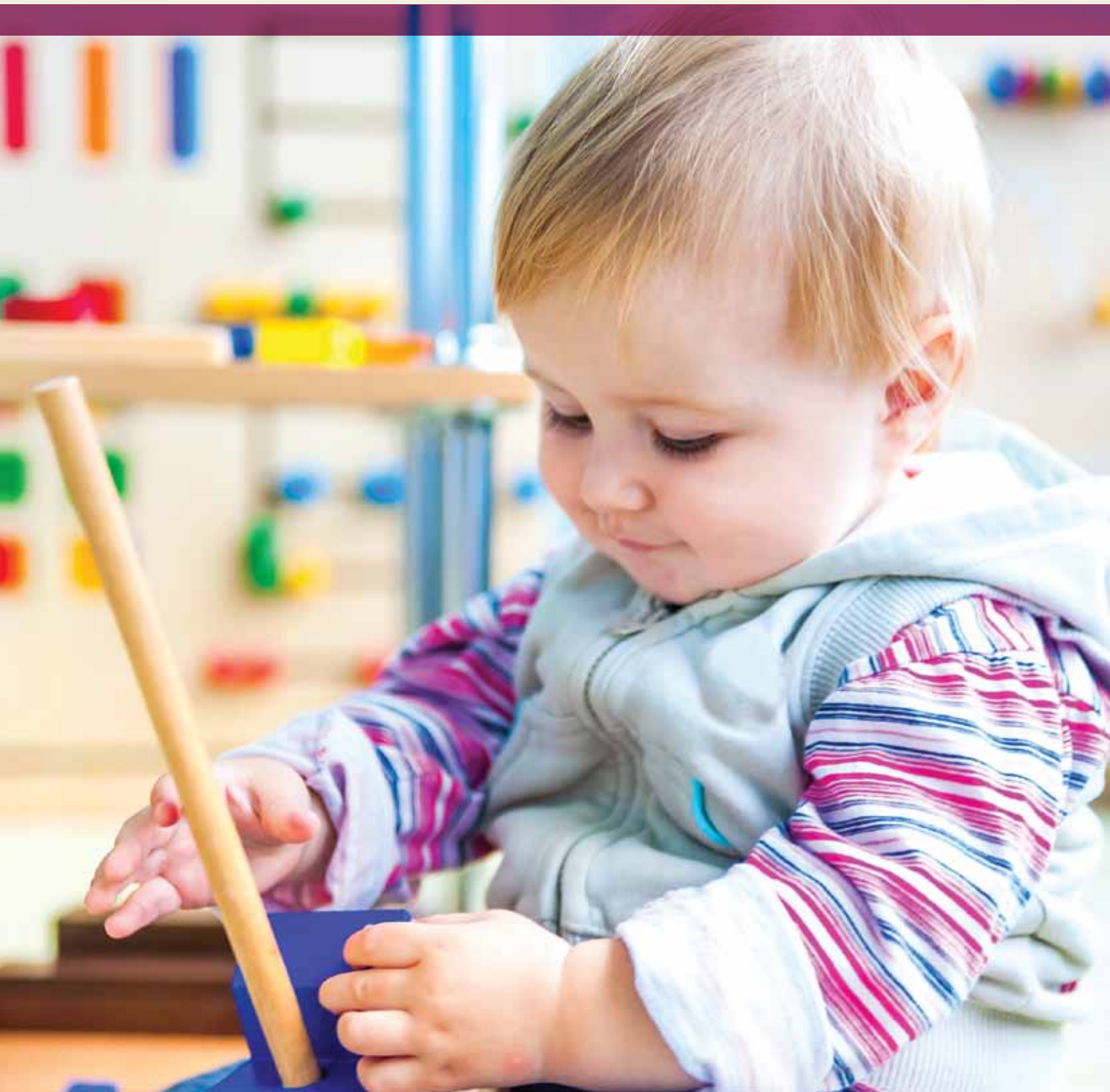


# **'CHILDCARE'**

## **Business or Profession?**



**Child care is a profession... I do not like to see this referred to as a business, a sector or an industry. Unfortunately for some, that is what it has turned into.'**

An Taoiseach, Enda Kenny T.D., speaking in the Dáil on 29th May 2013, the day after the RTÉ Prime Time investigation, *A Breach of Trust*.

# Start Strong

**Start Strong** is a coalition of organisations and individuals committed to advancing high quality care and education for all young children in Ireland.

Start Strong has a growing number of Supporters. We value their support as we work to advance high quality care and education as a right for all young children in Ireland.

## Organisations

ABC Childcare	Early Childhood Studies & Practice (BA Degree Programme), Adult & Continuing Education, NUI Galway	Preparing for Life
An Gairdin Scoil Montessori	Equality and Diversity Early Childhood National Network (EDENN)	Puddleducks Pre-school
Association of Childhood Professionals	Fingal County Childcare Committee	Holy Child Pre-School (Rutland Street Project)
Ballymun Whitehall Area Partnership	Finglas Childcare Limited	Sligo County Childcare Committee
Barnardos	Forbairt Naíonraí Teo	Society of Saint Vincent de Paul
Bonnybrook Early Education Centre	Grovelands Childcare	South Dublin County Childcare Committee
Border Counties Childhood Network	Institute of Community Health Nursing (ICHN)	Southside Partnership
Brigit's Hearth Children's Centre	Irish Penal Reform Trust	SpunOut.ie
Canal Communities Partnership	JAGGO Pre-school	Step-by-Step Montessori Pre-school
Childcare Network Loch Garman	Kildare County Childcare Committee	Strategic Innovation in Education, University of Limerick
Childminding Ireland - National Childminding Association of Ireland	Lifestart	Tallaght West Childhood Development Initiative (CDI)
Children in Northern Ireland	Little Stars Pre-school, Montessori & Afterschool, Donegal	Úlla Beag Pre & Afterschool Care
Children's Rights Alliance	Meath County Childcare Committee	UNESCO Child & Family Research Centre, NUI Galway
Cork County Childcare Committee	Montessori Alliance	Waterford Area Partnership
Cork Early Years Network	National Women's Council of Ireland	Waterford Childcare Committee
Centre for Research in Early Childhood (CREC)	North Tipperary Childcare Committee	Western Area Childcare Partnership
Deansrath Family Centre	OMEP Ireland	Westmeath County Childcare Committee
Disability Equality Specialist Support Agency (DESSA)	One Family	Wicklow County Childcare Committee
Donegal County Childcare Committee	OPEN	youngballymun
Dublin City Childcare Committee	The PlayDen Montessori Pre-School (Co. Westmeath)	
Early Learning Initiative, National College of Ireland		
Early Childhood Ireland		

We also have a growing number of individual supporters (available on our website).

If you would like to become a supporter of Start Strong, please contact us on [info@startstrong.ie](mailto:info@startstrong.ie) or through our website [www.startstrong.ie](http://www.startstrong.ie)

**Start Strong** is supported by the Community Foundation for Ireland, the Katharine Howard Foundation and The Atlantic Philanthropies.

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Thanks also to Nóirín Hayes, Visiting Professor at the School of Education, Trinity College Dublin.

We are grateful to the Board of Start Strong for their oversight and guidance and to the staff team, particularly Toby Wolfe, in developing another significant report.

This report would not have been possible without your time and generous assistance.

## Foreword



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It's time we had a public debate about how we value our young children and their care and early learning –

The quality of early care and education in Ireland is extremely variable. While some services are excellent, some fail to meet minimum standards – and we know that poor quality can harm children. Meanwhile 50,000 young children are cared for by childminders who work without regulation and without support.

Our government invests a pitifully low amount in early care and education and public funding goes to services without regard to quality.

At the same time, parents in Ireland pay some of the highest 'childcare' costs in the world, without any guarantee of quality. Families often face an all or nothing choice – to work full-time or to leave paid employment entirely. And some parents return to work sooner than they would like, because they cannot afford to take unpaid leave. Some children spend long hours in services, while their parents work to pay their 'childcare' costs.

Service-providers are expected to run an educational service, while also being entrepreneurs and running a financially viable business. Many services aren't financially viable, and have no prospect of being. Some providers make little or no profit. Some, however, are big businesses and make significant profits, often supported by public funding. Some community services are in a precarious financial situation. Working with families living in poverty, they are still expected to operate within a business model of service provision and have to worry about financial sustainability

Staff in services are on low wages, with many paid an hourly rate barely above the minimum wage. Training and CPD are often at their own expense, and there is no reward for getting a higher qualification. A minimum qualification requirement is only now being introduced, and that requirement is at a basic level.

Our inspections process focuses on health and safety issues. A welcome development is that there will shortly be new 'education focused' inspections, but it is not clear how they will relate to the existing inspection process, nor whether they will look at services for under-3s. And it is far from ideal that the processes are separate.

None of this adds up to high quality early care and education, as a public good. And none of this suggests we, as a nation, cherish our young children.

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Contrast this with how we regard our children's school education. We are proud of the quality of our school education system. Schools are valued for the opportunities they offer children, and for their contribution to society. While the funding is never sufficient, our government invests significantly in our children's school education. All children are entitled to a primary education and parents are not required to pay for it, much less to pay the market-value of primary school. School principals are evaluated on their management and leadership, not their business acumen. Teachers are required to be graduates. They are paid a salary, not an hourly rate, for which they are expected to teach, plan their classroom time, engage in CPD, and engage with parents. Whole-school evaluations focus on the quality of teaching and learning, as well as management and planning.

For too long we have regarded early care and education as 'minding' children to enable their parents to work. It is seen as 'childcare', not early education, and is not grounded in children's rights. It is treated as an industry where services – community and private – are expected to be entrepreneurs running businesses. It is no wonder we have very variable quality.

This report seeks to explore how we can build on all that is positive in our legacy of private and community provision and childminding, and develop a new model of early years services. Not a business model, but a profession, in which public investment allows early years educators to deliver a public service – a public service that is focused on quality, while also accessible and affordable to families. One that puts children's interests first, and places a high value on young children's early care and education.



**Clairín de Buis**  
Director



# A new Irish model for early years provision – Using public funding to ensure quality Summary & Recommendations

Speaking in the Dáil on 29 May 2013, the day after the Prime Time investigation, *A Breach of Trust*, the Taoiseach said:

*'Child care is a profession.... I do not like to see this referred to as a business, a sector or an industry. Unfortunately for some, that is what it has turned into.'*

Start Strong argued then that the Prime Time broadcast must be a 'catalyst for change'. Unfortunately, while the Government's 'Pre-School Quality Agenda' is introducing some positive developments, we have not yet seen the sort of profound reforms that are required if we are to ensure children's interests are put first.

This research project arose out of our concern at the variable quality of early years services, and the lack of assurance of quality. High quality early care and education can be very beneficial to children, and we know that there is much good practice in services across Ireland. However, *A Breach of Trust* showed that there is also bad practice, that many staff are working for low pay and in poor working conditions, and that the regulatory system has failed to ensure that minimum standards are met in all services.

What actions must the Government take if it is to ensure the quality of all early years services in Ireland? To answer this question, we asked Professor Helen Penn and Professor Eva Lloyd of the International Centre for the Study of the Mixed Economy of Childcare about the experience of other countries that have a market system of early years services. We also asked Professor Nóirín Hayes of Trinity College Dublin to analyse the development of Ireland's market system of provision, and to consider the implications for Ireland of Professors Penn and Lloyd's report. And we carried out research into the current state of early years

provision in Ireland: drawing together official data and published research findings, and carrying out a series of interviews with service providers.

