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EMPLOYMENT IN THE THIRD SECTOR IN AUSTRIA
The Relative Role of Nonprofit Employment Within Child Care Facilities

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1 Introduction

The relationship between the nonprofit sector, the public sector and the private market sector is changing in many ways. Determinants of these processes are changes in legal and financial incentives, cuts in public expenditures, and recent trends of reducing the responsibility of the state – all of which lead to a reduced role of the public sector as a dominant provider and financing institution of goods and services in the European Welfare States. This implies that the nonprofit and forprofit sectors face new challenges both in terms of provision and finance of services. The volume of employment, and changes in the volume of employment, can serve as important indicators both to show the economic importance of the three sectors on the one hand, and to identify potential shifts between the three sectors over time on the other hand.

However, specific studies on employment in the nonprofit sector are still scarce. The paper aims to close some of these gaps. It presents the volume of nonprofit employment in Austria, and compares it with the volume of employment of the other sectors within one selected social services industry in Austria – child care facilities. Information on employment in Austrian child care facilities is gained from an analysis of statistical data from the years 1995-2000. The paper illustrates different forms of institutional child care in Austria and investigates the specific role of the three sectors.

The paper is based on an ongoing research project¹ carried out at the Department of Social Policy of the Vienna University of Economics and Business Administration. The project focuses on the structural characteristics of paid work in third sector institutions in Austria, including information on all relevant nonprofit industries.

2 Societal, political and institutional framework of child care in Austria

2.1 Child care policy in Austria

In contrast to many other countries, child care is regarded as a merit good in Austria (Badelt and Weiss, 1990: 76). Hence the provision of child care is influenced by the government to reach certain distributional and allocative objectives. Various instruments are therefore applied. A set of regulations forms the statutory framework for institutional types and qualitative standards of child care facilities, especially for governmental

¹ „Employment in the Nonprofit Sector - Structural Characteristics of Paid Work in „Third Sector Institutions“ in Austria“ (FWF: 14679-G05)

organizations (GOs). Traditionally, GOs play a quantitatively important role in providing child care services. Furthermore, subsidies and tax reductions are exerted to support child care facilities.

On the other hand not only suppliers of child care are endorsed by the government. According to the corporate welfare state model, the support and stimulation of informal child care is another emphasis of family and childcare policy in Austria. The aim is to enable parents (mostly mothers) to stay at home to take care of their children rather than demanding institutional child care. This results in a relatively low share of children cared for outside of the home, especially at the age of 0-3 years (Table 1). The purpose of kindergartens is as much to prepare children for school as it is to enable labor market participation of parents. Most kindergartens, however, offer part-time care only.

Table 1: Share of children cared institutionally* (1999)

Age groups	Share of children cared for institutionally within the respective age group
0-1 years	0,1%
1-2 years	2,9%
2-3 years	8,9%
3-4 years	40,7%
4-5 years	75,8%
5-6 years	90,8%

*) Due to a lack of availability of data only standardized institutions (see below) are considered here.

source: Badelt and Österle 2001: 161

Various studies regarding the child care situation in Austria endorse a further need for services in a two-fold respect. First, there is a necessity of services for children aged 0-3 years. Second, they state a lack of supply within specific opening hours, especially concerning gainfully employed parents. In spite of a declining birth rate, a growing need for child services is prognosticated due to increasing occupation of women, a growing number of lone-parents, mobility constraints, etc. (Neyer, 1995: 79)

The latest reform in child benefits has been undertaken by the Austrian government themed “Childcare benefits for everybody” – “*Kinderbetreuungsgeld für alle*”. In contrast to the former parental leave benefit (*Karenzgeld*), which was an insurance benefit for employees, the group of eligible persons has been expanded. Hence, also unemployed, students and housewives or housemen receive these benefits.

2.2 Forms of child care services in Austria

2.2.1 Institutional forms of child care

As mentioned above, the government plays an important role concerning the provision of child care facilities in Austria. This implicates a great influence on institutional types and their labels. Although differences between institutions of the three sectors might occur (as suggested in chapter 3), there exists a pool of

comparable organizations that are commonly labeled the same way within all three sectors. These institutions will be labeled "standardized child care facilities" in the following. In contrast "alternative child care facilities" are provided by the private sectors only, which has also an impact on the (public) data collection and the availability of data, as will be shown later.

2.2.1.1 Standardized child care facilities

- *baby day care centers* ("Kinderkrippen"): provide either part-time or full-time day care for children up to the age of 3.
- *kindergartens* ("Kindergärten"): most common form of day care (part-time or full-time) for children
- *school day care centers* ("Horte"): afternoon care for children from 6-14 yrs, who attend school in the mornings.
- *mixed age children groups* ("altersgemischte Gruppen"): provide day care for children of different age groups.

