and the several related policy initiatives that have taken place since 1997. Under Labour, early childhood services received unprecedented attention and resources, which contributed to a substantial increase in the number of childcare places.

However, when considering the specific issue of the workforce, it was found that an increased policy commitment towards early childhood services did not result in a matching commitment towards improving the position of childcare workers. From

the outset the Labour Government recognised that “working with children is a low status, low pay occupation” (DfEE 1998: 1.16). Repeatedly, the policy goal of reforming the childcare workforce appeared in policy documents. Yet the first initiatives addressing directly the theme of the workforce appeared only during Labour’s third term in office.

Inevitably, raising the status and pay of the childcare workforce militated against achieving affordable and accessible provision in a context of limited public resources. If childcare workers had to be paid more, provision was likely to become either scarcer or more expensive. Given that Government had set out to pursue the triple objective of achieving available, affordable and high quality childcare, attempts to increase the wages among childcare workers were bound to hinder other policy goals.

The empirical analysis on LFS data dovetailed with this interpretation of policy. Chapter 5 examined changes between 1994-2008 in the pay of childcare workers (here defined as excluding teachers and nursery managers, see Chapter 4). The results indicated that the relative position of childcare workers in the labour market did not substantially change (Chapter 5). It was found that real wages had increased over time, but that this trend was in line with wage growth across the entire labour market. As a consequence, relative wages had remained low – on average around 65 percent of the median. Thus, childcare work was found to be a low-wage occupation throughout the period considered.

The results on the composition of the workforce (Chapter 6) mirrored those on pay and confirmed the lack of change in the characteristics of childcare workers and their employment pattern. In particular, the demographic profile of childcare workers was found to have remained broadly similar between 1994 and 2008. Childcare workers continued to be predominantly female and from a White British background. The proportion of mothers, relative to childless women, had also remained stable, with half the workers having children under the age of 16.

The only notable variation over time regarded the incidence of lone parents, who had visibly increased, in line with government's effort to recruit childcare workers specifically among lone mothers. Despite half the workers having their own children, family-friendly employment patterns were not found to be a salient feature of employment in childcare, with perhaps the exception of childminding

Yet, the fact that, at policy level, little was done to change the condition of childcare workers was not simply attributed to the clash between higher wages and government's goal of increasing provision and making it affordable for parents, while limiting public funding. Rather, the analysis in Chapter 3 suggested that a number of issues stood in the way of tackling directly the predicament of childcare work. The first was the presence of private sector provision.

Labour inherited a system of provision that consisted, to a great extent, of private providers, in the forms of childminders, voluntary playgroups and nurseries and private for-profit businesses. Publicly provided services were mainly school-based and generally catered for three- and four-year-olds only. In order to expand provision, Labour not only relied upon existing forms of provision, but explicitly favoured provision by the private sector.

The empirical analysis of pay complemented that of policy and revealed stark differences in pay across sectors. Childcare workers employed in the public sector were found to enjoy a substantial wage premium, which had however narrowed over time. This difference pointed, once again, to the role of policy and in particular of funding in relation to workers' pay. Material from the interviews suggested that public sector providers had greater financial resources and could, therefore, pay higher wages than private and voluntary providers. Indeed, outside the maintained sector, parents' fees were the main source of income. This inevitably capped the prices that nurseries could charge, and, in turn, reduced their ability to increase wages. Thus, nurseries faced the trade-off between offering affordable places and paying adequate wages. This dilemma was particularly sharp among those managers who effectively *wanted* to pay better wages and struggled to do so.

Yet the differential pay between the private and public sector was also found to be related to the different wage-setting systems. Collective agreement was prevalent in the public sector, whereas workers' pay was set individually in the private sector. This evidence pointed to significant role of wage setting systems in limiting low pay by shifting the balance more in favour of workers' interests. Outside collective bargaining, the National Minimum Wage was the only mechanisms that protected workers against even lower wages.

Overall the results underscored the importance of childcare policy in affecting pay. By favouring private sector provision, where employment conditions are relatively worse, childcare policy indirectly contributed to the low pay levels. Indeed, private sector provision, whether for-profit or voluntary, cannot alone generate the resources to pay workers adequately. In this respect, the level of public funding available to private nurseries was found insufficient.