## Putting children's interests first

Professors Penn and Lloyd's first recommendation is that the Government must set out clearly what the objectives of early care and education are. The central objective of early years policy must be to realise children's rights. And that means putting the quality of early years services first.

Professor Nóirín Hayes rightly argues that the Expert Advisory Group report should provide the basis for the National Early Years Strategy, in which the Government will set out its objectives for early years policy. The Expert Advisory Group concluded that improving quality must be the priority if we are to put children's interests first:

*'The quality of services for young children is critical to their effectiveness. The evidence on early care and education services demonstrates that such services only benefit children when they are of high quality. When they are of low quality, they can do harm. The quality of early care and education services in Ireland today is very variable and the lack of quality assurance is unacceptable. Ensuring high quality is the foremost policy challenge in early care and education today.'*

'Ensuring high quality' means ensuring quality in all early years services. It means ensuring that no child is in a low quality service. It means no repeat of the scenes we saw in *A Breach of Trust*. And it means a new Irish model of early years provision, to make variable quality a thing of the past.

To put children's interests first, we must also look at the cost of services to families. Once quality standards are



improved, the Government must continue with its plans to introduce a Second – high quality – Free Pre-School Year, given the evidence on the benefits of early care and education, and it must also reduce the level of child poverty through helping low-income families into employment. Where the high cost of early years services keeps a family living in poverty, children suffer.

Putting children's rights at the centre of early years policy also requires us to look at all settings where children grow and develop in their early years. It means looking not just at centre-based services, but also at childminding. Childminders, who are a key part of Ireland's model of early years provision, need both regulation and support.

And it means looking at the supports for parents and children in their own homes. Parents need the support of longer paid leave entitlements and work-life balance policies, so that they can spend more time at home with their children without suffering financially.

## **A new Irish model**

The key message of Professors Penn and Lloyd's research is that, without public involvement, the market approach leads to 'variable quality and inequitable access', with no guarantee that all children benefit. It is a description that characterises Ireland, just as it characterises other countries that have followed the market approach.

There is much to be proud of in Ireland's early years provision, with many high quality services, a workforce in the process of professionalisation, and excellent national frameworks in *Síolta* and *Aistear*.

But there is also much that needs reform, including variability in the quality of services – with some services clearly not meeting minimum standards; low pay and

poor working conditions for those working in early years services; inequity in access to quality services; and the invisibility of most childminders.

Penn and Lloyd argue that, if we retain the market approach, we will only ensure quality through stronger public involvement, with a reformed and robust regulation and inspection system, a much higher level of public investment, and a professionalised workforce.

Just as our national school system is privately owned but is in effect publicly provided, so too we need to move to a position where our early years services, while they may be owned by a mix of private and community providers, are nonetheless delivering a public service.

In short, we need a new Irish model of early years provision – one that builds on our legacy of private and community provision and childminding, but significantly enhances public investment and public involvement – to ensure quality for all children.

In a number of ways, the Free Pre-School Year has already laid the groundwork for this new Irish model. Many early years services are now fully or largely State-funded. The State is now, for the first time, introducing minimum qualifications. And the Higher Capitation Grant creates a mechanism by which the State is actively incentivising the professionalisation of the early years workforce. These opportunities can be built on further.

## **From a business to a profession**

At the heart of the new model must be the recognition of early care and education as a profession. The Taoiseach was right when he said that we need to move from viewing 'childcare' as 'a business, a sector or an industry' to viewing it as a profession.

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Early years care and education is in many ways the first stage of the education system, and early years services – and the educators working within them – must be treated as such. We can build on the progress that has already been made in recent years, through for example the rising proportion of services in receipt of the Higher Capitation Grant for the Free Pre-School Year. But the process of professionalisation must accelerate.

For 'childcare' to be recognised as a profession, early years educators must have the qualifications, wages, working conditions and career development pathways – as well as the public esteem – that characterise a profession.

Only then will we see children's early care and education valued as the foundation of their learning.

## Recommendations

**The central objective of government early years policy must be to realise children's rights.** To that end Start Strong are proposing a new model of early years service that is focused on quality, and is accessible and affordable to families. We need to move from early care and education being a business, to it being a profession delivering a public service.

### *A new model of early years services for our young children ...*

- **Use public funding as a lever to improve quality**  
The Government should develop a new funding model that uses supply-side funding not tax-based solutions. Funding needs to be linked to the cost of delivering quality services, including: higher salaries for graduate staff on agreed salary scales; higher rates of funding when a service needs additional support for a child with

special needs or language difficulties; and higher rates of funding to services in disadvantaged communities (like the DEIS initiative in schools).

- **With greater public investment**

Fund this model through a significant increase in public investment, which is currently far behind international standards. Increase public investment in early care and education from 0.4% GDP to reach the OECD average of 0.7% GDP in 5 years, and the UNICEF benchmark of 1% GDP in 10 years. The priority for increased public investment must be quality improvement.

- **Making public funding conditional on quality**

No child should be in a low quality service, and no public money should go to services that fail to achieve quality standards. Introduce a mechanism to ensure that low quality standards (as assessed by a reformed inspectorate) result in a credible threat to withdraw funding, and to withdrawal of funding if standards do not rise in a given time-frame.

### *...focused on quality...*

In doing so, the Government should also

- **Form a new Early Years Inspectorate**

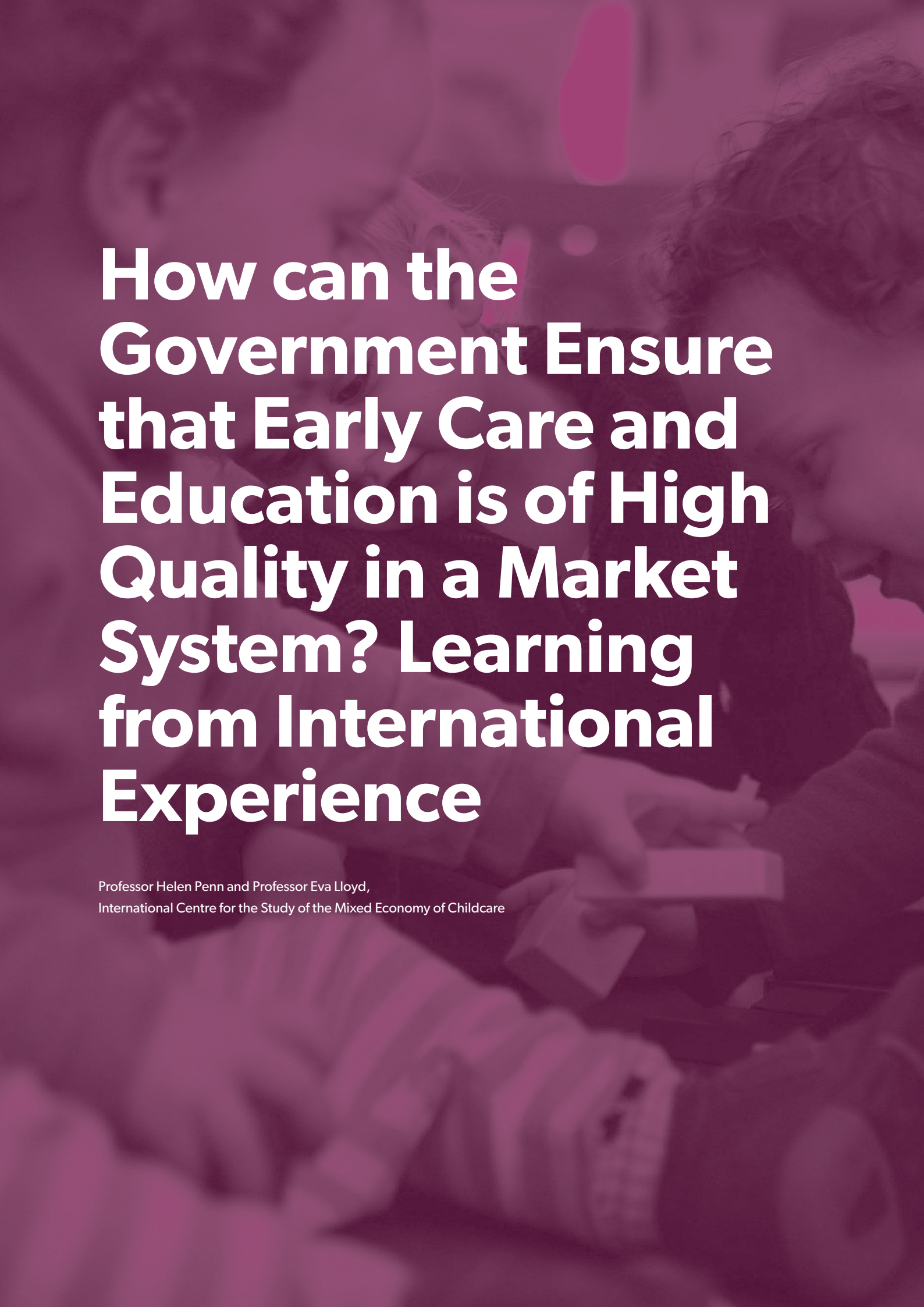
The new inspectorate should focus on a broad understanding of quality, should be staffed with inspectors who are both qualified and experienced in early care and education, and should be located within an agency that focuses specifically on regulation and inspection, such as HIQA. The new Inspectorate should be formed on the basis of the reform and merging of the Tusla inspectorate with the early childhood education inspectors being appointed by the Department of Education and Skills.

- **Move progressively towards graduate-led provision,** setting timelines for further increases in minimum qualification levels, and for the achievement of fully graduate-led services.
- **Introduce salary scales –**  
as a condition of receipt of public funding, with parity with primary school teachers for similarly qualified staff (as is done in New Zealand). Salaries should be sufficient for staff to be required to engage in routine curriculum planning, team-work, recording of observations of children, CPD, and engagement with parents.
- **Introduce the regulation and support of childminders –**  
recognising and enhancing their central role in the Irish model.
- **Invest in national supports for quality**
  - Full national roll-out of the Aistear Curriculum Framework and the Síolta Quality Framework.
  - A well-resourced National Early Years Quality Support Service.
  - A national network of quality support services for childminders.
  - Expand the Learner Fund, to provide financial support beyond Level 6 qualifications, so that existing workers can opt to progress towards Levels 7 and 8.
- **Carry out a regular national quality audit**  
Improve official data gathering and dissemination
  - including on the quality of provision – through the introduction of a regular national audit of the quality of a sample of services, using international quality rating scales.

- **Move towards the introduction of ceilings on fees –**  
as recommended by Professors Penn and Lloyd, so that the financial costs of professionalisation and higher quality standards do not simply result in higher fees for parents who already pay among the highest fees in the world.