Standardized child care facilities are provided by all three sectors, whereas the public sector is the most important producer in a quantitative sense. Nonprofit organizations are owned either by religious organizations (churches) or private associations. In contrast to profit organizations they receive subsidies and tax reductions by the state. Condition for these subsidies and tax reductions is the legal status of "Gemeinnützigkeit" (public utility).

2.2.1.2 Alternative child care groups

Another form of institutionalized child care are children and play groups. They are constituted as registered associations and are in many cases, initiated by the parents. The parents perform different tasks such as cooking, cleaning and maintenance of the accommodations themselves. The motivations for establishing children groups are diverse. In some cases specific educational conceptions are followed by these facilities. In other cases they result from a lack of other child care services, especially in rural areas. In contrast to kindergartens no license is necessary for their setting up. The establishment is supported by an umbrella organization. Still not all of the alternative child care groups are members of umbrella organizations. Hardly any information exists on those alternative child care groups which are not integrated in such networks.

2.2.2 Non-institutional forms of child care

2.2.2.1 Day-parents

Day parents (mostly mothers) became an important alternative within the landscape of different child care services, especially in large cities. They often provide services more flexible concerning "opening hours", especially since there are no regulations or guidelines on working hours. In some cases employers subsidize

family day care as a service for their employees. Day-parents look after small groups of children at their own home. Most of the day parents work as freelancers. Thus, they are responsible for their social insurance themselves. In general, they have no paid sick leave and holidays have to be negotiated with the parents of the children they care for. However, some of those day-parents are employed, mostly by one of the important nonprofit organizations (NPOs), which play an important role in developing day care for children in Austria. NPOs often provide training and placement services for day-parents. In some federal states local authorities fund training courses for day-parents or associations of day-parents. Employed day-parents usually have to attend further educational courses regularly.

Regarding the most important criteria of a nonprofit activity (profits must not be distributed): Whether day-parents are part of the 'forprofit' sector, is not quite clear, as it can hardly be argued, that day-parents gain profits with such low fees, even if they are selfemployed, because those fees are more likely to only cover the costs. Whereas if they are employed in associations, they of course belong to the nonprofit sector.

2.2.2.2 Granny services, babysitters

The Granny Service is organized by the Catholic Family Association of each diocese. The aim of this new alternative service for child care is to place women, who are older than 45 years and want to re-enter the labor market but can't manage it themselves.

3 Theoretical Framework

The empirical analysis is based on theoretical work dealing with the principal role (Hansmann, 1987; Weisbrod, 1998, 1988, 1986, 1977) and behavior of nonprofit organizations (e.g., Ben-Ner and Van Hommisson, 1993), which suggests that nonprofit organizations have comparative advantages over organizations of other institutional sectors (Hansmann, 1997). These advantages could be utilized as the public sector retreats from service delivery and finance. Moreover, especially in continental Europe, the relationship between nonprofit organizations and the public sector is traditionally much stronger – and more collaborative – than between the public and forprofit sectors (Salamon, 1995), which suggests both advantages (in terms of increased service delivery of NPOs) as well as disadvantages (in terms of decreased funding due to the retreat of the public sector) for nonprofit organizations.

Hardly any of the theories mentioned refer to employment aspects in a direct manner. Most of them concentrate on the goods and services provided by NPOs or on the behavior of NPO-managers (e.g., entrepreneurship theories). Hence, propositions explaining employment aspects can only be derived indirectly. Concerning labor force, the following comparative advantages of nonprofits are discussed in literature:

- Higher flexibility of labor contracts

A typical way of arguing in the economic theory of NPOs focuses on explaining the lines between NPOs and other institutional types. In terms of employment, differences refer to aspects usually settled in labor contracts such as working time, duration, wages, fringe benefits and other work conditions.

One line of arguments concentrates on sectoral wage differentials (e.g., Roomkin and Weisbrod; Frumkin and Keating). It is argued that remuneration systems in NPOs usually feature specific characteristics that differentiate them from other sectors and set distinctive incentives. These institutional forces are also applied to explain phenomena like wage rigidity (Howitt, 2002).

Some researches investigate different forms of work, considering especially atypical work. It is suggested that the amount of atypical employment is increasing more rapidly in nonprofits than in other sectors (Delson, 1995). Anheier and Seibel (2001) relate this development to a traditionally lower degree of unionization in nonprofits. On the other hand it is explained by a greater share of newly created jobs (Salamon et al., 1999).

An above average growth of employment in nonprofits is discussed by various theories, that explain the existence of nonprofit organizations. One of the most prominent approaches considers NPOs to be an alternative provider of collective goods, which are usually produced by the public sector (Weisbrod, 1977). According to this approach, nonprofits exist due to market and state failures, which lead to an undersupply of certain (public) goods. Either the government offers them only for its median voter or the undersupply may not suffice for qualitative reasons. NPOs will satisfy the unfulfilled demand for public goods and provide those goods in certain niches. In many cases they specialize and differentiate their services. (Badelt, Weiss 1990).

