

## **Different Policies Different Lives: The Impact of Subsidized Child Care Policies on American and Australian Women**

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*"I'm always saying come to the people that are receiving the help and ask them before you make your decisions" (Californian Child Care Subsidy Recipient).*

Presented at "Women Working to Make a Difference," IWPR's Seventh International Women's Policy Research Conference, June 2003

### **Abstract**

This paper presents findings from feminist, cross-national research into the impact of Australian and American child care subsidy policies on women's lives. The research specifically sought the reflections of women service users. How were their daily lives impacted by these policies, and how did they construct their lives in response to their particular policy contexts?

The contrast between the experiences of the Californian and Australian women is remarkable. The Californian women in this study used a residual/safety net service that was poorly funded with limited availability. The subsidy enabled a small group of resourceful women to live marginally above the poverty line. The cost to them of this privilege was great, not only in terms of shaping their life choices, but also in affecting the way they constructed themselves as citizens. In comparison the Australian women had access to a semi-universal child care subsidy (though under threat) that provided them with the flexibility to choose to either participate in the public or private spheres, without regard to income or stigma.

## Child Care Subsidy as a Key Site

Child care subsidy is a key site for understanding the complexities of ideological impact on women's lives, as it is at the nexus of women's participation in the public and private spheres. Bennett (2001) argues further that "... child care reflects the high degree of ambiguity that the welfare state holds for women ... It reflects the degree to which women are subordinate as citizens and relegated to the private domain as it suits the goals of the state" (p 35). Also it is worth emphasizing that child care subsidy is the primary mechanism for public funding of child care in both Australia and California.

### How was the Data Collected?

The findings detailed in this paper are based on qualitative interviews conducted in California and Australia with women who receive child care subsidy and also (to a lesser extent) the staff who administer services and relevant policy formulators.

A brief profile of the respondents (service users) provides context for the following discussion. The American respondents were similar. They were low income, single mothers, from minority backgrounds who worked full time. They reflected the group that the subsidy service targeted. In contrast the Australian women were diverse reflecting the universal nature of the subsidy provision. The Australian respondents' incomes ranged from low to high, they were single and married, they worked full and part time and were not from minority backgrounds. Respondents' children were aged from infant to school age and they used all varieties of formal child care.

### Understanding Child Care Subsidies in California and Australia

The United States and Australia and are both identified as liberal welfare regimes (Esping-Anderson, 1990; Brennan, 2002; Levy & Michel, 2002). American child care policy is consistent with liberal regime principles that promote maximum private responsibility and value the impact of market forces (O'Connor, Orloff and Shaver, 1999). Australia's child care system is an anachronism in an otherwise conservative policy context being "... characterized by extensive coverage, high quality care and relatively generous subsidies ..." (Brennan, 2002, pp 95-96).

In Australia child care subsidy is administered and allocated by the Commonwealth Department of Families and Community Care. In the USA child care subsidies (not including tax credits) are funded at the state level, largely through non-profit organizations who contract with the state to provide subsidized child care services.

**Table 1: Child Care Subsidy Programs In Australia And California**

|  | <b>California</b>                               | <b>Australia</b>                                 |
|--|---|--|
| <b>Who administers child care subsidies?</b> | local non-profit agencies, school districts etc | federal government                               |
| <b>Availability of subsidy funds</b>         | limited   | unlimited  |
| <b>Subsidy payments are made to</b>          | child care provider                             | child care provider or parent                    |
| <b>Eligibility</b>                           | low income families                             | all families - on a sliding scale                |
| <b>Availability of subsidized services</b>   | multiple and extensive waiting lists            | no waiting lists                                 |
| <b>Participation of child care providers</b> | those willing to accept subsidy                 | all approved and registered child care providers |
| <b>Type of welfare service</b>               | residual (safety net)                           | semi-universal (primary)                         |

|  |            |                    |
|--|------------|--------------------|
|  | provision) | welfare provision) |
|--|------------|--------------------|

### **Different Policies, Different Lives: What did Women say?**

The experiences and understandings of child care subsidy were in some respects similar for the Australian and the American women. The quality of care received by their children was their highest priority. None of the women interviewed believed that concern for the welfare of women motivated the provision of child care subsidy.

The following explores the diversity of the Australian and American women's experiences and provides a vivid illustration of the implications of policy context for women's life choices.