*... that is accessible and affordable to families.*

- **Continue progress to a Second Free Pre-School Year**  
While the raising of quality standards must be the priority, the Government should continue putting in place the building blocks for a Second Free Pre-School Year.
  - **Open up public funding schemes to regulated and inspected childminders –**  
who meet quality standards comparable to those required of centre-based services.
  - **Ensure access to quality services for all children –**  
rather than leaving access to market forces. Turn the publicly funded schemes into **entitlements** that are not conditional upon market forces or upon historic decisions about the location of community services.
  - **Local structures meeting local needs**  
To ensure all children can access these entitlements, **give local structures responsibility** for assessing and ensuring the availability of early years services locally, and **link future capital funding programmes to local needs assessments**, so that capital funding goes to areas of the country where access is limited.
  - **Lower costs for families**  
Provide income-related subsidies to families with low incomes. Make subsidised places available in all areas of the country, through reforming the CCS and extending it to all services which meet quality requirements.
-

A background image showing children playing with wooden blocks, overlaid with a semi-transparent purple filter. The text is in white, bold, sans-serif font.

# **How can the Government Ensure that Early Care and Education is of High Quality in a Market System? Learning from International Experience**

Professor Helen Penn and Professor Eva Lloyd,  
International Centre for the Study of the Mixed Economy of Childcare

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# Executive Summary

This report was commissioned by Start Strong, in order to learn from international experience of how governments can help to ensure that early care and education is of high quality in a market system. The report

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- Sets the context and considers general trends in the provision of early childhood education and care (ECEC). How is it expanding and why? What kind of questions about quality are being raised and by whom and in what particular contexts?
- Draws on comparative work undertaken by OECD and EU to provide an overview of governmental policies to promote quality and access at a macro-level. It explores the goals which inform policies, and summarizes initiatives to develop coordinated, cost-efficient systems of ECEC and to reform systems in the light of current data and research.
- Gives an overview of quality initiatives at a micro-level intended to bring about changes in practice. It briefly reviews independent kite-marking, accreditation and quality measurement schemes which have been introduced to enable private providers to improve the quality of their services
- Explore features of childcare markets. What is the market model and how extensive is it? What assumptions underlie it as a solution to the provision of early childhood education and care? How are the key questions of quality and access addressed in the private sector?
- Gives examples of 5 countries whose provision is primarily in the private sector, and whose data is readily available in order to explore differences in approach to quality issues. These countries are Norway, New Zealand, the Netherlands, Australia and the UK
- Gives a very brief overview of Ireland's position in a comparative perspective.

The report concludes that for almost all countries the evidence strongly suggests:

- Quality is *very variable* in a private market, with a tendency towards higher quality provision in wealthier areas, and poorer quality provision in poorer areas. Children from low income families tend to receive less good services than children from high income families.
  - Access is *invariably inequitable* in a private market. There is more provision and more choice available for those who can pay for the basic and extra costs of childcare, and much more limited choice, if any, for the poorest families.
  - Variable quality and inequitable access are unlikely to change unless strong regulatory measures can be put in place, including planning controls for entry to and exit from local markets.
  - Quality and access are only likely to improve with public funding. As well as increasing access for greater numbers of children, public funding is necessary to improve the initial and continuous training and the conditions of service of staff who work in the sector.
-

The report makes the following recommendations:

- Recommendation 1** Clarify and Develop the National Goals and Objectives of ECEC in a Co-ordinated Way and Address Discrepancies.
- Recommendation 2** Upskill the ECEC Workforce
- Recommendation 3** Underpin Development with Adequate Financial Resources
- Recommendation 4** Strengthen Regulation
- Recommendation 5** Increase Local Accountability
- Recommendation 6** Improve Monitoring, Research and Evaluation Systems



# 1. Introduction

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1.1. The overall policy question addressed in this report is: *How can government ensure that early care and education provision is of high quality in a market model?* What might be considered successful and unsuccessful in achieving quality outcomes? Early childhood education and care (ECEC) provision is expanding in most countries, and in particular there has been a substantial expansion of private for profit childcare businesses across the world (Lloyd and Penn, 2012). How can quality be assured in a situation where there are many different kinds of providers operating different kinds of services and where provision is changing rapidly? What risks does a market model entail, and what kind of policy options are available to governments who follow this route? This report was commissioned with reference to the particular situation in Ireland, but its conclusions are drawn from a review of the international literature.

1.2. The questions about high quality can best be considered with a wider lens. What is the experience of other countries in addressing issues of quality, and how much do these experiences vary depending on whether or not there is a substantial childcare market? For most countries in the last 10-20 years there have been rapid shifts in understanding of ECEC, and goals, targets and standards have been rethought, reworked and realigned. There are many documents and policy statements from individual governments, or from states within federal governments, producing rationales for their legislation and their investment in early childhood education and care, and some of these differ greatly. These shifts and the justifications given for them have been documented in detail by international organizations such as OECD and EU, who have also led the way in exploring change, as well as in promoting international solutions. There is a mushrooming academic literature, across a variety of academic disciplines, principally in the fields of education, social policy and economics, exploring aspects of the debate, and carrying out research on its particulars.

1.3. It should be noted at the outset that because countries have approached ECEC issues very differently, and have differing assumptions, goals and targets, international comparisons are problematic. Interpretations that may hold good in one country may appear invalid in another and there are considerable problems over nomenclature. One example that has emerged in the writing of this report is the phrase ‘nursery education’ or ‘pre-primary education’ which are not used in Ireland. Comparative international statistics, such as PISA or Eurostat generally refer to nursery education or pre-primary schooling, and define it as provision for children aged three upwards, in a school based setting, usually for a school day or half-day, employing qualified teachers and following a nationally determined curriculum, and like other education services, free at the point of use. ‘Pre-school’ services on the other hand are seen in the literature as more welfare based, more low key, and relying in part on voluntary contributions, for instance playgroups. In this report we refer generally to pre-primary or nursery education, as distinct from pre-school, and we use the precise wording of the country we are describing, where relevant. For Ireland itself we use the accepted phrase ‘pre-school’, in the absence of designated pre-primary or nursery education.

1.4. In addition, the issue of child rights and child perspectives within ECEC has also engendered considerable interest and research. What is the impact of ECEC on the children who attend, and how does the quality of the pre-primary or nursery education or the childcare they attend affect them? Are some children more vulnerable than others in their responses to high and low quality ECEC environments and what is the nature of the evidence? Is there evidence from children themselves about how they perceive and experience the environments in which they may spend most of their waking life?

1.5. ECEC then is a very lively and complex policy issue, and even in a time of austerity, one which cannot easily be ignored (Bennett 2014).

This report:

- Sets the context and considers general trends in the provision of ECEC. How is it expanding and why? What kind of questions about quality are being raised and by whom and in what particular contexts?
- Draws on comparative work undertaken by OECD and EU to provide an overview of governmental policies to promote quality and access at a macro-level. It explores the goals which inform policies, and summarizes initiatives to develop coordinated, cost-efficient systems of ECEC and to reform systems in the light of current data and research.
- Gives an overview of quality initiatives at a micro-level, intended to bring about changes in practice. It briefly reviews independent kite-marking, accreditation and quality measurement schemes which have been introduced to enable private providers to improve the quality of their services
- Explores features of childcare markets. What is the market model and how extensive is it? What assumptions underlie it as a solution to the provision of early childhood education and care? How are the key questions of quality and access addressed in the private sector?
- Gives examples of 5 countries whose provision is primarily in the private sector, and whose data is readily available in order to explore differences in approach to quality issues. These countries are Norway, New Zealand, the Netherlands, Australia and the UK
- Gives a very brief overview of Ireland's position in a comparative perspective.

On the basis of the evidence considered, the report concludes with six recommendations to improve quality and access for ECEC services.

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## 2. The Context of Early Childhood Education and Care

### 2.1. The expansion of early childhood education and care.

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2.1.1. The expansion of ECEC is driven in part by women's increased participation in the workforce, and the consequent need for childcare; and partly by an increasing recognition about the importance of early education, especially for children from disadvantaged backgrounds (EU/NESSE 2009).

2.1.2. Many European governments have recognized and have been responding to these drivers for many years, since the 1950's in the case of Nordic countries. Other countries have an even longer tradition of promoting early education, over a century in the case of France and Belgium. These countries have incrementally developed strong and comprehensive state systems of early childhood education, and childcare, and, more unusually, both together, to the point where there is universal coverage. (Scheiwe and Willekens 2009, EU/Eurostat 2014).

2.1.3. Both these drivers, women's participation in the workforce, and recognition of the importance of early education, have been acknowledged in recent EU statements, and OECD publications. The EU has set the goal, in its Barcelona targets, that early education and childcare places should be provided for 33% of children under three, and 90% children three and over, and the ET2020 framework has set an objective of 95% participation for children aged four and over (Council of the European Union 2011). The OECD now publishes its *Family Database* which compares how countries provide early education and care across a number of dimensions, including cost to parents, and percentages of national expenditure spent directly on ECEC, and indirectly in the form of parent subsidies (OECD 2014).

2.1.4. Comparative and international discussions of ECEC have for a long time been concerned to explore, define and emphasize the issue of quality, alongside access. The OECD CERI publications (1981/82); the European Childcare Network documents on quality (1992/6) which in turn informed the OECD study *Starting Strong* (OECD 2006) have been landmark studies. They have all emphasized the kind of structures that need to be in place at a governmental/state level to promote quality in day to day provision of services. The EU (European Commission 2014a) has recently emphasized again that although access is a key issue, access without quality may even be detrimental to children. At the time of writing, the EU has an ongoing research programme, commissioning research from across Europe to explore aspects of quality, from macro-issues of governance, to specific examples of practice such as staffing and conditions of service (Eurofound 2015) or linguistic and other support for non-native speakers of the language and immigrants (Bennett et al 2012). As part of more recent discussions of quality, increasing attention is being devoted to the experiences of parents and children in using the services.

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**2.1.5.** As mentioned above, some European countries have been incrementally increasing their state provision over a long period, until they have reached the point of universal state coverage, and already meet the EU Barcelona targets (EU/Eurostat 2014). In those countries which have had historically low levels of ECEC provision, such as the UK and Australia, rapid expansion in childcare and nursery education in the last 20 years or so has been achieved through the encouragement of private for profit sector provision. The assumption in relying on the private sector has been that places will be provided more quickly and flexibly than can be achieved by the state, and that quality will be achieved through competition, and minimally through regulation (Penn, 2012). Other countries, even including those with near universal state education, especially those wishing to increase provision for under threes, have also looked to the private for-profit market to expand the number of places. In France, although full time (28 hours per week) state nursery education from age three has a take-up of 98%, nevertheless 5% of provision for children under three is now delivered by the private for profit sector (Prentice 2014). In the Netherlands, similarly, whilst there is universal state coverage for children aged 4, the private for profit sector has been encouraged to take the lead in providing for children under four (Lloyd and Penn 2010). Generally, expansion of the private-for-profit sector has been encouraged as an economic measure, to promote women's participation in the workforce, rather than from an educational or childcare perspective. As a result, issues of quality have been somewhat neglected, and it is only recently that research – and unfortunately in the case of Ireland, scandals – have begun to expose the weaknesses and limitations of the economic arguments. The arguments for and against the expansion of the private for profit sector, and the consequences of supporting it, through tax credits and other fiscal mechanisms, are considered in detail in **Section 5**.