Concerning child care facilities Badelt and Weiss (1990) provided empirical evidence for such behavioral differences in Austria. According to their findings, profit oriented organizations made use of various cost minimizing strategies by engaging in low cost market segments or exploiting economies of scope, whereas nonprofits followed their mission, even if this implies to rely on more labor (Badelt, Weiss, 1990: 86).

- Special motivation

Another of the comparative advantages of nonprofits over organizations from other institutional sectors is based on different motivation structures of their employees. The incentive to work in a NPO is – among others – influenced by altruistic motives which has implications on the working conditions and the wages nonprofit employees demand. For example, employees in nonprofits often work for no monetary compensation (voluntary work) or for a monetary compensation below the market rate (Anheier et al. 2001). However, in how far the decision of employees to work in nonprofits – and thus often against low payment and under flexible working conditions – is based on free choice rather than necessity remains unclear. Segmentation theorists analyzed this relationship, and suggest that there exists a divided labor market for

certain groups such as women, which are indeed over-proportionally employed in worse work conditions than men (e.g., Zerche et al. 2000: 221ff).

4 Empirical Data on Child Care Facilities in Austria

The following chapter gives an overview of the quantitative dimensions of standardized **Austrian child care facilities**² – its number and various types, its main bodies responsible and the role of the nonprofit sector within this social service industry in Austria. Later we will focus on the **employment** in Austrian child care facilities. Within Austrian child care facilities the paper compares the volume of employment in the nonprofit sector with the volume of employment in the public sector and the private market sector. Thereby, it presents statistical data of the year 2000. Moreover, we describe employment within the various types of Austrian child care facilities of the public sector, the private market sector and the nonprofit sector. In addition, information on employment trends (1995-2000) will give first insights into the dynamics of total employment within standardized Austrian child care facilities. All data used for the description of standardized child care facilities are gained from *ISIS (Integriertes Statistisches Informationssystem* – the databank of Statistik Austria) and from Statistik Austria 2001.

Statistical information about alternative child care services cannot be gained by the official Austrian statistics. Unfortunately, there is no such common information source. Therefore the following data of the children/play groups refer to the annual report from “Bundesverband österreichischer Elterninitiativen (BÖE)”, the umbrella organization of the nonprofit organized children/play groups. Statistical information about the number of day-parents in Austria are not available, therefore we will illustrate the quantitative dimension referring to an example of one federal state of Austria (Lower Austria). No statistical data are available for granny services, therefore, they will be neglected in this paper.

4.1 Institutional forms of child care

4.1.1 Standardized child care facilities in Austria

Number and forms of standardized Austrian child care facilities - 2000

From a bird's-eye view, we present statistical information on the number and forms of child care facilities in Austria provided by the public sector, the nonprofit sector and the private market sector. Hereby, we will concentrate on the standardized forms of child care facilities, which are covered by official Austrian statistics. (An overview of alternative child care facilities is given in chapter 4.1.2)

In the year 2000 **more than 6,000 child care facilities** were attended by almost **266,000 children** in Austria. As mentioned above, several forms of day care facilities for children exist in Austria. The most

²for an introduction regarding the terms and types of child care facilities see chapter 2.2

important **forms of standardized child care facilities** are kindergartens (75 %), school day care centers (13 %) and baby day care centers (9 %). Baby day care centers as well as kindergartens and school day care centers are each attended by children of a similar age (e.g. baby day care centers care for children aged 8 weeks up to 3 years ; kindergartens care for children aged 3 up to 6 years), whereas there is a special form of child care facility that can be attended by children of different ages – from 1 to 14 years – called mixed age children groups (*altersgemischte Kinderbetreuungseinrichtungen*). They offer an atmosphere that is similar to family life. Only 3 % of all organizations provide this type of child care.

Table 2: Number of child care facilities and types of child care facilities in Austria– 2000

Types of child care facilities	total*		nonprofit sector		public sector		private market sector	
	absolute	in %	absolute	in %	absolute	in %	absolute	in %
baby day care centers	573	100	207	36,1	300	52,4	57	9,9
kindergartens	4.634	100	1.060	22,9	3.440	74,4	121	2,6
school day care centers	811	100	286	35,3	487	60,0	34	4,2
mixed age children groups	181	100	102	56,4	49	27,1	24	13,3
other child care facilities	3	100	3	100,0	0	0,0	0	0,0
TOTAL	6.202	100	1.658	26,7	4.276	68,9	236	3,8

* including child care facilities of "other" bodies responsible

source: Statistik Austria, ISIS, own calculations.

Traditionally, **the public sector holds a dominant position** in the provision of child care facilities in Austria (see Table 2), especially concerning kindergartens, school day care centers, and baby day care centers. Most public child care facilities are run by municipalities.