**Table 2: The Process of Accessing the Subsidy**

| <b>USA</b><br><b>"But if you don't know you're lost"</b>   | <b>Australia</b><br><b>"Easy, very easy - no problem at all"</b>                                       |
|--|--|
| <i>"... I think we educate ourselves in subsidy and I think you really need to be a good player, a good player and educated player."</i>   | <i>"No it wasn't difficult ... the vacation care coordinator told me about it."</i>                    |
| <i>"If they don't have some sense of 'I need to know how to navigate' they may fall through the cracks." (Subsidy Program Coordinator)</i> | <i>"It was fairly straight forward but tedious because you have to supply a lot of documentation."</i> |

The funding limits of the Californian service meant that the child care subsidy was difficult to access. Women who were able to successfully access the service tended to be highly resourceful and socially skilled. Women in more vulnerable positions and isolated from community resources may therefore be less likely to access the child care subsidy. All the Australian respondents knew about their eligibility to receive child care subsidy. They were either informed by their child care provider or directly by the government. The subsidy was easily accessed, though more recent users found the application process complicated.

**Table 3: Child Care Quality**

| <b>USA</b><br><b>"I couldn't in reality remove them"</b>   | <b>Australia</b><br><b>"Cost wouldn't be an issue"</b>  |
|--|---|
| <p><i>"You can't choose the facility you want to choose."</i></p> <p><i>"It traps you ... looking for subsidy, you are looking for certain types of care. I have watched it become a game and I have watched it become very hard to make a decision, because at one point I was very angry with the Director and I wanted to remove them but I knew that I couldn't. I couldn't in reality remove them."</i></p> | <p><i>"Geographical accessibility. The quality of care. They're right up there ... I need to be close to them and I need them to be close to me. Absolutely the quality!"</i></p> <p><i>"If it was a serious issue I'd pull her out."</i></p> |

The choice of care for American women was limited by cost and the acceptance of subsidy payments by child care facilities. Though quality was their highest priority in reality their choices were restricted by subsidy availability. Their ability to locate alternative care, if dissatisfied with the quality of their current care, was limited. When initially selecting child care Australian women could afford to have quality be the first determinant of their choice. If they were dissatisfied with the quality of their current child care they were free to choose an alternative child care option.

**Table 4: Considering Employment Advancement**

| <b>USA</b><br><b>"Staying where you are"</b>  | <b>Australia</b><br><b>"The choice is there"</b>  |
|---|---|
| <p><i>"I probably wouldn't go very far, I would probably choose to stay exactly where I am now - unless I can make a very big leap. See the problem is the leaps aren't big but the transitions of how much you pay into the child care - they don't coincide."</i></p> | <p><i>"The money would have to be darn good for me to actually go and do it. At this stage I wouldn't even look at it ... You've got to think of your home life as well."</i></p> |

American respondents considered the impact on their child care costs. They were entirely focused in their responses on income security. Structuring your life to spend extra time with your children wasn't even an imagined option. Their decision was to stay at their current income level and not seek advancement in their work place, essentially maintaining them in low wage occupations. The Australian women considered the impact of the additional commitment to work on their family life. They were free of the burden of child care cost and therefore able to consider quality of life issues. They could think about structuring their lives to meet their own and their family's needs.

**Table 5: Stigma and Welfare**

| <b>USA</b><br><b>"Difficult to extend your hand"</b>  | <b>Australia</b><br><b>No stigma for women who work</b>  |
|---|--|
| <p><i>"... if they (other parents at the Center) knew I was subsidized for child care, I think they would look at you as a lower class"</i></p> | <p><i>"I think being on single parent benefits has a stigma attached to it. I don't think the child care benefit has the same sort of"</i></p> |

|  |  |
|--|--|
| <p><i>person because they are paying full price and you are not."</i></p> <p><i>"... the qualifying (for subsidy) event is something that puts the stigma directly on ..."</i></p> | <p><i>connotation ... it's perceived to be more for the general, normal, middle class family."</i></p> |
|--|--|

American women using child care subsidy were keenly aware of the stigma attached to using welfare services. They felt the need to keep their use of the service confidential in order to avoid what they perceived would be discriminatory treatment from other parents at the child care facility. Women also constructed themselves as 'worthy' workers needing a helping hand as opposed to 'unworthy' welfare dependents. Australian women experienced no stigma associated with receiving their child care subsidy. It was viewed as a mainstream service used by all women - they did not have to keep their use of the service secret. Never the less they believed this service should be available only to working women and envisioned themselves as worthy workers who were entitled to the service.

### **Conclusion**

This study examines the implications for women's lives of a residual/safety net service and a comparatively generous semi-universal subsidy. The implications of the residual subsidy, for the women who participated in this study, are profound. For the American women the subsidy was difficult to access, limited their child care and employment choices, and reinforced a stigmatized construction of themselves. For the Australian women the subsidy was easily accessed without stigma, and child care choice was based on quality and the needs of their family. These research findings support Helburn and Bergmann's (2002) call for "... an aggressive assault on the country's child care problem" (p 9), as they urge the United States federal government to fund a semi-universal child care subsidy where more affordable care would in turn impact on the quality of care American children receive.

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