Chapter 3 identified a second important factor, which stood in the way of implementing reforms related to the childcare workforce: the fragmentation of services. Indeed Chapter 3 illustrated that the British system of services had historically been incoherent. Services varied along several dimensions: their underpinning philosophy and main function, the age and the socio-economic background of children catered for, and the sector – public, private or voluntary – in which they operated. As a result, the childcare workforce did not exist as a clear-cut occupation. Instead, various groups of workers were employed in a variety of early childhood services. Labour's commitment to sustain a mixed economy of provision inevitably maintained these long-established differences between services and within the workforce. This, in turn, made reforms much harder to devise if only for the fact that the overall system of services was complex.

Furthermore, differences across *type* of service provided were found to be correlated with pay. Chapter 5 explored the care/education divide was explored and found that pay was higher when services were classified as educational rather than care, irrespective of the public/private distinction. This result was interpreted as confirming the higher status enjoyed by educational work relative to care work. In

this respect, policies favouring the integration of services under the education banner had the potential to improve pay.

In the context of a mixed economy of services, Chapter 3 described how regulation became a crucial policy instrument. In particular, the Labour Government pursued an approach to quality centred on regulation. This resulted in making early childhood services heavily regulated by international standards. However, the analysis showed that the implications for workers lay not so much in the introduction of statutory regulation *per se*, but in the aspects of provision which were most strictly regulated. A specific regulatory domain was identified: that concerned with *who* is to work in early childhood services. Qualification requirements are an example of regulation about *who* can work in childcare. This regulatory domain was distinguished from two contiguous domains: that of direct service regulation and that of employment regulation. The former concerns *what* service is to be provided and *how*; health and safety regulations or a curriculum are examples of this type of regulation. The latter relates to the conditions under which labour is provided, for example the national minimum wage is such a type of regulation. The policy analysis found that Labour had privileged direct *service* regulation over regulation of *who* is to provide early childhood services and employment regulation. For example, Labour introduced an extensive curriculum standardising practice across settings. However, only minimum qualification requirements were set up, thus leaving work in childcare as an open occupation. This had the effect of limiting the influence of regulatory intervention on the profile and the position of the childcare workforce. Furthermore, the choice of regulating service delivery was found to contrast with evidence from other countries, where more stringent qualification requirements are accompanied by looser regulation regarding the curriculum.

But this form of regulation maintained intact the long-standing division between public and private sector, whereby more qualified staff concentrated in the former. Indeed, it was only in schools where regulation had traditionally concerned all three 'domains'. Labour maintained this distinction and issued a regulation stating that school-based services for three and four year olds were to be led by teachers. In

addition, teachers' employment conditions also were subject to collective agreement and stricter employment regulation than is the case in other early childhood services.

As has been observed by West, Roberts and Noden (2010), the resulting regulation of early childhood services was uneven, thus falling short of providing a single and coherent regulatory framework to all services for pre-schoolers. In addition, it was argued that the costs of this form of regulation fall more clearly on government rather than on providers and/or parents. Indeed, more stringent requirements on entry qualifications would have increased providers' labour costs, with repercussions on prices or, more likely, on providers' profit. By contrast, a centralised system of inspections bears on government's budget alone. Labour's support for the private sector influenced the regulatory design.

The analysis revealed a further contextual factor that had slowed down reforms of the childcare workforce: the lack of a coherent and well-developed vocational training system. Although the Labour Government stated the intention of creating a 'climbing frame' whereby qualifications were linked to one another, new qualifications in childcare were introduced without regard for the principles of progression or transferability. As a result, by 2008 there was no established progression route.

Chapter 6, using LFS data, reported descriptive statistics about childcare workers' qualifications. Unlike commonly reported statistics, the thesis classified qualifications in a more detailed manner, in order to capture their different content and characteristics. This approach allowed changes to be assessed more precisely. In particular, the analysis pointed to strong continuity over time: the majority of childcare workers were found to be qualified only at very basic level. The prevalent qualifications were the GCSE generally taken at the end of compulsory education and vocational qualifications gained at age 16 or 18. Only a small proportion of workers were qualified at tertiary level, either with a degree or high vocational qualification. Change had taken place only with the rapid increase in proportion of workers holding NVQ at level 3 (NVQ3). This result is in line with the analysis of

policy documents, which had suggested that Labour initiatives to ‘up-skill’ the childcare workforce had mainly consisted in promoting NVQs at levels 2 and 3.