About **27 % of all child care facilities were nonprofit organizations**. Only 4 % can be assigned to the private market sector. Within the various types of child care facilities nonprofit baby day care centers and nonprofit school day care centers reached a market share above the average of this sector. The market share of these nonprofit organizations is more than one third of all child care facilities. The nonprofit sector turns out to be the market leader providing mixed age children groups.

Within the nonprofit sector kindergartens (64 %) are the most important form. Compared to the other sectors, the relative provision of baby day care centers and school day care centers is slightly higher in the nonprofit sector. The provision of child care in the nonprofit sector is not as much focussed on one specific form of child care as in the public sector.

About **26 % of all children** cared for in child care facilities attended child care facilities provided by **nonprofit organizations**. About one third of all children in baby day care centers and school day care centers attended organizations of the nonprofit sector.

53,4 % of nonprofit child care facilities are owned by various associations (Vereine). The remaining nonprofits are run by the religious organizations, mainly the catholic church. The church primarily engages in

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traditional fields such as the kindergartens, where it holds about 60 % of the nonprofits, whereas in less traditional fields (baby day care centers, mixed age children groups, and school day care centers) other nonprofits (in the following called secular nonprofit organizations), are the dominant providers.

Employment in standardized Austrian nonprofit child care facilities in 2000

In Austria about **32,000 people were employed in child care facilities** overall in 2000. As almost 99% of them were women, this industry turns out to be one of the **typical female labor markets**.

Kindergartens are the most important employers within child care facilities. More than 77 % of all employees in child care facilities worked in kindergartens. 12 % of all people employed in child care facilities worked in school day care centers and 9 % in baby day care centers (see Table 3).

Table 3: Employees in Austrian child care facilities per sector – 2000

Types of child care facilities	total* employees		nonprofit sector		public sector		private market sector	
	absolute	in %	absolute	in %	absolute	in %	absolute	in %
baby day care center	2.719	100	804	29,6	1.707	62,8	150	5,5
kindergartens	24.729	100	5.711	23,1	18.431	74,5	482	1,9
school day care	3.758	100	1.126	30,0	2.555	68,0	55	1,5
mixed age children groups	810	100	490	60,5	162	20,0	121	14,9
other child care facilities	7	100	7	100,0	0	0,0	0	0,0
TOTAL	32.023	100	8.138	25,4	22.855	71,4	808	2,5

* including child care facilities of "other" bodies responsible

source: Statistik Austria, ISIS, own calculations.

According to Table 3, the **public sector is a dominant employer within standardized child care facilities** in Austria. More than 70 % of all employees within this industry work in public child care facilities.

Nonprofit organizations employed **more than a quarter** of the workforce within child care facilities. More than 8,000 people were employed in nonprofit organizations. The private market sector only employs 2 % of all people working in Austrian child care facilities.

Looking at the various types of child care facilities, it turns out, that the **public sector employment within kindergartens** is above average of the employment in this sector. This emphasizes the dominant position of the public sector within this type of child care facility. Within school day care centers and baby day care centers the public sector is still a dominant employer – but below the average of the sector.

Within kindergartens the nonprofit sector reaches 23 % of total employment in child care facilities. This is below the average of nonprofit employment within child care facilities. Almost 30 % of all employees of baby

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day care centers and 30 % of all employees of school day care centers worked in the nonprofit sector. Mixed age children groups employed more than 60 % of all employees of this type of child care facility. This suggests, that nonprofit organizations are able to use market niches as argued by some theories mentioned in chapter 3. On the one hand nonprofit organizations expand the types of child care facilities. On the other hand it is possible to create paid employment in such market niches.

Table 4 gives insights in the distribution of employment within each sector. As mentioned above, overall more than two thirds of all employees of nonprofit organizations worked at kindergartens. In the nonprofit sector most employees work in kindergartens. About 14 % are employed in school day care centers and about 10 % work at baby day care center. The other forms of child care, like baby day care centers and school day care centers, are as employers slightly more important in the nonprofit sector than in the public sector.

Table 4: Employees in Austrian child care facilities within the three sectors – 2000

Types of child care facilities	total*		nonprofit sector		public sector		private market sector	
	absolute	in %	absolute	in %	absolute	in %	absolute	in %
baby day care centers	2.719	8,5	804	9,9	1.707	7,5	150	18,6
kindergartens	24.729	77,2	5.711	70,2	18.431	80,6	482	59,7
school day care	3.758	11,7	1.126	13,8	2.555	11,2	55	6,8
mixed age children groups	810	2,5	490	6,0	162	0,7	121	15,0
other child care facilities	7	0,0	7	0,1	0	0,0	0	0,0
TOTAL	32.023	100,0	8.138	100,0	22.855	100,0	808	100,0

* including child care facilities of "other" bodies responsible

source: Statistik Austria, ISIS, own calculations.