## **2.2. Many different kinds of early education and care.**

**2.2.1.** However, even if there has been a considerable worldwide expansion of early education and care over the last two decades, definitions of education and care, and the links between them, differ considerably across countries. Even the words used to describe services varies across countries. For example in Nordic countries the word 'kindergarten' describes integrated care and education services for children from birth to 6. In New Zealand the word kindergarten has a different meaning, and refers only to part-time nursery education for children aged 3-5 staffed by teachers. The word 'setting' used in the UK and Ireland to describe all kinds of out-of-home care has little meaning outside of these countries. The word 'nursery care' used by business analysts such as the firm Laing and Buisson to describe the private for profit sector in the UK is not widely understood or used outside of the business sector. The nomenclature is confusing, and points to wider confusions and contradictions in understanding what services might be on offer, and who is providing them.

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2.2.2. The notion of quality has to be taken in context. It arises from the expectations, goals and activities of those providing and using the service. As well as the more conventional goals of increasing access in order to promote women's participation in the workforce, and trying to combat educational disadvantage, these goals may include aims that are unfamiliar in the Anglophone literature. Governments/States have written goals which include promoting solidarity and inclusion (e.g. Spain, Nordic countries); focusing on environmental concerns (Nordic countries); foregrounding aesthetic issues (Northern Italy); or prioritizing diversity (New Zealand). There is also increasing evidence that national planning in some countries takes into account a focus on the experiences and outcomes for children, even very young children (Harrison and Sumsion 2014, Einarsdottir, 2014). Quality is then partially judged on the implementation of the goals a country sets itself.

2.2.3. The OECD Family Database attempts to provide a typology of types of service (2014, table PF4.1.A) – reproduced here in Table 1 (next page). It attempts to distinguish between centre-based care, home-based care (FDC or 'Family Day Care'), pre-school and kindergartens, and shows for each country listed how these differ in terms of age of children attending, and auspices (whether public or private and voluntary). 15 out of 34 countries listed on the OECD database rely heavily on private and voluntary provision, including Ireland. The table is necessarily simplified, and does not reflect the extent of the diversity which exists in many countries. The EU/Eurostat report extends these definitions for European countries, and provides a very detailed account of provision across a number of dimensions (EU/Eurostat 2014).

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**Table 1: OECD typology of childcare**

Public<sup>1</sup> Private<sup>2</sup> Compulsory School

FDC - Family Day Care

Age	0	1	2	3	4	5	6	7	
Australia	Accredited centres and FDC available part-time (20 hrs) or full-time (up to 50 hrs)				Reception / pre-school classes, with primary school (full-time, out-of-school hours care also provided).		Compulsory schooling		
Austria	FDC and Centre-based. Part-time (25 hrs)			Kindergarten (part-time, 25 hrs). Out-of-school care provision under development.			Compulsory schooling		
Belgium	Centre-based Crèches and FDC			Kleuterschool (starts at age 2 and a half), part-time or full-time, with out-of-school hours care; Ecole maternelle, part-time or full-time, with out-of-school hours care.			Compulsory schooling		
Canada	Centre-based and FDC				Junior Kindergarten en Ontario	Kindergarten / maternelles in Québec	Compulsory schooling		
Cyprus	Centre-based day care and FDC, provided by the public, private and community sector.				Pre-school - compulsory		Compulsory schooling		
				Kindergartens provided by the public, private and community sector					
Czech Rep	Crèche (centre-based care), full-time			State kindergarten			Compulsory schooling		
Denmark	FDC and Crèche, full-time (>32 hrs)			Kindergarten (full-time) (>32 hrs)					Compulsory schooling
	Age-integrated facility, full-time (>32 hrs)						Børnehaver (>32 hrs)		
Estonia	Crèche (centre-based care, full-time)			Pre-schools and nursery schools, full-time					Compulsory schooling
Finland	FDC and municipal early development centres, full-time (<50 hrs)						Pre-school	Compulsory schooling	
France	Crèche (centre-based care) and FDC, full-time			Ecoles maternelles (pre-school)			Compulsory schooling		
Germany	Crèche (centre-based)			Kindergarten (pre-school)			Compulsory schooling		
Hungary	Crèches, full-time (40 hrs)			Kindergarten		Compulsory schooling (at age 6 by law, but in practice many start at age 7)			
Iceland	Day-care centres and FDC			Pre-school			Compulsory schooling		
Ireland	FDC and centre-based			ECCE, Early Start and Infant school (pre-school) with primary school			Compulsory schooling		
				Pre-school playgroups					

Age	0	1	2	3	4	5	6	7
Israel	Centre-based and FDC			Kindergartens and some centre-based and FDC			Compulsory schooling	
Italy	Crèches (part-time 20 hrs, and full-time <50 hrs)			Pre-school			Compulsory schooling	
Japan	Centre-based care						Compulsory schooling	
	FDC			Kindergartens				
Korea	Childcare centres						Compulsory schooling	
				Kindergartens				
				Pre-school				
Luxembourg	Centre-based and FDC			Pre-school			Compulsory schooling	
Malta	Centre-based (private and public) care and FDC			Pre-school		Compulsory schooling		
Mexico	Centre-based care			Pre-school - compulsory			Compulsory schooling	
Netherlands	FDC, child-care centres, playgroups			Group 1, with primary school		Compulsory schooling (group 2 onwards)		
New Zealand	Child-care centres and some FDC			Community-based kindergarten, playcentres		Compulsory schooling		
Norway	Kindergarten, FDC, full-time (40 hrs), and open kindergarten						Compulsory schooling	
Poland	Nurseries			Pre-school / nursery schools				Compulsory schooling
Portugal	FDC and centre-based Crèches			Pre-school			Compulsory schooling	
Slovak Rep	Nursery schools (public and private)			Kindergarten			Compulsory schooling	
Spain	Centre-based			Pre-school, with primary school			Compulsory schooling	
Sweden	Pre-school, full-time 30 hrs, some FDC particularly in rural areas						Pre-school, part-time	Compulsory schooling
Switzerland	Crèche, varies across cantons (centre-based)			Pre-school, mandatory in some cantons			Compulsory schooling	
Turkey	Crèche			Kindergartens			Compulsory schooling	
UK	Nurseries, FDC and playgroups			Playgroups and nurseries. Early years education	Reception class, with primary school	Compulsory schooling		
US	Child-care centres and FDC			Educational programmes, incl. pre-school, kindergartens (public and private), Head Start programme			Compulsory schooling	

Source: OECD Family Database (2014), Table PF4.1.A2.2.4.

1 'Public' is defined by the OECD here to mean 'largely publicly funded and managed (more than 50% of enrolments are in publicly operated facilities)'.

2 'Private' is defined by the OECD here to mean 'largely managed by private stakeholders (both for-profit and not-for-profit providers) and is publicly and privately financed'.



Very broadly speaking, countries have been categorized as using three different kinds of organizational and regulatory systems for early childhood education and care (EU/Eurostat 2014). However there are many hybrid arrangements (Kaga et al 2010). These organizational and regulatory systems are commonly defined as:

- *Age divided provision*: Health provision/regulation for children under three, education provision/regulation for children over three e.g. France, Belgium.
- *Parallel services*: education provision/regulation for children aged 3-4; childcare/social welfare provision/regulation for children 0-5 receiving either centre-based daycare or home care, e.g. England.
- *Integrated and continuous provision* for all children 0-6, usually education-led, e.g. Norway, Sweden, Finland.

Health-regulated provision tends to focus on health and safety and hygiene; education-regulated provision tends to focus on learning and curriculum; and each sector typically requires staff with different kinds of qualifications and experience, both in terms of the delivery of the service and in terms of the relevant regulatory body. Education-based services tend to employ more highly qualified staff, to be free at the point of use, and to be provided as a right, but to operate for school hours only. Health and welfare-based services tend to employ less well qualified staff, to charge for their services, to be available on the basis of need and/or ability to pay, and to operate for longer hours to cater for working parents.

2.2.5. It should be noted that, because of the increasing importance of early education, and of the need for childcare for working mothers, almost all national early education and care systems are currently expanding, developing and changing, although with differing goals and objectives (Naumann et al, 2013). Ireland too is responding to new demands. The question is whether expansion happens by default, and unmonitored, in a loosely regulated market, or whether it is more systematically planned and monitored, with the central objective of defining and achieving quality in ECEC services.

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## 3. Characteristics of Quality Provision at a Macro Level: What do Governments Need to Do to Ensure Quality?

3.1.1 A recent analytic review from the European Parliament (Lindeboom and Buiskool 2013) has identified the following as key constituents of quality:

- Access/participation
- Political, legal and financial structures
- Staff
- Curriculum
- Involvement of parents

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3.1.2 The European Commission in 2014 held a stakeholder meeting on quality. The current position of the EU is that the Barcelona targets must be accompanied by a major focus on quality.

The EU proposes to contribute to the quality debate by:

- Co-ordination of systems across countries
- Providing reference tools through Eurostat and other documentation
- Monitoring progress
- Providing opportunities for peer learning – currently there are a number of EU research programmes investigating aspects of quality.

3.1.3. The European Commission position on how quality might be achieved is being developed, to form part of the forthcoming European Quality Framework (EU 2014a). It follows on from the analytic review noted above. It argues for clear and co-ordinated legislative frameworks, backed by appropriate funding; inclusive access for all children; a professional and well-qualified workforce, a holistic framework which is continually updated, and adequate processes for evaluation and monitoring. It argues that quality should be child-focused and parent focused, and consider services from the perspectives of parents and children as well as from governmental and provider perspectives.

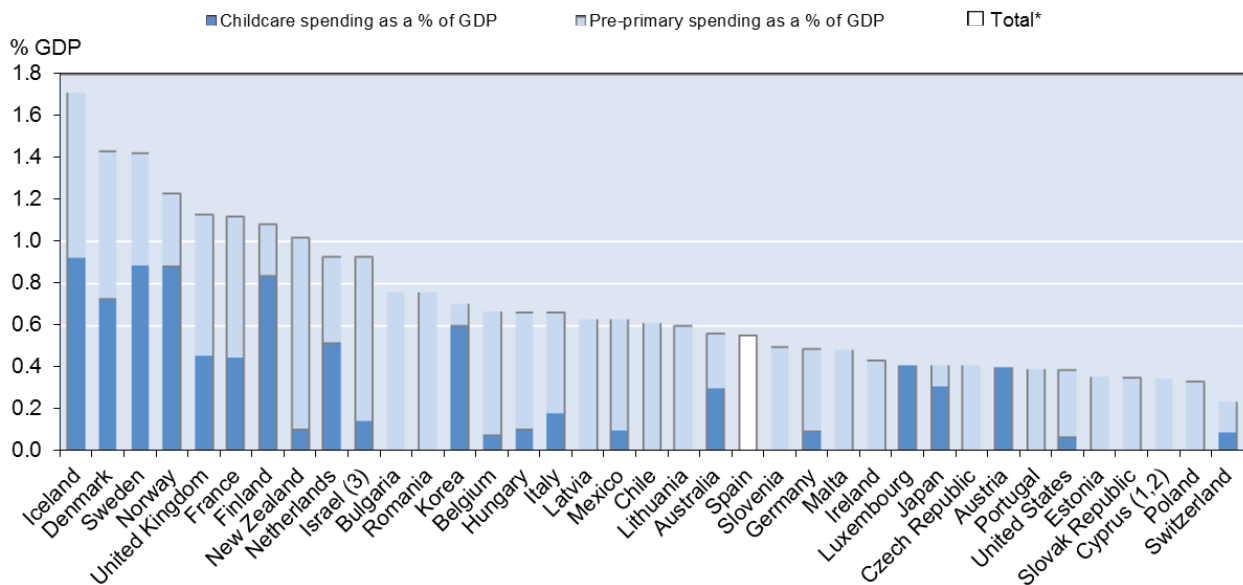
3.1.4. The OECD Family Database is a very recent and comprehensive attempt to compare the demand for ECEC services across sets of measures, and the availability and types of ECEC provision. It points out that the objectives set and the means used to monitor and promote the adoption of high standards of quality in early childhood education and care differ widely across countries. It uses two measurable indicators of quality to compare the performance of countries: staff-child ratios and professional qualifications of staff (OECD Family Database PF4.2 2014).