However, the analysis showed that the NVQ3 was less selective than other equivalent vocational qualifications, and material from the interviews underscored the variability of training arrangements which characterised NVQs. This finding dovetails with Wolf’s (2004) comment that the system of vocational training has a built-in incentive to offer NVQs rather than other, more expensive and arguably more rigorous, qualifications. Furthermore, in the field of childcare the NVQ3 was not linked to any higher qualification, thus limiting workers’ chances of educational advancement. The enduring lack of vocational qualifications at higher level partly explained why the vast majority childcare workers were found to be qualified at secondary level only.

Skills in childcare work: a long way to better pay recognition

The evidence that emerged from examining childcare policy and from the descriptive analysis of childcare workers’ pay and characteristics was used as springboard for the analysis carried out in Chapter 7. Here the focus was on two sets of issues. First, the relationship between qualifications and pay was explored using LFS data. Second, workers’ views on the skills required by their job were analysed.

The first part of the analysis, on LFS data, tested whether workers with higher qualifications receive on average better pay. The results pointed to a weak correlation. As expected, workers with no formal qualification were found to earn less than all other workers. But beside that, there was no systematic relationship between qualifications and pay. After controlling for a number of characteristics, childcare workers with higher qualifications were found to earn no more than those with lower qualifications. So, for example, someone with A-levels is not on average paid more than someone with poor GCSE results. More surprisingly, graduates did not appear to earn more than other workers. Only vocational qualifications obtained at post-secondary level were found to be consistently associated with a pay advantage.

When examining the differences between private and public sectors, the analysis showed that qualifications are rewarded much more generously in the public sector than in the private one. The structure of wages in the private sector was found to be flat: workers' productive characteristics do not appear to be systematically correlated with pay. So, for example, on average there was no difference in the pay of someone with a degree and someone without any qualification. Only those with 5 or more GCSEs at grades A*-C, or vocational qualifications at level 3 or above were found to earn about 10% more than all other workers. The pay advantage was much larger among childcare workers in the public sector. Workers with qualifications at tertiary level – either degrees or vocational ones – were likely to be paid 50 percent more than those without any qualification. This stark difference between sectors effectively meant that sector was a much better predictor of pay than were qualifications.

The interviews complemented these findings and pointed to the variations in employers' and managers' willingness and ability to recognise qualifications with higher wages. Indeed, managers' views on qualifications were necessarily shaped also by what was in fact feasible. For private nurseries it was difficult, if not impossible, to generate the money to pay graduate-level salaries. At the same time, the lack of correspondence between job roles and qualifications supported the view that qualifications did not actually matter – “everybody is the same”, as one worker put it. Access to public funding was found to contribute to wage premiums for better qualified workers. However, managers themselves needed to be personally committed to qualifications and training, as, even in the public sector, pay scales were flat (with the exception of teachers’).

The absence of a systematic correspondence between pay and qualifications was explained in two complementary ways. First, these results matched with analyses on the returns of NVQ qualifications, which point to their negligible impact on wages (Jenkins, Greenwood, and Vignoles 2007; Dearden et al. 2000). Put simply, if employers consider some of the existing qualifications “a load of rubbish” as one manager put it, there is little reason to expect that workers with those qualifications will earn more than others without. Relatedly, the positive correlation between wages

and vocational qualifications obtained at tertiary level suggested that more advanced qualifications *could* help to increase wages. The fact that some qualifications were more strongly correlated to wages than others was therefore interpreted in light of the evidence on the different characteristics of the various qualifications. In short, some qualifications are more rigorous and better recognised by employers than other.

Second, results on the difference between the private and the public sector pointed to a wider underpinning issue – the fact that care activities allow only small and isolated increases in productivity. This, in turn, reduces employers’ ability to reward financially better qualified workers. If better qualified workers cannot, because of the nature of the job, improve productivity, there is no market mechanism that guarantees that better qualified workers receive higher pay. Thus, in childcare, the relation between pay and qualifications is more likely to be influenced by notions of quality and more generally by societal ideas on what childcare services are about. Indeed, public settings have a longer history in hiring staff with relevant qualifications – mainly the NNEB and teaching qualifications (Chapter 3). This is in part due to the view that “education”, as opposed to “care”, required better qualified staff.

In relation to the demands of childcare work, the analysis relied on interviews with managers and workers. Interviewees were found to have differing views in relation to their role with children. These views seemed to be informed by the training received. More highly qualified workers, and teachers in particular, saw their role as *actively* contributing to children’s learning and development. By contrast, workers with lower training tended to see children as learning on their own and requiring only *support* to their learning. These results put into question a view that job requirements can exist irrespective of training. Training itself shaped job requirements, as workers interpreted the skill demands of the job on the basis of the training they received. Variations were considered substantial in light of fact that all workers were working under the same detailed statutory curriculum.