Table 5 shows that within the nonprofit sector **about 56 % of all employees worked in child care facilities that are run by the church**. As mentioned above, traditionally the catholic church is a dominant provider, so most of these employees worked in catholic child care facilities.

Table 5: Employment within the Austrian nonprofit child care facilities – 2000

Types of child care facilities	nonprofit sector total (employment)		secular nonprofits		church	
	absolute	? (%)	absolute	? (%)	absolute	? (%)
baby day care centers	804	100,0	717	89,2	87	10,8
kindergartens	5.711	100,0	1.896	33,2	3.815	66,8
school day care	1.126	100,0	545	48,4	581	51,6
mixed age children groups	490	100,0	451	92,0	39	8,0
other child care facilities	7	100,0	7	100,0	0	0,0
TOTAL	8.138	100,0	3.616	44,4	4.522	55,6

source: Statistik Austria, ISIS, own calculations.

Within the nonprofit sector, **the church is the market leader regarding kindergartens and school day**

care centers . There, more than two-thirds of all employees of kindergartens and slightly more than a half of all employees of school day care centers worked in child care facilities provided by the church. These forms are a traditional field of (catholic) church activities in Austria. Secular nonprofits (i.e. associations) ran about 90 % of all baby day care centers and more than 90 % of all mixed age children groups. Once more, this can be seen as a field where nonprofit organizations – associations – use niches which are not covered by traditional institutional forms of child care.

Summary of employment in Austrian nonprofit child care facilities 2000

From the static point of view – 2000 – we have given an overview of the number of child care facilities and the employment in this social service industry. To sum it up, about 32,000 people were employed at more than 6,000 child care facilities. Although the public sector is still a dominant provider, about 25% of all employees of child care facilities worked in nonprofit organizations. Within all sectors kindergartens are the most important form of child care facilities. It turns out that nonprofit child care facilities use market niches – especially through providing special forms of child care, e.g. mixed age children groups.

In the next chapter we give first insights concerning the employment trend of child care facilities in Austria in general and the development of employment in the nonprofit sector.

Employment in Austrian nonprofit child care facilities from a dynamic point of view (1995-2000)

Within 5 years, employment in Austrian child care facilities increased by 22 % (see Table 6). Employment within the nonprofit sector increased by more than 30 % within the mentioned period. The rate of employment growth was only 19 % in the public sector and 17 % in the private market sector.

Table 6: Employment trend in Austrian child care facilities per sector (1995-2000)

years 1995=100%	total*		nonprofit sector		public sector		private market sector	
	absolute	? (%)	absolute	? (%)	absolute	? (%)	absolute	? (%)
1995	26.259	0,0	6.226	0,0	19.215	0,0	688	0,0
1996	27.462	+ 4,6	6.495	+ 4,3	20.179	+ 5,0	704	+ 2,3
1997	29.033	+10,6	6.865	+10,3	21.347	+ 11,1	705	+ 2,5
1998	30.126	+14,7	7.280	+16,9	21.843	+ 13,7	750	+ 9,0
1999	30.887	+17,6	7.658	+23,0	22.203	+ 15,6	782	+13,7
2000	32.023	+22,0	8.138	+30,7	22.855	+ 18,9	808	+17,4

* including child care facilities of "other" bodies responsible

source: Statistik Austria, ISIS, own calculations.

The growth of nonprofit employment in child care facilities above the average started in 1998. Up to that year

nonprofit employment increased at a slower rate than in the public sector. Since 1998 employment in the nonprofit sector has been increasing rapidly.

Overall, the growth of employment in absolute numbers was mainly borne by the public sector (63 %). The nonprofit sector contributes 33 % of employment growth in Austrian child care facilities. From 1999 to 2000 the increase in employment was borne by the public sector by about 57 % and by the nonprofit sector by about 42 %.

As mentioned above, in 2000 more people working at child care facilities were employed by the church than by associations (secular nonprofits). From a dynamic point of view it turns out, that the growth of employment in associations is about 7 times higher than in child care facilities run by the church. If the increase of employment in the nonprofit sector continues, associations running child care facilities will soon reach the volume of employment of child care facilities that are owned by the church (see Table 7).

Table 7: Employment trend within Austrian child care facilities of the nonprofit-sector (1995-2000)

years 1995=100%	nonprofit-sector total		secular nonprofits		church	
	absolute	? (%)	absolute	? (%)	absolute	? (%)
1995	6.226	0,0	2.102	0,0	4.124	0,0
1996	6.495	+ 4,3	2.294	+ 9,1	4.201	+ 1,9
1997	6.865	+ 10,3	2.588	+ 23,1	4.277	+ 3,7
1998	7.280	+ 16,9	2.935	+ 39,6	4.345	+ 5,4
1999	7.658	+ 23,0	3.308	+ 57,4	4.350	+ 5,5
2000	8.138	+ 30,7	3.616	+ 72,0	4.522	+ 9,7

source: Statistik Austria, ISIS, own calculations.