3.1.5. The OECD database has also been used in an attempt to correlate performance on PISA (Programme for International Student Assessment) with attendance at preprimary education. 15 year olds who attended pre-school perform better than those who did not, providing the provision was of high quality. Quality in this case is defined as:

- low child-staff ratios;
  - pre-primary education for 2 years or more
  - well trained staff with continuing professional development and good working conditions
  - adequate public funding, without which 'there is a greater risk that access to ECEC provision will be restricted to affluent families and the quality of the programmes will vary' (OECD, 2013)
-

The comparative country table provided by the OECD on ECEC expenditure is given in the OECD Family Database, Chart PF3.1.A (see Chart 1 below). Ireland is one of the countries that performs poorly on the measures used to compile this report. The EU/Eurostat report takes this analysis still further. Ireland also performs poorly on most measures used.

**Chart 1: Public expenditure on childcare and early education services, per cent of GDP, 2009**



Source: OECD Family Database (2014), Chart PF3.1.A

**3.1.6.** To summarize, there are long-standing and sophisticated debates about quality ECEC provision, both at an international and at a national level. The international literature summarized in OECD and EU reports has taken advantage of the available comparative data and has provided comparative measures of how governments set goals and finance and regulate ECEC, and ensure quality. Both perspectives, the particular in-country history and context, and the general overall comparative view, can make a contribution in understanding the development of ECEC services and the push towards quality (Penn 2014). However, the childcare market up until now has only been minimally factored into these discussions. Recent evidence suggests that it may be problematic and require particular measures to address. The reasons for this blind spot about the private for-profit sector, and indeed the non-profit sector, and ways to resolve it are considered in **Section 5**.

## 4. Characteristics of Quality at a Micro-level: What do Providers Need to do to Ensure Quality?

4.1. All countries are facing considerable pressures to increase ECEC provision, and to do so in a way which ensures that provision is of high quality. In the academic literature much of the focus on quality has been at the micro-level of the early education or childcare provision, and how it can be measured and improved. This literature derives primarily from the field of child development and draws on psychological measurements and observations.

4.2. This literature on quality mostly derives from the USA, and other Anglophone countries. These countries tend to be characterized by an ad hoc private market, dominated by for-profit provision (but also with considerable non-profit non-state provision), and weak regulatory conditions (OECD 2006). The academic literature, especially the USA literature, takes such fragmentation as a given and does not usually cross refer to any of the work about quality on a macro-level. It does not usually refer to the wider systems of coordination and funding – or the lack of them – which govern provision. Nor does it usually refer to children's lived and experienced lives within services, or more broadly to children's rights issues. Good quality provision is in the first instance more stimulating and enjoyable for children in the here and now; but this aspect of everyday experience is relatively unexplored.

4.3. This psychology-based literature identifies two types of quality: process variables and structural variables. Process variables refer to the sensitivity of the interactions between adult caregivers and children; structural variables refer to the regulatory conditions, such as levels of staff training and staff-child ratios, and sometimes, premises. There are a number of scales and measures for these variables, of which the best known is ECERS, the early childhood environment rating scale, and ITERS, the infant-toddler environmental rating scale. These measures refer to group centre-based care. There are other measures for home-based care.

4.4. The outcome measures used for children vary across studies, and the results invariably depend on the context in which the study was carried out. But the consensus is that *poor quality provision harms children's future prospects* (McCartney 2004). Since outcome measures refer to future effects, there is little direct discussion about how poor quality provision may blight children's day to day existence, rather than their future prospects. The conclusions about the precise social and educational pay offs of good provision are not clear cut since they also depend on wider societal conditions, such as employment conditions, levels of poverty and the education system (Washbrook, 2014). *Quality indicators, however derived, do not offer (and indeed cannot, given the complexities of social policies) infallible or precise predictors of educational or social outcomes for children from attendance at ECEC.* They can, however, be used to make broad generalizations, of which the clearest and best substantiated is that poor quality care may harm children, and depress their educational and social learning; and conversely, high quality care offers some kind of protective and social educational boost, especially for vulnerable children (Leseman 2009).

4.5. Very generally in this literature on quality, the level of the qualification of staff is regarded as the best general predictor of good educational outcomes for children. Highly qualified staff achieve better results for children than do those who are poorly qualified (OECD 2006, Furlong and Lortie, 2007, Nutbrown 2012). Level of pay is a proxy indicator. Better qualified staff earn higher wages, so if staff wages are low, it is an indication that less well-qualified staff will be employed. These findings have led many countries to focus on staff qualifications, conditions of service and pay as a means of improving quality. The EU is currently carrying out a systematic review of these findings across Europe, which is due to report in 2015.

4.6. This discussion about process and structural variables in quality has been operationalized in terms of kite marks and regulations. There is a substantial literature, which explores how, within a given framework, teachers/carers can improve what they do (Mathers et al, 2014), and how those in leadership roles within the sector can improve the organization of their institutions (Aubrey 2011). In the absence of a coherent national strategy, or regulatory guides, and where there is an enormous range of variability, this micro-level approach may be useful.

4.7. Many organizations, most notably in the USA, have developed quality kite-mark schemes to assist parents in making choices about early education and childcare in a for-profit market. In the UK, the National Day Nurseries Association (NDNA), a membership organization which represents the interests of private day nurseries, has various quality assurance schemes emphasizing regulation compliance, administrative procedures, and personal development of staff. (NDNA <http://www.ndna.org.uk/quality-training-careers/quality-improvement/quality-counts/case-studies>) Major providers operating chains of day nurseries may have their own quality assurance schemes, although these may tend to focus on daily business and administrative practices, e.g. fee collection, as much as on the quality of interactions with children.

4.8. In the USA the National Association for the Education of Young Children (NAEYC) has developed a broad-based accreditation system, and devised a monitoring and inspection system to guarantee the kitemark. The drawback is that the scheme is voluntary, and that providers have to buy into it. At the low end of the market it is least likely to be used, but at the top end of the market, it becomes an additional selling point to prospective clients, deepening inequality in access to quality (<http://www.naeyc.org/files/academy/file/OverviewStandards.pdf>). Another USA based organization, Childcare Exchange, also sells a variety of accredited courses, including a series on leadership.

4.9. The most well-known quality measurement system, the Early Childhood Environment Rating Scheme (ECERS) and the Infant Toddler Rating Scheme (ITERS) has been used in research for some time, and ECERS focuses on procedural and structural measures of quality, rather than on organizational or training criteria like other schemes. It has been adapted and translated for use in a variety of countries and has been rigorously tested for inter-observer reliability and other reliability criteria. It too is now being marketed as a tool for organizations to measure and monitor the quality of provision, although it relies on observation more than other, less complex self-administered tools. There is now an 'ECERS support network' in the UK for example (<http://www.ecersuk.org/>).

4.10. In Eastern Europe, where ossified state kindergarten systems are slowly being modernized, and private provision is growing very rapidly (an estimated 20-30% of providers in many countries are now in the private-for profit sector –Penn 2014) the International Step by Step Association (ISSA) has developed a comprehensive quality framework system. This focuses on participation, child-centredness and democratic accountability, and is intended to compensate for the previously top-down approach that characterized communist provision. It has been endorsed by a number of countries, and is intended for both public and private providers. It is of interest because of its emphasis on the participative and democratic nature of provision, which is very different from the business efficiency model, or the quality assurance measurements of ECERS.

4.11. The strength of these kitemarks and measurement tools is that they are able to offer a relatively independent measure of the quality of an individual provider as a guarantee to parents, in fragmented systems and *in the absence of adequate national goals, criteria and monitoring systems*. They can be very useful as a *short-term expedient* to improve quality in services that participate, but do not provide an assurance of quality in all services. And unlike a conventional guarantee they do not offer any kind of indemnity or protection if anything goes wrong. The main incentive for a lowly rated institution to improve is in terms of being able to present a good profile in order to sell more places, and to generate a more reliable income. Kitemark approaches also fall short of the wider child-centred goals of the EU and OECD to adopt national co-ordination strategies across a range of interrelated issues, such as women's employment, family and child well-being or child poverty. And they cannot prescribe for other related services to children such as health or education, where co-ordination in what is provided is a key issue.

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## 5. Characteristics of Childcare Markets

28 5.1. The growth of the private for profit sector of ECEC has been a world-wide phenomenon in recent years, especially in low and middle income countries, where it has become a default option. As stated above, the growth has occurred partly because of changes in women's participation in the workforce, and the consequent demand for childcare, and partly because of an increased emphasis on the importance of early education as a foundation for later schooling.

5.2. The 'childcare market' or 'mixed economy of childcare' is a blanket description for a variety of childcare and pre-primary and nursery education arrangements for children and their families. Traditionally in many countries not-for-profit providers, including religious groups, co-operatives and self-help groups, have offered playgroup and pre-school care, often focusing on poor and dependent population groups. For-profit childcare and education is a relatively new phenomenon and in some countries this route has been fostered by governments as a solution to increasing demand. Private for profit care has in a number of countries now outstripped all other forms of childcare and early education, even if voluntary provision co-exists alongside it. State provision of goods and services by contrast is regarded in some countries as cumbersome, unresponsive and costly. In countries such as Australia, the UK and the Netherlands, where a majority of provision was previously community-based and non-profit, in each case the non-profit provision has been unable to compete, and has shrunk; in these circumstances it mainly tends to provide a limited service for vulnerable children in poorer areas (see the detailed comments on the Netherlands below, in **section 6**.)

5.3. Private provision covers a wide spectrum of services, from individuals running a small business offering a few hours of care to young children in their own homes, through to large corporations running major chains of multi-purpose day nurseries. It encompasses highly motivated and committed professional providers as well as entrepreneurs who have no direct interest or background in childcare but are concerned to take advantage of market opportunities. A more detailed account of the operation of childcare markets from across the world can be found in Lloyd and Penn (2012).

5.4. The idea of the 'childcare market' comes from economists. Economics is a quantitative 'science' and economists usually work with large data sets, and have developed sophisticated algebraic equations for modelling, in order to explain and predict the relationships between their data sets. The claim is that economics provides a rigorous and evidence-based approach to exploring the linkages between political decision making, and cost and expenditure. Governments rely on economic analysis very heavily. However, economists are increasingly under scrutiny and there is an increasing body of evidence and argument to suggest that economic theory is less rigorous, more ideological, and more simplistic than has generally been assumed, particularly when applied to fields such as social care or education (Chang 2010, Sandel 2012, Stiglitz et al 2009).