The analysis of the interviews pointed to some distinctive features of childcare work. Childcare work, by virtue of being a relational activity, retains an irreducible aspect

of open-endedness. While childcare is a purposeful activity, it remains hard to define its output, because it is the result of a continuous relationship. This makes it more susceptible to being shaped by societal views about the purpose of services and, relatedly, workers' views about their role. In addition, childcare work can be both active and passive, but it is difficult to see how the notion of skill could be relevant to the more passive aspects of this work.

Motivation to care: money is not all, but better pay is important

The last theme explored in the thesis was that of motivations. Motivation to care has long been recognised as an intrinsic aspect of care work. The analytical framework in Chapter 2 outlined some of the mechanisms through which motivations could influence pay and made the point that actors' motivations cannot be examined in isolation, but need to be understood in relation to their opportunities. Consequently, the empirical analysis sought to explore the relation between pay and motivations by also bringing into focus the context in which childcare workers can actually make their choices.

The analysis tested whether low pay was an effective mechanism for selecting into childcare only those who are most highly motivated. The logic of the wage compensating differentials would predict that only job applicants who are highly motivated will accept a low wage. The empirical findings from the LFS, however, did not support this idea. By contrast, it was found that workers receiving higher pay were more likely to work unpaid overtime or to remain in the childcare sector. This evidence was then complemented with material from the interviews. The interviews revealed that the choice to enter in childcare depended on motivations and on the narrow set of alternative employment opportunities. It was found that childcare workers could choose only among low-paying occupations, and that they had chosen childcare because they found it enjoyable and rewarding. There was little evidence that workers had given up jobs in better paid sectors in order to fulfil their vocation.

When considering whether pay *increases* were associated with a decline of commitment, the analysis indicated this was indeed the case. There was therefore evidence of a motivation crowding-out effect triggered by wage increases. This result

was found to be driven by the NMW. The NMW increased the wage of the lowest paid workers and had a limited impact on wages above the threshold. By design, therefore, the NMW did not acknowledge childcare workers' commitment either individually – as individual pay increases may do – or for the entire sector – as a more uniform impact across the sector would have achieved.

This evidence was discussed in relation to the findings from the interviews. The picture emerging from the interviews was one of minimal wage levels and little appreciation for the work done. This was in line with the general findings of this thesis. In this context, managers' support was crucial and often took the form of pay rises or at least pay above the bare minimum. Money exchange was therefore part of a wider system of support and appeared to reinforce workers' commitment and involvement.

Theoretical propositions that saw pay as having an adverse effect on motivations did not find much empirical support. These results stem in part from the specificities of the context explored. The reality of childcare work in the UK and its unskilled status means that most workers did not trade off better pay for the reward of working with children. Instead, they chose childcare as the preferred option among a variety of low-paying jobs. In addition, pay in the childcare sector was found to be rarely regulated and therefore there was little scope for systematically introducing forms of pay incentives. The fact that the NMW was a major factor behind pay increases is itself revealing of the paucity of wages, and the lack of monetary incentives. In this context, explanations of low pay which invoke the theme of motivations appeared to have little purchase. But this result highlights once again the importance of the context in which caring activities occur. This has been a central theme in feminist literature, which however has not been explored extensively in the context of waged care work.

The fact that motivations did not seem to respond negatively to pay *per se* was also explained by some of the inconsistencies underlying the theoretical propositions examined. In particular the point was made that economists' insistence on incentives is likely to be wrong-headed when the objective is to increase intrinsic motivations.

Indeed, an instrumental approach is unlikely to foster commitment, altruism or love. Rather, a value system that acknowledges the importance of care may be more effective in promoting intrinsic caring motives.

The analytical framework and the overall empirical approach: some reflections

This thesis has approached the question of why childcare workers are low paid from a policy perspective. At the most immediate level, a policy perspective is justified because the care for children by paid workers has become an important item on the policy agenda of several western governments. Thus, governments have taken a more active role in relation to the provision of services for pre-school children. This prompts the need for attention to the nature and the implications of governments' initiatives in this field.

In addition, the conceptual framework developed in Chapter 2 and employed in the analysis was based on the view that childcare work has some unique features, and that low pay had to be explained in relation to those. Childcare work was seen, throughout the thesis, as an example of *care* work. By seeing the problem of low pay in childcare as related to the broader theme of care, the thesis drew on the large feminist literature on care.