The structure of employment in Austrian nonprofit child care facilities in 2000 – first insights: part-time work and level of qualification

The main part of this empirical insights in employment in Austrian child care facilities concerns the volume of employment for the year 2000 and the development of employment in Austrian child care facilities over a period of 5 years. Thereby, we emphasized employment in Austrian nonprofit child care facilities. On the one hand, we described employment within the nonprofit sector as a whole; on the other hand, we presented data of the two main provider of child care within the nonprofit sector– associations and the church.

In the following, we will discuss part-time employment and the ratio of qualified staff (i.e., trained workers against untrained workers) to give first insights in employment structure of Austrian child care facilities and to get an idea of which kind of employment will be created in Austrian child care facilities, if the employment trend prolongs. Table 7 shows part-time employment in percent of total employment in Austrian child care

facilities.

Table 8: part-time employment in per cent of total employment in Austrian child care facilities – 2000

Types of child care facilities	total*	nonprofit sector	public sector	private market sector
	part-time employment in % of total employment			
baby day care centers	20,3	37,2	10,6	32,7
kindergartens	44,2	54,4	41,6	25,3
school day care centers	29,3	52,5	16,1	27,3
mixed age children groups	61,4	68,8	67,9	29,8
other child care facilities	57,1	57,1	-	-
TOTAL	40,9	53,3	37,0	27,5

* including child care facilities of "other" bodies responsible

source: Statistik Austria, ISIS, own calculations.

Overall, part-time employment in Austrian child care facilities is about 41 % in 2000. More than half of all employees work full-time. Looking at the three sectors, it stands out, that the ratio of part-time employment in the nonprofit-sector exceeds the ratio of part-time employment in the other sectors. Table 8 shows, that there were more employees working part-time than full-time in nonprofit child care facilities in 2000.

Describing the overall employment trend of the nonprofit sector, we found out that employment has been increased since 1995. Table 9 splits total employment in part-time employment and full-time employment. Within a period of 5 years full-time employment in child care facilities of the nonprofit sector could be expanded by almost 17 %, whereas full-time employment in the public sector increased by only 6 %. The expansion rate of full-time employment in the private market sector reached 18 %. Employment created in the nonprofit and in the private market sector is full-time as well as part-time employment. The relative growth of full-time employment in these two sectors is larger than in the public sector.

Table 9: part-time employment trend in Austrian child care facilities (1995-2000)

years 1995=100%	total*		nonprofit sector		public sector		private market sector	
	absolute	? (%)	? FT (%)	? PT (%)	? FT (%)	? PT (%)	? FT (%)	? PT (%)
1995	26.259	0,0	0,0	0,0	0,0	0,0	0,0	0,0
1996	27.462	+ 4,6	+ 1,3	+ 7,6	+ 2,6	+ 10,8	0,0	+ 8,3
1997	29.033	+10,6	+ 4,8	+ 16,3	+ 5,4	+ 24,8	+ 3,8	- 1,0
1998	30.126	+14,7	+ 8,2	+ 26,5	+ 6,2	+ 31,7	+ 9,1	+ 8,8
1999	30.887	+17,6	+ 15,4	+ 31,4	+ 7,0	+ 36,1	+ 14,7	+ 10,9
2000	32.023	+22,0	+ 16,6	+ 46,5	+ 6,1	+ 49,9	+ 18,4	+ 15,0

* including child care facilities of "other" bodies responsible

FT...full-time employment; PT...part-time employment

source: Statistik Austria, ISIS, own calculations.

Overall, employment growth is borne by part-time employment. In the nonprofit sector, part-time employment increased almost by 47 %, in the public sector it increased by 50 % during the last 5 years.

Table 10 throws a spotlight on the **qualification of employees** in Austrian child care facilities. Statistical information is available for the number of employees with specific qualifications in the care of children. Total employment is composed of trained and untrained employees. The category “other employees” consists of assistants to the kindergarten worker, cooks, cleaners,...

Table 10: Trained employees in percent of all employed people in Austrian child care facilities per type of child care facility and per sector – 2000

Types of child care facilities	total*	nonprofit sector	public sector	private market sector
	trained employees in % of total employment			
baby day care centers	46,7	43,8	47,6	53,3
kindergartens	50,8	47,5	51,6	59,1
school day care centers	49,8	45,7	51,7	41,8
mixed age children groups	46,9	43,5	48,1	56,2
other child care facilities	28,6	28,6	-	-
TOTAL	50,2	46,6	51,3	56,4

* including child care facilities of “other” bodies responsible

source: Statistik Austria, ISIS, own calculations.