5.6. Traditional economists view the marketplace as a metaphor for all financial transactions between people. It is used as a way of describing the relationship between the supply of goods and services and the demand for them. A market implies that there is a direct relationship between supply and demand, so that if there is a high demand for particular goods or services, the market will expand quickly and flexibly to deal with it, and vice versa.

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5.7. There are various elaborations to the notion of the market place. One is that competition between providers drives down prices and leads to better quality products. Because the market is based on competition for customers, businesses will try very hard to improve their products; customers in turn will buy the best products and the quality of the product will also improve. A fishmonger who serves rotten fish will soon lose customers and go out of business. Similarly, so the theory goes, a childcare entrepreneur whose nursery is very poor quality will also soon go out of business, since parents will always choose a better nursery if they can. Competition between providers, it is argued, drives down prices and leads to better quality products. From this point of view, the market will sort itself out more efficiently than any regulatory intervention.

5.8. Economic market analysis is also based on the notion of consumers making rational, informed choices between the options available to them. Parents seeking childcare – it is assumed – can freely choose the options best suited to their needs, and switch to better providers if the childcare proves unsatisfactory. This assumption underlies the use of tax credits as a means of offering financial assistance to parents. It assumes the availability of choices in the market place, and parents' ability to take advantage of them, and it absolves the state from responsibility for making arrangements, or from the consequences of the choices parents make. However, if the childcare market does not work as anticipated, e.g. supply is limited and availability is skewed towards richer areas, quality is very variable, or parental knowledge and choices are constrained by external factors, then tax benefits are not an appropriate solution. Tax benefits in these circumstances only serve to reinforce the variability in quality and inequity of existing arrangements.

5.9. Whatever the country investigated, distribution has become skewed towards wealthier consumers. Supply of childcare also invariably increases faster and offers more choice in wealthier areas where there is a better return for investment and more reliable custom for services (Bastos and Christia 2012, Noailly and Visser 2009, Woodhead and Streuli 2013). The market is inevitably stratified, with entrepreneurs preferring to operate in well-to-do areas rather than in poor areas; high quality (and more expensive) provision tends to be in the wealthier districts, and low quality provision tends to be in poorer districts. The consequence is that there is unequal access to high quality provision. Richer families are more likely to access and be able to afford good services. Poor families are more likely to access poor quality services, if at all (Akgunduz and Plantenga 2014, Prentice 2014, OECD 2013, EU 2014a).

5.10. Very broadly, the supply of childcare increases in relation to demand, but demand itself is irregular. Choice is contingent on cost; and parents' ability to pay the cost is tied to their pay and to the working conditions and the flexibility of their employment. Choice also crucially depends on local factors such as transport. The evidence suggests that whilst there may be choice between different providers, providers tend to offer a limited range of services, which do not necessarily cover full working hours; they are frequently unwilling to deal with special needs or linguistic requirements because of the extra costs entailed, and they tend to charge for all extra contingencies (Clarke et al 2011, Brennan et al 2013). Hignall (2014) has provided a breakdown of all the extra costs and charges that childcare services make, from pre-registration fees, deposits, payment in advance, fines for lateness, holidays, meals etc., which often prove prohibitive to parents who may only be able to afford the basic fee.

5.11. Working parents are tied to specific childcare locations near where they live because of transport. Once a place has been chosen, the evidence suggests that parents are extremely reluctant to shop around and change providers, because of the disruptions that ensue, in employment and transport arrangements, but also for the child. Parents are extremely anxious to minimize disruptions to care arrangements, and to justify the arrangements they have already chosen (Plantenga 2012).

5.12. The arrangements families with young children make are also contingent on family size and the age of the children. The circumstances of young families, by definition, continually change, when a new baby comes along, or when an older child reaches school age, and the childcare arrangements must be adjusted accordingly. This is a particular difficulty if subsidies for childcare, such as tax credits, are retrospective. Evidence from British studies suggests that not only do mothers with young children move in and out of work as family size grows and arrangements change, but negotiations over retrospective tax and benefits are so complex that they serve as a disincentive to employment, and one in five families do not claim the tax credit to which they are entitled (HMRC 2011)

5.13 Demand for places therefore is not straightforward and fluctuates considerably according to circumstances. This has considerable repercussions for the way in which any subsidies for parents are allocated. Tax credits again benefit richer families because such families are better able to exercise choice and to pay upfront; they discriminate against poorer families who lack choices in their area, and must bridge the costs until retrospective financial support is awarded, or whose income may fall below the tax threshold. As noted above, in the UK 20% of families who are notionally entitled to benefits are unable to make claims, making the tax credits inefficient and inequitable.

5.14. Since a childcare place is not a right for the child, but an expensive commodity for the parent, which has to be purchased, sometimes under adverse conditions, the child has no security and no automatic guarantee of a quality experience. This further confuses understanding, since the well-being, daily experiences and continuity for the child are rarely mentioned in the discussion of supply and demand; quality it is a corollary of parent choice, rather than a central issue in the discussion. This contrasts with the education sector, where there is considerable public discussion about the aims and purposes of the education service and its outcomes for children.

5.15. It is assumed, as above, that competition amongst providers will drive down prices and increase quality. This begs the question of parent's ability to discriminate quality, especially since the parent is not actually present, but must judge quality from the outside. Mocan (2001) in a large scale economic study which explored parental choice and quality of provision in the USA, concluded that parents are unable or unwilling to choose high quality provision, and their lack of expectations drove quality down rather than up! Other non-economic studies have also concluded that parents have a lack of familiarity with the criteria used by experts to determine quality, and would welcome some kind of publicly available and publicly vetted criteria by which to judge, such as the Ofsted rating system or ECERS. This is discussed further below.

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5.16. Both large and small childcare businesses may be characterized by volatility of ownership (Kershaw et al 2005). Big providers may be large stock-listed commercial operations running many services and providing thousands of places, but change of ownership is common, as businesses get taken over, or sell out as the market consolidates (Penn 2012). For example *Bright Horizons*, which is American owned, and has nurseries in USA, Canada, Netherlands, India, UK and Ireland, owns over 800 nurseries worldwide. It describes itself as '*a Mission-driven, customer-focused company*' and has recently been described as '*Going on a Buying Spree*' (Bloomberg Business Week, July 2013). On its current website Bright Horizons has posted a notice inviting sellers of existing nursery businesses to contact them. It has stated its intention to expand and '*to acquire nurseries and nursery groups that share our passion and dedication to delivering high-quality child care*'.

Large firms also collapse, with disastrous results for those using the service. Two examples are ABC Learning, in Australia, which owned more than 1000 day nurseries, and Estro in the Netherlands, which owned 350 day nurseries. ABC was declared bankrupt, requiring the government to pick up the pieces in order not to jeopardize the employment of the mothers using the service (Press and Woodrow, 2009, Brennan et al 2012). Estro has been part taken over by a UK based equity firm, but it is not yet clear what will happen to the less financially viable nurseries – at the time of writing about a quarter are predicted to close, (Amsterdam Herald, 2014). In both cases, ABC and Estro, there have been accusations of improper financial dealing, including levels of remuneration to owners/directors. The low end of the market is also volatile, and is characterized by small entrepreneurs, who often operate at the border of profitability, only breaking even or even making a loss (Brind et al 2012).

5.17. Each time a large nursery chain, or indeed any nursery, gets taken over, or faces closure, the staff who work in the nurseries and the parents who have bought the places are caught up in the uncertainties; they are rarely consulted about the changes that befall them. The takeovers and amalgamations happen constantly in the big companies. But at the other end of the scale, very small nurseries also open and close almost overnight. It is difficult to close a school or a public facility without extensive consultations and lobbying. In the private childcare sector this rarely happens, since those making the decisions are often anonymous and out of reach of the staff and parents, and may not even be in the same country. The accountability standards applied to the State sector and community sector are waived for the private sector.

5.18. In precarious economic circumstances, when entrepreneurs are forced to compete for business against uncertain or fluctuating demand, marketing techniques and branding become part of the process of competition. For example of the 130 or so childcare services listed on one website for the city of Dublin, there are a number of private chains listed, which have attempted to develop distinctive brand images – *Giraffe*, *Cocoon*, *Links*, *Park Academies*, *Chuckleberries* as well as the ubiquitous *Bright Horizons*.

5.19. Many nurseries on the Dublin list, as in the UK, have commercial brand names which tap into a kitsch and patronizing view of children, or like hairdressers, have names that are based on puns: *Hyde and Seek*; *Kidz Biz*, *Wee Care*, *Toddler's Inn*, *Little Feats*. Other names imply academic prowess: *Bright Beginners*, *Little Harvard*, *Park Academy*. There is a complement of *Happy Tots*, *Buttercups*, *Tadpoles*, *Pixies*, *Lambkins* and *Little Rascals*. And so on. They portray children as cute and dependent, or even more offensively, as cute but naughty. These brand names do not sit easily with an understanding of children as independent, curious learners, or as persons in their own right. A number of other marketing and branding techniques are listed in Penn (2012).

5.20. Staff costs constitute around 80% of the running costs of childcare businesses, and competition and cost efficiency requires these costs to be kept as low as possible. Internationally, private providers tend to employ staff with lower qualifications, on lower rates of pay, poorer working conditions and higher staff turnover than do public providers (Sosinsky 2012, Nutbrown 2012). But the quality literature cited above is unanimous that the quality of the provision is linked to the quality of staffing.

5.21. It is common for providers to hedge their bets in a competitive market by investing in converted or multipurpose properties, which could be used for a variety of purposes if the main childcare business fails (Penn 2011). These properties may not be designed with children in mind, so that regulations over indoor and outdoor space available to children may be a critical issue. It is estimated, for example, in the UK 8% of premises do not have direct access to outside space for children, but that in London, where property prices are very high, 25% of premises may not have direct access to outside space (Rutter 2014)

5.22. The childcare market model then poses a problem. Most governments have recognized the demand/need for more high quality pre-primary and nursery education and childcare, and the obligation to guarantee equal access for all children. A crucial aspect of the equal access argument is that the most vulnerable children from the poorest households should be given priority in accessing services, since they tend to benefit most from them. Yet in a childcare market there is a strong tendency towards unequal access to services, and the services which exist are highly variable in terms of quality. The childcare market benefits rich families more than poor ones (OECD 2013) and poor children, when they do attend, are more likely to receive poor quality care. The childcare market is stand alone, and there is no obligation for providers to liaise with or complement the work of mainstream services such as health (crucial in the case of very young children) or education. Can Governments introduce policies which capitalize on the strengths of the private market, yet compensate or offset childcare market failings and enable the market model to work more effectively?

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## 6. Five Examples of Countries with Childcare Markets

6.1. How have other countries with substantial childcare markets negotiated the pitfalls of access and quality? This section explores comparator countries, EU and non-EU, where there is substantial private provision, and gives some relevant examples. It has excluded Asian countries such as Hong Kong, Korea and Singapore, all of which have substantial private markets, because patterns of development and education are culturally different, although there are clearly overlaps (Tobin et al 2010, Yuen 2012).