The link between a policy-centred perspective and the theme of the peculiarities of care work was drawn out in Chapter 2 by pointing to the specific problems care poses in relation to the market. In particular, the low productivity of care activities results in low wages relatively to the rest of the economy. From an economic perspective thus, public funding is necessary to ensure the sufficient supply of care. In addition, in focusing on the role of policy, the thesis follows that line of feminist scholarship that studies the role of social policies in informing care arrangements and their implications for women (Finch 1993; Daly and Lewis 2000).

The policy focus has proved fruitful because it has highlighted the complicated ways in which public policy can simultaneously reinforce and mitigate the factors behind childcare workers' low pay. "Policy" is never a monolithic variable and, in relation to childcare, a number of scholars have documented the ambiguities, contradictions

and dilemmas that beset Labour's approach (for example, Moss 1999; Lewis 2004; West, Roberts and Noden 2010). This thesis contributes to this literature by showing how the funding, the organisation and the regulation of early childhood services affect the position of childcare workers.

At the most immediate level, the thesis offered new empirical evidence on the way "the costs disease" plays out in the context of childcare work in the UK. The analysis of childcare workers' wages confirmed the picture delineated by Himmelweit (2005). Indeed wages in childcare lag behind those in the rest of the economy. In the private sector, wages are even lower and there is evidence that employers, unable to pass higher costs on to parents, tend to recruit among those who have few employment alternatives. In relation to public funding, interviewees offered evidence that funding fell short of covering costs. In the public sector, on the other hand, higher public spending allows greater scope for hiring more qualified staff and pay higher wages.

Following Morgan (2005), it could be argued that it was precisely by relying on the private sector that Labour managed to expand childcare provision. Furthermore, both funding mechanisms and regulation minimised the possibility that greater public funding translated into higher wages. As a result, the system is divided, with private provision characterised by lower quality and by lower wages than the maintained sector (West, Roberts, Noden 2010; Mathers, Sylva and Joshi 2007; Sylva et al 2004).

Yet, one limit of the analysis is that it did not explore in greater depth the relationship between funding and wages. In particular, it would be important to understand how employers respond to a rise in public funding. Do they lower prices? Or do they increase wages? Evidence from the USA suggests that the supply of childcare labour is inelastic – increases in subsidies to parents translate in greater provision rather than higher wages and prices (Blau 1993). A similar exercise in the UK would require setting-level data. The Providers' Survey does not allow examining this issue, as it does not ask questions on both wages and sources of funding. Interviews with settings' managers could be a viable alternative (West, Roberts and Noden 2010). However, for small-scale studies, reaching *all* types of

providers is likely to be challenging. In particular, settings belonging to larger chain may be weary or unable to disclose financial information.

The relationship between funding and wages could be explored at a more macro-level, by examining the correlation between funding streams and wages aggregated at geographical level, for example local authority. However, the funding system is intricate, with some monies reaching parents and others channelled to providers. In addition, local authorities vary not only in the amount of funding they receive but also in the way they spend it (NAO 2012). These complexities make it difficult to pin down precisely the link between wages and public spending.

Despite not being able to pursue more precise questions on the role of funding, the thesis has succeeded in offering detailed analysis of other aspects of policy. In particular, the thesis has drawn attention to the importance of the training and qualification system. At the level of policy analysis, the thesis revealed major ambiguities about who is best suited to work in these services, with different policy initiatives promoting the professionalization of childcare workers on the one hand and expanding the workforce with unskilled labour on the other. In addition, it suggested that two contextual factors helped minimise these contradictions: first, a weak vocational training system and, secondly, a labour market characterised by a loose connection between job roles and qualifications.

With regard to these findings, future research could compare how the training system and the regulation of childcare services complement each other in various countries. The case of Germany could be potentially interesting (in particular the old Länder) because the training system is much more closely linked to occupational structures and job titles. In particular, Germany has, relative to the UK, more prominent occupational labour markets, which tend to favour women at the bottom and middle of the job hierarchy (Rubery 2009). However, similarly to the UK, Germany has very few graduates among childcare workers (Spieß, Berger, and Groh-Samberg 2008). In other words, in Germany the ideal of care is not professional care, as is the case in Denmark for example. Germany would therefore be a suitable comparison, because it would make it possible to ‘isolate’ the role of occupational training.