Overall, half of all employees of Austrian child care facilities are trained employees. The nonprofit sector appears to be below the average. Only 46.6 % of all employees are specifically trained. There might be differences in the volume of qualified staff employed, depending on whether employment growth is borne by the public sector or by the nonprofit sector.

In this chapter we gave some insights in the number of standardized Austrian child care facilities and the volume of employment. The next chapter presents an overview of alternative child care facilities in Austria.

4.1.2 Alternative child care facilities and services

4.1.2.1 Children groups and play groups:

Examples of the great variety of day care arrangements not covered by the official Austrian statistics are children groups and play groups, which are day-care centers initiated and managed by the parents. Although they employ paid staff, parents are also involved in daily activities such as cooking, grooming and administrative organizational duties like payroll accountings.

In September 1999 the BÖE sent questionnaires to 186 associations and 172 got replied. The following data in this paper are related to those 172 associations.

Children groups (*Kindergruppen*):

Children groups are child care facilities for children aged 1-8. There can be up to 3 groups in one children group institution. According to the report of the BÖE, there were 229 groups in 1999. 3,828 children were cared for by 644 employed persons, of whom 84% were professionals. Compared to the other care arrangements, the flexible opening hours of these children groups bring a great advantage for employed mothers or mothers who want to re-enter the labor market. 60% of the mothers in these groups are either employed or self-employed.

Play groups (*Spielgruppen*):

Play groups offer child care for children aged up to 8 (see Figure 1). The aim of these groups is mainly to support the social learning of children of this age. In play groups, many groups of children are cared for up to three times a week for only a few hours. Therefore, the number of children is limited to 15 children per group. Compared to the traditional child care facilities, the average number of children per group is about 25% lower. The staff/child ratio for children under 3 in the play group was 1 adult/5 children.

- Number of associations and groups:

In 1999 there were 186 associations which organized 229 children groups and play groups.

Table 11: Number of children/ play groups in Austria – 1999 (without Burgenland)

federal states	associations	groups	play groups in %
Carinthia	39	58	0%
Lower Austria	17	26	5%
Upper Austria	12	15	0%
Salzburg	7	15	0%
Tyrol	57	62	42%
Vorarlberg	16	16	73%
Vienna	33	33	0%
Total	186	229	23%

Especially in the Tyrol and Vorarlberg the demand for children groups has increased in the last years. Compared to 1999 there were 55 groups in Tyrol and 51 groups in Carinthia in March 1998. Due to the financial situation 4 groups had to be closed in Vienna, but in other federal states the situation of the groups has stayed stable.

- Number of children cared for in the groups:

Table 12 shows the distribution of the total number of children cared for in federal states.

Table 12: Number of children cared for in the groups: full-time, half-time

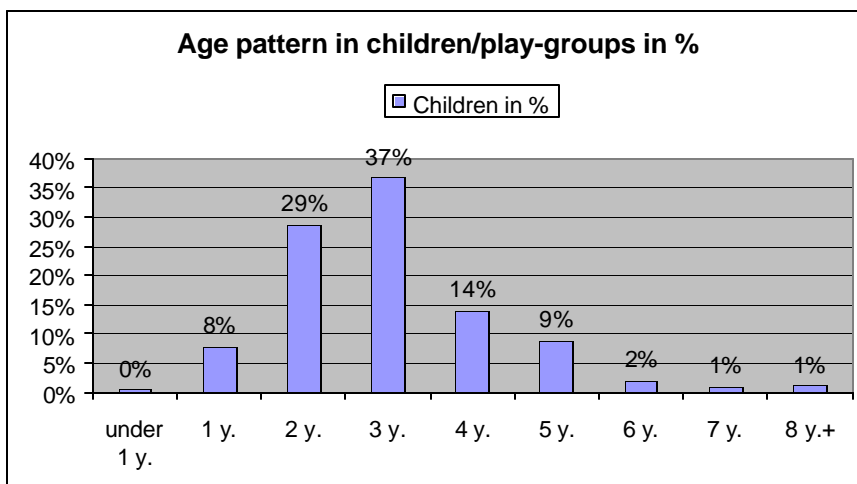
federal states	total	children groups	play groups
Carinthia	887 (23%)	100%	0%
Lower Austria	355 (9%)	93%	7%
Upper Austria	231 (6%)	100%	0%
Salzburg	152 (4%)	100%	0%
Tirol	1121 (29%)	52%	48%
Vorarlberg	719 (19%)	77%	23%
Vienna	364 (10%)	100%	0%
total	3828 (100%)	77%	23%

3,828 children were cared for in children groups and play groups in 1999. The demand for full-time day care varies from 92% in Vienna to 2% in Vorarlberg.

- Age pattern of the children in the children / play groups

Figure 1 gives insights in the age pattern of the children cared for in the groups.

Figure 1: Age pattern in the children / play groups



The main age group in the children/play groups was the one of children of 2 (29%) and 3 (37%) years of age, whereby 57% of the children in the play groups were 3 years old and 22% were 2 years old.