6.2. As a matter of caution, it should be noted that ECEC services are deeply contextual, and what works or does not work in one country cannot be easily transposed to another; local political, cultural and religious frameworks and agendas may shape what is possible (Scheiwe and Willekens 2009). For example in federal countries such as Australia or Canada, where political power and decision making is decentralized to the state, province or region, national policies present more difficulties. Or conversely, in countries like Italy, where there is a very strong tradition of local or communal governance, local authorities may take many initiatives and achieve world renown - for example in the case of the famous Reggio Emilia nurseries - but have relatively little effect on national policy. Or else, as in New Zealand, there are particular agendas which dominate provision, such as the requirement to orient all services to take account of Maori concerns and traditions. Five comparator examples are given below: Norway, New Zealand, the Netherlands, Australia and England. They have been chosen partly because a majority of provision is private, and partly because the data is readily accessible.

6.3. Each country is described in terms of EU/OECD criteria for good governance: co-ordinated legislation, clear designation of responsibilities and a collaborative approach; setting up evaluation and monitoring systems for quality; developing a curriculum framework which is continually updated; ensuring a well-qualified workforce; and guaranteeing affordable equitable access for children and their families.

### Norway

6.4. Norway has a population roughly commensurate with Ireland, of 5.1 million. It is the country most often cited as an example of successful governance of a mixed economy of childcare (Jacobsen and Vollset, 2012, Ellingsaeter 2014). However, Norway has a low child poverty rate<sup>3</sup>, approximately 5.3%, so ECEC does not have to play a compensatory role to the same extent as in other, more unequal countries. 54% of Norwegian provision is in the private sector, although more children, 53%, attend public rather than private institutions.

<sup>3</sup> Child poverty rates may be calculated differently by different agencies. The figures used here are the most recent available, and take account of the impact of austerity measures. They are from the UNICEF-IRC report card no 12 (2014).

The main features characterizing the current Norwegian system are:

- A national framework for co-ordinated care and education involving full-time provision available for all children 0-6 using a universal kindergarten model, with guaranteed access as a social right; a broad policy document setting out goals for services, but co-ordination and implementation at the local authority level, with considerable autonomy to develop policies at a local and provider level, within a framework of accountability. Co-ordinated employment policies, with maternal and paternal parental leave arrangements. Good national data.
- A well-established social-pedagogic curriculum, continually updated.
- National degree-level standards of training and pay for staff.
- Full accountability to parents and to the local authority through annual reports and local authority convened meetings, rather than an external monitoring system for quality. Volatility of private sector closely controlled with entrance and exit requirements.
- Direct grants to kindergartens on a per capita basis, irrespective of ownership, with the proviso that parents will only be charged according to a percentage of household income.

However, Norway is very firmly rooted in social democratic traditions. Haug (2014) makes it clear that the baseline for understanding the relationship between public and private services is that the national welfare policy has 'always prioritized support for those in greatest need with the intention (of achieving) equal opportunities, social solidarity, social rights and security for all' (2014: 369). The story in Norway is of a strong state allowing private ECEC providers to contribute providing they meet the already well-established norms of the state sector. It is not an attempt to control or arbitrate in an already burgeoning private sector. Therefore its transferability as a model may be limited.

## **New Zealand**

6.5. New Zealand, which has a slightly smaller population than Ireland, of 4.4 million, is also a country that is often cited as an example of public-private partnerships in ECEC. New Zealand has a high child poverty rate, around 18.4% of children, concentrated in Maori and Pacific Islander groups (NZ Children's Commissioner Expert Group 2012), and ECEC services have a role in combating such poverty. Currently 62% of provision is for-profit, and 38% non-profit community based. There has been fluctuating political leadership, so that policies have been introduced and then reversed according to current political priorities; and there has been a degree of inconsistency about the development of services (May 2014a). There has not been any state provision, although the kindergarten sector is mainly non-profit and has been closely allied to the education sector and does employ trained staff. There is a range of voluntary provision and a private for profit sector. The private for profit sector has been increasing at the expense of the community sector. In 2000 there were 800 for-profit nurseries; in 2014 the number had increased to 2032. The increase was mainly fuelled by increasing numbers of women in the workforce (May 2014b).

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The main features characterizing the current New Zealand ECEC system are:

- A partial national framework which guarantees 20 hours free early childhood education for all 3-4 year olds across many types of provision, providing minimum requirements of staffing ratios and health and safety are met. Policy is set out in central guidance documents which leave very little room for autonomy at any level. (NZ Ministry of Education 2014). Coordination and implementation only at a national level. Good national data summarized in NZ Ministry of Education document *Education Counts*.
- A well-established and internationally famous national curriculum, *Te Whariki*, which emphasizes the importance of Maori traditions and sees them as a useful framework for shaping children's learning
- National degree-level standards of training based on the *Te Whariki* curriculum. The intention is to achieve an 80% graduate entry profession, linked to pay and working conditions.
- Accountability and Monitoring through the Education Review Office. More limited understanding of accountability as rule compliance rather than working with parents and local authorities to determine financial policies, as in Norwegian system. Volatility of the private sector not controlled, with no entrance or exit requirements.
- There are three types of funding for providers. There is funding on a per capita subsidy basis to the provider for 20 hours free early childhood education for 3-4 year olds; an additional subsidy for up to 30 hours care for certain families; and a qualified teacher subsidy, whereby the government meets a percentage of the costs of the relevant staff. These subsidies are available to any centres that meet the regulations as laid down in the Department of Education guidelines (NZ Ministry of Education 2014). The system of funding is currently under review and the level of these funds is subject to fluctuation, according to current government fiscal priorities.

New Zealand represents a partial universal system, although the shifting frames of government and changing political agendas mean that pragmatic compromise solutions rather than principled stances to ECEC are likely to emerge (Mitchell, 2012; May 2014a.)

## The Netherlands

6.6. The Netherlands has a population of 16.5 million. It has a child poverty rate of around 13.9% of all children, which has increased in very recent times. There is a high maternal employment rate, of around 70%, but there is also a strong tradition of part-time work for women and men; 75% of women work part-time, which means making childcare arrangements is more manageable, and the childcare tends to be for shorter hours (Naumann et al 2013). The Netherlands has a well-established for-profit sector. Its growth has been deliberately prompted and shaped in a series of Government reforms, although almost all children attend a two year nursery education programme at primary school (Basisschool) from the age of four. The compulsory school starting age is five. In 2005 the Childcare Act (Wet op de Kinderopvang 2005) changed

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funding structures from supply-led funding to a demand-led funding system, in order to try to increase supply (Bettendorf et al 2012). This has been described as a tripartite funding system, since the government, parents and employers all make a contribution to costs. Working parents pay up-front costs which may be refunded through the tax authorities. The Childcare Act led to considerable growth in the for-profit sector, which now provides 60% of all provision, but also led to the closure of many community groups, and a general migration of daycare provision from poor to richer areas. There is also more unequal access to childcare, a 'two-tiered system', with poorer families using part-time places in local community playgroups, for which no tax-credit support is available, and richer families using daycare provision. There has also been a fall in quality (Noailly and Visser 2009, Akgunduz and Plantenga 2014). Since 2012 the level of tax credit support for working parents has been significantly reduced with consequences for provider sustainability and female employment rates. Most recently a leading for-profit provider chain, the Estro nursery group, with 350 nurseries, has collapsed (Holland Herald 2014).

The main features characterizing the current Dutch ECEC system are:

- There is no national policy or coordinated framework other than that expressed in the 2005 Childcare Act which had as its purpose to stimulate childcare in order to encourage women's participation in the economy. Nursery education provision is treated completely separately as part of education system and is school based (Lloyd and Penn 2010).
- There is no national curricular requirement and staff hold mainly vocational qualifications.
- Deregulated childcare requires childcare business operators 'to provide responsible childcare'. Recently the government has started to impose more stringent quality requirements and keeps closer tabs on the inspection and monitoring system. A system of primarily self-regulation remains in place by means of an annually renewable national 'covenant' between provider and parent organisations and oversight of each group setting by a parent committee. Both day nurseries and community playgroups, which cater mostly for poor children, are inspected by the local public health authorities, on behalf of the local authority, which is tasked with registration and retains overall responsibility. They can also set charges for parents, depending on income.
- Because originally there were no controls and no fiscal ceiling on demand-led funding, the budget estimate was considerably exceeded and there was evidence of fraud. Greater fiscal and regulatory control is now exercised.
- There are no controls on volatility – for-profit providers can open and close according to market considerations.

The Netherlands is a problematic example, for a variety of reasons. After 2005, many grandparents looking after children were paid under the tax credit scheme – government money was partly spent on paying for existing informal arrangements, without checks, and the budget allocated grew very rapidly without a related increase in women's employment. Stricter requirements have now been imposed on childminding, with local agencies created to oversee the arrangements. Childcare provision is relatively segregated by parents' income, and quality has fallen, but the part-time nature of women's employment, a high wage economy, and the egalitarian schooling system, mitigate the inequalities that are experienced in childcare.

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## Australia

6.7. Australia has a widely dispersed population of approximately 22.7 million. Approximately 3% of this population are of aborigine descent, whose traditions and languages are very different from those of white settlers. Australia is one of the few countries to have reduced its child poverty rate, which now stands at 13%, but the rate is much higher amongst aborigine communities. 52% of mothers with young children work. Australia has a federal government, and jurisdiction for most matters, including ECEC, rests with state authorities. The collapse of the ABC childcare chain in 2008 galvanized national action. 1000 childcare services, providing more than 120,000 childcare places were at risk of closure, and the federal government was forced to step in with a grant to maintain the nurseries until the chain could be rescued by Goodstart, a consortium of charities (Sumsion 2012). As a result the Council of Australian Governments (COAG) led a period of far reaching reform, set out in a strategy document *Investing in the Early Years: A National Childhood Development Strategy* (Council of Australian Governments 2009). However as Brennan and Adamson (2014) points out 'multiple institutions and organizations are involved in funding and delivering ECEC services in Australia. The lines of responsibility between them are not always clear and data are sometimes inadequate (Brennan 2014).

The main features characterizing the current Australian ECEC system are:

- A national strategy, wide ranging on paper, which sets out a national quality agenda (NQA). However it sits alongside separate state strategies, and the governance issue is not fully reconciled. Services are delivered through a mixed market that includes government, for-profit, non-profit and community providers. Approximately 66% of all provision is in the for-profit sector, and 40% of nursery education is provided in the for-profit sector.
  - The NQA sets out a radical national curriculum, devised as a collaborative endeavor by academics and practitioners, and drawing on the New Zealand curriculum (Sumsion et al 2009) The goal is for all children aged four to have 15 hours free preschool education, but it is not yet designated as an entitlement for children. Some state governments provide nursery education directly, others rely on the private for profit sector.
  - The NQA sets out quality standards, with a national regulatory system overseen by a new body, the Australian Children's Education and Care Quality Authority (ACEQA). The standards which are being phased in, with government monies, lead to a rating with four categories: significant improvement required; working towards a national quality standard; meeting the national quality standard; and exceeding the national quality standard. However providing equal access is not defined or included in the quality standards, even for those providers in the top category. There is still some dispute and overlaps within the individual states concerning the implementation of the standards.
  - The quality standards set out a qualification framework, which requires qualified teachers to deliver nursery education. However the requirement to employ a qualified teacher varies with the size of the establishment, so that smaller settings of 25 or 24 under only need a teacher for 20% of their hours. 50% of other staff in ECEC centres will be expected to have or be working towards a diploma or higher level qualification. However no money has been set aside to pay for higher staffing standards without putting undue pressure on fees.
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- There are two main funding streams to support working parents, Child Care Benefit (CCB) and Child Care Rebate (CCR). Working parents using registered childcare (open for a minimum of 8 hours a day, 48 weeks a year, which excludes nursery education since it is only available for a part-school day) can claim subsidies for up to 50 hours per week, depending on family income. This money is paid directly to the service provider. CCR helps working parents by rebating 50% of childcare expenses, up to \$15,000 per annum, and is not means tested. It disproportionately benefits high-earning families. Almost 98% of working families receive one or both of these benefits (Brennan and Adamson 2014). This relatively generous level of subsidy has contributed to the rapid growth of the private for-profit sector and made it a relatively attractive investment opportunity for entrepreneurs.