The thesis also made the point that lack of a well-established system of training and a clear qualifications structure is related to specific features of childcare work and the way it is organised in the UK. In particular, it is difficult to imagine that private sector employers will support the development of a qualification system that can lead to higher costs. This is clear, for example, in relation to the new category of staff created by Labour – the Early Years Professional (EYP). From the perspective of an employer, an EYP may be desirable, but, in fact, can be feasible only insofar as parents are able and willing to pay more. The evidence presented in this thesis suggests that employers do not see this possibility – parents are, in their views, income-constrained and more sensitive to prices than to staff qualification. Thus, a market system, whereby providers compete on price, removes an important precondition to the development of a training system – namely employers' support of such training.

Yet the public sector, where funding allowed for better qualified staff, was found to have pay scales that recognised staff qualifications only in the case of teachers. For other workers pay variations did not univocally reflect qualifications. In part, this can be explained in relation to budget constraints. But, more fundamentally perhaps, it reflects cultural ideas on what childcare requires.

On this point, the thesis offered some evidence on the lack of consensus among workers and managers. It was clear that interviewees tended to consider the training they had received adequate for the job. And indeed, training varies, spanning from post-graduate qualifications to NVQ2. Likewise, the current system of provision reinforces such confusion on what the job demands. Indeed, although services are supposed to be of similarly good quality irrespective of the type of setting, early years education in a school needs to be delivered by a teacher, while in a private setting it can be someone with an NVQ3.

It could be argued that the confusion around the demands of childcare work is indicative of a system of provision still in flux. Indeed, the years examined in this thesis were a period of dramatic change, which saw a tremendous amount of policy

initiatives in the sector. Surely, the meaning of childcare has in part changed, as the shift in vocabulary and the use of the term “early years” suggest. Views on quality have also changed, as the introduction of the curriculum is a testimony to that. But the current system does not seem to contain the preconditions for delivering high quality provision (West, Roberst and Noden 2010).

Indeed research findings first from EPPI and more recently from the Millennium Cohort Study show that that settings staffed by teachers are the most effective in supporting children’s learning, and their social and emotional development (Sylva et al 2004; Mathers, Sylva and Joshi 2007). Policy makers, on the other hand, have been reluctant in promoting such view of quality among parents.

Parents, on the other hand, appear to use other indicators of quality: staff’ friendliness, warmth and continuity (Mathers, Singler and Karemaker 2012; Roberts 2011). Staff qualifications do not seem to feature highly (Mathers, Singler and Karemaker 2011). And yet, the current system may be even unable to offer parents the friendliness and continuity they look for. Indeed, the evidence from the analysis of motivation suggests that workers gain motivation by being in a working environment that support and value them, financially and in other ways.

In this respect, the contribution of this thesis has been mainly to demonstrate that conventional ideas about the interaction of money and motivation have limited applicability and are therefore misleading. But several questions remain. In particular, it would be important to understand how workers’ motivation to care for children correlates with the setting’s ethos and organisational form. Are staff in for-profit nurseries less motivated? Some of the evidence presented would suggest so, but a more thorough investigation would be needed. This is important especially because the majority of settings are in fact private and, as Penn (2007) points out, belong to large corporations. Likewise, it would be important to explore the relation between providers’ organisational forms, the design of funding and workers’ motivation. Evidence from the Netherlands suggests that childcare workers’ motivation is affected by the design of employment contracts and work management systems, but these do not depend on providers’ reliance on parental fees (Plantinga,

Plantenga and Siegers 2010). Some of the evidence presented here would suggest, however, that providers' willingness to reward their employees is related to their sources of funding. A more systematic investigation between funding forms, workforce management and workers' motivation would be needed to explore this theme further. Finally, a limitation of the thesis is that it does not integrate the theme of motivations with that of skills. But there is evidence that more qualified workers may be more motivated. Future research could combine the two themes and compare groups of workers with markedly different qualification levels.

From a theoretical point of view, the main contribution of the thesis has been to use insights from the literature on care to demonstrate that various perspectives on pay originating within mainstream (neoclassical) economics are out of kilter with the specific case of childcare work. In particular, the thesis has shown the limited applicability of two central notions in mainstream economic thinking: market value and incentive. The limits of the former have been shown in relation to qualifications. Within economics, the *value* of qualifications is typically measured by their financial returns (Robinson 1996). This interpretation however relies on the assumptions that employers can and are willing to reward qualifications. In other words, a precondition for qualifications' financial returns is precisely the smooth functioning of the market. By contrast, the thesis has started from the premise that the allocation of care via the market is problematic (Chapter 2). In addition, it has developed an understanding of the relation between qualifications and pay that takes into account both institutional and cultural factors. This way, the analytical approach has brought to bear on the issue perspectives from sociology and feminist scholarship, which uncover how the notion of skilled labour is socially constructed and reinforced by existing institutional mechanisms (for example, England 1992; Grimshaw and Rubery 2007).