The lack of institutional care for infants (0-3 years) is partly absorbed by these alternative care groups.

- Opening hours and holidays

The opening hours of traditional forms of child care facilities have always been criticized for being too rigid and prevent flexibility. The alternative forms discovered a market niche by offering more flexible opening hours. As the children groups are managed by the parents, the opening hours and holidays can be customized to the needs of families. On the average, the children groups are open about 39 hours a week with 4 weeks of holiday per year. The opening hours of play groups are in average up to 12 hours a week with quite long holidays of 12 weeks.

- Structure of Finance:

The children groups are financed through parent fees, subsidies by federal states (*Länder*), subsidies by the Department of Social Security and Generation, and partially through communal promotion and AMS (Labor Market Services).

Parents' fees are decided by the local authorities and differ a lot, depending on the local authorities. In 1999 the average monthly fees for the children groups varied between ATS 3,500.- (€ 254.35) in Vienna and ATS 1,400.- (€ 101.74) (plus subsistence costs) in Salzburg. The fees for play groups varied between ATS 500.- (€ 36,34) and ATS 710.- (€ 52,-). In addition to the regular fees, ATS 30.- (€ 2.18) have to be paid for the full-time group and about ATS 15.- (€ 1.09) for the half-time group.

- Employment in children groups and play groups

In 1999 644 **professional care persons** were employed in children and play groups. 78% of those professionals worked in children groups, whereas 22% were employed in play groups. 96.3% of them were female and 3.7% male.

Table 3 shows that they worked in average 23.5 hours a week, which means that most of them were employed part-time.

Table 13: Average working hours of care personnel per week

	average working hours per week
children groups	27.2
play groups	9.7
total	23.5

In addition to the professionals, there are **employees** who perform different tasks such as cooking, cleaning,

accounting, and other organizational office tasks. This group of employees worked in average about 4 hours a week.

The **voluntary working** hours from parents varied from 2 hours (in Vorarlberg) to 20 hours a week in Vienna. In average, parents worked about 8 hours a week. For example, in about 50% of the full-time children groups, parents themselves cooked.

- Education of the employees:

64% of the care persons in children groups had finished their specific child care training, e.g. trained kindergarten workers or educators, whereas it was on-the-job-training for 20%. 16% had no specific training. In comparison to children groups, the majority (57%) had no specific child care training. 38% had finished their training (Tab. 14).

Table 14: Education of the care personnel

	finished training	on-the-job-training	without specific training
children group	64%	20%	16%
play group	38%	5%	57%

4.1.2.2 Non-institutional form of child care services: Day-parents (*Tageseltern*):

Although detailed statistics about child-minders are not available, the increasing demand for day-parents can be shown on the basis of the situation in Lower Austria. This alternative day care facility might boom in the next years, according to the NÖ Hilfswerk, one of the leading nonprofit organizations in Austria and a pioneer in the organization child-minders. To give an example: there were only 22 day mothers who cared 28 children in 1982, but 20 years later, in 2002, 4.700 children, mostly aged 1-3, are cared for by 1.230 child-minders in Lower Austria.

5 Summary and Perspectives

Overall, employment in standardized child care facilities increased within a period of 5 years. The increase of nonprofit employment was clearly above average. Employment growth was mainly borne by the public child care facilities – but in recent years, the contribution of the nonprofit sector to overall employment in Austrian child care facilities has increased.

Within the nonprofit sector it turns out that employment growth was mainly borne by secular nonprofits.

About 80 % of the increase of employment in the nonprofit sector can be attributed to the growth of employment within associations.

In order to get a precise picture of the inter-sectoral developments of child care services, it is necessary to comprise the whole range of different institutions.

Increasing awareness for the problems of reconciling work and family life has led to a demand for more day care institutions in Austria. In spite of the lack of comparable data on informal child care facilities, the data of the NÖ Hilfswerk show, that the demand for alternative informal care possibilities like children groups and day-parents will increase. These four alternative forms of day care – children groups, play groups, day-parents, and finally granny service – are mainly organized by NPOs.

Certainly family and child care policy has an important impact on those developments. Many arguments have been raised by the opponents of the reform of child care benefits. There have been some changes indeed, but the problems of reconciliation of work and family will not disappear. Besides, the reform provides incentives for women to either stay at home longer, or to work in low-paid jobs. This will re-enforce the gender segregation on the labor market as well as the traditional division of paid and unpaid work between men and women.

According to a study of the Austrian Institute for Family Studies (ÖIF), the demand for alternative child services will increase. On the other hand, the demand for standardized institutional child care facilities might rise if any only slightly. As a result of the increasing purchasing power of the parents, the supply of child care facilities and services will be improved by the market mechanism (see Schattovits 2000: 13).

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