The limits of the notion of incentive have been discussed in relation to caring motivation. It has been argued that, within economics, incentives are seen as a powerful tool for achieving behavioural change. However, when we are trying to foster intrinsic motivation, or genuine altruism or love, incentives are likely to be a blunt tool. In these cases, the type of "incentives" needed are those that do not try to

steer behaviour into a certain direction. They are, instead, “incentives” that acknowledge and support a certain behaviour. But this means that this latter type of incentive is not in fact an incentive as such. They are, instead, rewards that attribute intrinsic value to the person’s behaviour. In the case of childcare work, as of care more generally, what is indeed needed is a system of value that attributes *intrinsic* value to care.

Overall, the thesis has combined different levels of analysis – macro and micro – and insights from various disciplines. Although the empirical analysis was largely based on individual-level data, the approach developed has given considerable attention to the *context of* childcare work. Thus, low pay in childcare was viewed as embedded in the institutional arrangements governing the provision of childcare services, the characteristics of the labour market and cultural beliefs about childcare work. The advantage of a multi-layered analysis is that of uncovering possible synergies between different factors. Moreover, a broader analysis makes it possible to recognise that some explanations about low pay assume that the problem has only one dimension. As is often the case with deeply entrenched problems, low pay in childcare is a multi-faceted issue. This in turn requires a framework that brings together various strands of investigation and connects different dimensions of analysis.

Policy implications

Despite its broad framework of analysis, the thesis has a few, precise policy implications. The first relates to the role of the private sector in the overall system of provision. It is clear that if childcare services are allocated entirely through market forces the resulting scenario cannot be one in which childcare is available, affordable, of high quality and provided by well-paid staff. The current system closely resembles a pure market-based one.

Other countries have a system of provision that relies mainly on non-maintained providers, for example Norway or New Zealand (OECD 2006). Yet they have in place more effective policies to avoid a low wages/low quality scenario. In Norway, for example, fees are capped and based on family income, qualification requirements

are more stringent than in the UK, and funding is channelled to providers directly. In New Zealand, the amount of funding settings receive is correlated to the level of qualifications of their staff. In addition, there is a general requirement of employing a qualified teacher.

By contrast, the UK does not have a system of funding which is linked to the quality of provision. In addition, the overall *level* of funding is low. Indeed, a recent report by the European Commission (EC 2009) suggests that parents' contribution to the overall (macro) costs of childcare is around 75%. In other countries like Germany or the Netherlands is around 19%. Provision is therefore mainly paid for by parents. At the level of the setting, there is evidence that the funding received by providers to offer the entitlement fall short of covering the costs of the service (NAO 2012). In short, both the level of funding and the design of the funding mechanisms need to change and should incorporate incentives that promote quality.

The second issue relates to the fragmentation of services. An explicit policy about early childhood service needs to address the question of what these services are about. What kind of services should be available and why? A common, broad understanding of these services is necessary for the development of a childcare workforce.

Despite the contradictions and the many ambiguities of Labour's strategy, such a vision has in part emerged, and is reflected in a common curriculum across the birth to five age range and across different types of settings and provision. Leaving aside the much contested issue of the appropriateness of such a curriculum, the problem remains that services remain characterised by different organisational structures, different funding systems and different staff. In short, there is little other than the curriculum that holds together these services.

Of course, early childhood services will always pursue a number of different objectives. These however tend to overlap, rather than conflict. For example, ensuring children's well-being, developing their cognitive skills, enhancing their emotional development and supporting working parents are not incompatible

objectives. Different forms of provision will retain their specificity and vary in their approach. But this variety can exist within a common broad understanding of the *function* of such services. At the moment, as in the past, such overall function is not clear. This has, in turn, several implications.

One of them is that, without such broad overarching framework, it becomes difficult to devise a training system. And yet this study has repeatedly shown that the education and training system is an integral part of the problem of low pay. In addition, workers' education and training affect the quality of provision. The current Coalition Government has commissioned to Professor Nutbrown a review into early education and childcare qualifications, with the objective to "strengthen qualifications and career pathways" (DfE 2011) for new recruits and employed workers. The report by Nutbrown (DfE 2012) states that the current system is not coherent, does not allow progression and expresses the view that the current sector-specific qualification at level 3 is poor. These are, indeed, also this thesis's findings. In her recommendations, Nutbrown proposes a linear system of qualifications made of essentially three levels. A new level 3 qualification should serve as entry qualification, although it would require around 2 years of full-time education to be obtained. This would allow progression towards a level 4 qualification, and afterwards a postgraduate qualification conferring the title of early years teacher.

The thesis has not explored questions around the content and design of training in early years. It has however shown how poor content and design of the qualification system surely undermine the correlation between pay and qualifications. The system proposed by Nutbrown is clear and, in relation to content, appears thorough and relevant to the work done in nurseries. Importantly, the review proposes that each qualification level is clearly linked to a job title, indicating the role held in the setting. So, for example, a person qualified at level 3 would be an Early Year Practitioner, and could be room leader. Someone at level 4, instead, would lead *across* rooms. In short, the review touched upon one of the factors that contributed to a flat pay scale – the poor correlation between job roles and qualifications. However, settings are often small and do not offer several job roles. There are therefore some limits to the extent to which individual workers can actually develop a career. Overall

then, the changes proposed by the review have the potential to improve quality of childcare workers' qualification.

Yet this thesis has pointed to some obstacles to the establishment of a training infrastructure for childcare workers. These obstacles need to be removed if the single qualification framework proposed by Nutbrown is to retain its value. If qualifications are awarded by a myriad of bodies and training is offered by even more numerous organisations, the chances that training will be of poor quality are high. Training providers compete to offer courses, and training bodies compete for their awards to be widespread. Moreover, a coordinated training system cannot exist without an organisation actually ensuring such coordination. The childcare sector is characterised by small employers. It does not have, as mentioned above, a clear function and is composed of providers from the private, public and voluntary sector. The fragmentation of childcare provision matched with the fragmentation of training provision cannot result in a coherent system. The National Nursery Examination Board succeeded, for a few decades and with enormous difficulties, in establishing and running a qualification that became the industry standard precisely because it was awarded by a single, well-established organisation. Subsequent national bodies have all been short-lived. The National Training Organisation for the Early Years Sector was created and dismantled within five years. The Council for the Development of the Childcare Workforce was axed by the Coalition Government six years after it had been established by the Labour Government. In short, the sector needs an organisation whose central role is to promote and coordinate training within the sector.

In this respect, the Nutbrown review does not offer specific suggestions, although it calls for the support and collaboration of the "early years sector". It is not clear however what the mechanisms are for such a participation and collaboration. Questions also remains in relation to funding. Wage levels in the sector are too low to encourage workers to invest themselves in training. Likewise, private providers are likely to be unwilling and unable to support workers' training. Public funding is necessary if more workers are to be trained. But, again, funding has to be linked to

the quality of training received and mechanisms have to be in place to hinder the proliferation of weak qualifications.

Finally, something has to be done in relation to qualifications' statutory requirements. At the level of rhetoric, all policy makers appear to endorse an ideal of "professional care". The new Coalition Government has stated the need for well-trained and highly qualified workers as much as the Labour Government did. If workers are recognised as the key factor behind the quality of provision, then regulation must also relate to the workforce. But regulation as to initial training is almost non-existent and regulation about staff:children ratios do not distinguish appropriately between workers with different qualifications. There are few incentives for providers to hire staff with qualifications beyond an NVQ3. The Nutbrown review recommends that all workers counted in the ratios are to be qualified at level 3 (DfE 2012).

At the moment there is in place an extensive system of regulation and inspection of early years providers. Providers are assessed against existing regulations – welfare requirements and the curriculum. But inspections could also examine workers' qualifications and, additionally, their job tenure. These are measurable factors, and information on qualifications is already collected by inspectors but not reported in any detail. But if government holds qualifications as so important, there is no reason why this aspect of provision should not be inspected. Additionally, if there is agreement about the desirability of a stable workforce, inspections could state how long staff in a nursery have been working there. This in turn would create an incentive for employers to attract suitable staff and retain them.

In the last twenty years policy makers have come to recognise the importance of early childhood services. Never before was this area of policy accorded such attention and resources. Increasingly, recognition of the importance of children's early years of life has been matched by the admission that childcare workers contribute significantly to children's education, care and wellbeing. But the contradiction between the importance of this work and its low pay has yet to be solved.

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