## The UK

6.8. The UK consists of four separate regions, England, Scotland, Northern Ireland and Wales. They show very similar ECEC trends and have very similar policies, but here, for brevity, only England is considered. It has a population of 53 million, and a child poverty rate of 25.6. Coping with child poverty and disadvantaged groups has become a major focus of English ECEC provision (Gambaro et al 2014) and has distorted the debate away from universal provision.

The main features characterizing the current English ECEC system are:

- National policy has undergone major shifts in the last ten years. The Labour Government had a Childcare Strategy which aimed to provide for disadvantaged children through the Sure Start initiative (Belsky et al, 2007), whose centres later evolved into Children's Centres for children under three. These however did not provide childcare for working parents, which was explicitly designated as a function of the private for-profit and voluntary non-profit sector. Part-time nursery education was also increased. These various sectors were largely uncoordinated, and are subject to different funding and legislative requirements. The Coalition government is phasing out funding for Children's Centres, but instead is attempting to offer free early childhood education to disadvantaged two year olds, in order to try to improve their educational outcomes at school. Since nursery classes mostly take children over three, this early education for disadvantaged children is in effect only available in private for-profit services, and take up has been far less than predicted. About 80% of childcare and over 40% of nursery education is now located in the private for profit sector, a much higher percentage than in most other countries. 96% of two year olds who are entitled to receive early education at age two do so in private for-profit provision. There is an estimated shortage of 65,000 places, since many providers in wealthier areas are unwilling to take disadvantaged children (The Observer, 24.08.14, p.17).
  - There is effectively a national early years curriculum, the Early Years Foundation Stage Programme, which was very tightly categorized, with little room for any local interpretation, but has now been slightly relaxed (Department for Education 2014).
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- There are limited staffing requirements, requiring a minimum level of vocational education for a proportion of staff, and oversight from a qualified teacher if nursery education is being offered, but plans to implement more stringent staffing requirements requiring degree-level staff and qualified teachers as put forward in the Nutbrown report (2012) were rejected, and the situation is currently somewhat confused. There are no plans to fund any increase in staff wages or to set minimum standards for pay and working conditions, and the sector continues to have a preponderance of poorly qualified, low-paid staff.
- There is a national inspectorate, Ofsted, which inspects all providers on a regular basis, and rates them on a four-point scale: outstanding, good, satisfactory and inadequate. It has the power to close failing services, but this power is rarely used. Given the size of the population, it is an unusually centralized system, and local authorities have little or no role in determining or supporting quality improvements.
- There are excellent monitoring and research arrangements. A wide range of data is available online on the Department for Education website, and research surveys are commissioned annually on different aspects of the system.
- The funding arrangements are complex. Three and four year old children, and some disadvantaged two year olds, who have an early education entitlement receive a per capita grant paid directly to the provider; but if they require more hours than the entitlement, the parent must pay the provider fee directly. Parents buying childcare have to pay fees upfront, but they may be entitled to a retrospective subsidy through the tax system.
- There are no controls on volatility. Any provider can enter the market providing minimum regulatory requirements are met (although major providers are now arguing for additional entry-level requirements) and there are no requirements for providers which close or are sold.

The English system displays the features of a childcare market which is heavily dependent on the for-profit sector; stratified provision with the better provision being in wealthier areas, and higher take-up rates of childcare amongst higher-income families. There are also considerable regional differences (Dickens et al. 2012), with the London childcare market posing the most difficulties in terms of cost to parents and distribution (Clarke et al. 2011). This is exacerbated by current employment conditions; many low-paid workers in the services and catering sectors – often women – are employed on zero-hour contracts, which may mean that the unreliability of employment makes any kind of retrospective claims for childcare fees too complex to claim or operate. For-profit provision also appears to be relatively inflexible for parents, and does not offer the flexible services that the labour market requires – most low income parents are not able to get the hours they require and make do with various kinds of informal arrangements (Hignall 2014). As a result, low-income parents are deterred both by cost and by lack of suitability and availability, although the employment of low-income mothers is a goal of government policy (Cory and Alakeson 2014). There is no evidence, as yet, that the government is achieving its other objective of an improvement in the education prospects of children from low-income or disadvantaged children, although close monitoring is likely to provide evidence of this in future years. The private for-profit nursery lobby is very strong and argues against further regulation.

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The approach to such fragmented provision, with so many individual providers, is to try to institute a compliance culture. Curricular policies and regulation and inspection criteria are determined nationally – unlike the Norwegian system for example, there is no leeway for local input or local accountability, and there is no local discussion about local objectives or goals or planning and development, despite the population size and regional and ethnic diversity of England. There has been little or no debate about the nature of the system itself, or the consequences of the reliance on the for-profit sector. It is assumed that the democracy of the system rests with individual parents, who, as consumers, are able to exercise their choice between providers; and wider accountability, or any kind of community liability, is therefore not necessary.

The most positive thing to be said about the English system is that the level of research and data illustrates how dysfunctional it is.

## **Conclusion**

6.9. The previous section has considered how some countries with a substantial private market have fared in relation to macro-criteria for quality put forward by the EU and OECD. All the countries considered above, with the exception of Norway, have either encountered problems in achieving these criteria and/or consider them irrelevant in the light of dominant economic models. It is obvious given the discussion and examples above, that the funding strategies that governments have adopted, especially in relation to the private sector, have been cobbled onto existing systems, often designed for earlier times and other circumstances. In practice all the examples discussed above - excluding the Norwegian system - have complex funding arrangements, and adjustments have continually had to be made to extend the quality and accessibility of existing systems. If changes are made, funding effectiveness can only be evaluated in terms of national goals and strategies for ECEC.

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## 7. The Position in Ireland

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7.1. This report does not set out to provide a detailed analysis of the situation in Ireland. Instead it briefly summarizes the Irish context, using the same format as in the discussion of the comparator countries, namely a discussion of macro (systems) and micro (practice) attempts to address access and quality. The data is unfortunately less good than in the other countries cited. In the final section, there is a list of recommendations, drawn from the body of the report, which may be of use in the Irish context.

7.2. Ireland has an estimated child poverty rate of 28.6% which has risen considerably since 2008. The UNICEF/IRC report card no.8, in 2008, was a low point in designating Ireland as bottom amongst the developed nations in early childhood services, only managing to achieve one out of the 10 indicators listed (UNICEF 2008). (Of the countries in that report with substantial private childcare markets, Norway scored 8 out of 10, New Zealand 6 out of 10, UK and Netherlands 5 out of 10, and Australia 2 out of 10). Women’s employment is below the OECD average. According to OECD (2014) figures, 28.8% children under three, and 78.5% of children aged 3-5, receive some kind of ECEC services, which puts Ireland below the EU recommended level, and below the OECD average.

The data on provision of ECEC services is not collected with the same stringency as in other comparator countries, and represents estimates from voluntary returns submitted to Pobal. There is a mix of private and community providers, with minimal state provision. Approximately 25% of provision is listed as community sector, and 75% is private.

7.3. Like all European countries, Ireland has been seeking to improve and develop its ECEC provision. An expert advisory group was set up by the Government in 2012 to offer suggestions about the way forward. The full expert advisory group report contained 54 recommendations (Department of Children and Youth Affairs 2013). It identified two broad values that underpinned these recommendations: children’s rights as set out in the UN Convention; and progressive universalism ‘*help to all and extra help to those that need it most.*’ A key recommendation was to increase the amount of funding available for ECEC in Ireland. The expert group pointed out that Ireland was an exceptionally low spender on ECEC. Compared with other OECD countries for example, it spent 0.2% of GDP directly on ECEC services, compared with high spenders (such as Norway) whose expenditure was around 1.4% of GDP. The group recommended a substantial year on year increase in funding. The report put a strong emphasis on the need to address the variable quality of early years services, and the need to ensure quality for all children (DCYA 2013).

7.4. In terms of EU/OECD criteria for quality at a macro level:

- In 2014 the Government published a major policy document on children: *Better Outcomes, Brighter Futures: The National Policy Framework for Children and Young People 2014-2020*. This committed the Government to ‘*Develop and Implement a National Early Years Strategy for all children aged 0-6 years, covering all aspects of children’s experience in their early years and their inclusion in early years care and education services*’ (p.69). The National Early Years Strategy has not yet been published.

- There is a national overarching quality framework, *Siolta*, drawn up through widespread consultation. *Siolta* is comprised of three distinct but interrelated elements: Principles, Standards and Components of Quality. The 12 Principles provide the overall vision of the framework, while the 16 Standards and 75 Components allow for the practical application of this vision across all aspects of ECCE practice. The Components of Quality are further explained by a set of Signposts for Reflection and 'Think-about's' which are intended to support practitioners in early education settings to become aware of and critical of their practice. These core elements of *Siolta* are set out in detail in *Siolta* user manuals.
- A national curriculum framework, *Aistear* (NCCA 2009), also developed through national consultation, uses four interconnected themes to describe the content of children's learning and development: Well-being, Identity and Belonging, Communicating, and Exploring and Thinking. *Aistear* highlights the critical role of play, relationships and language for young children's learning. In doing this, it provides a guide to using play, interactions, partnerships with parents, and assessment to help children progress in their learning and development. The Framework has both implicit and explicit links with the Primary School Curriculum (1999).
- Although *Siolta* and *Aistear* are intended to apply to all settings, there are minimal requirements for initial or continuous staff training, or for monitoring and inspection in relation to these two frameworks. A National Early Years Quality Support Service is being established in autumn 2014.
- Since 2010 all children have been entitled to a free preschool place for one year per child between the ages of 3.2 months and 4 years 7 months at September 1st each year. Providers are paid on a per capita basis for children in the scheme. Those providers who wish to join the scheme have to employ a minimum of qualified staff. If they join the scheme they are paid directly on a per capita basis of €62.50 per week per child. A higher rate of €73 is available for those providers employing graduates. The Higher Capitation Grant for settings which employ graduates in the Free Pre-School Year does not carry any mandatory requirements to increase the pay of those who are qualified. The scheme was partly funded by abolishing the €1,100 annual Early Childhood Supplement which, at its peak, was previously paid directly to all families with a child under six years of age.

Ireland has undertaken significant steps to improve ECEC and bring it more into line with international standards. However, it still falls considerably short of those standards. It has not yet recognized the particular problems of quality and access posed by a mixed market model.

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## 8. Recommendations

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8.1. These recommendations on quality and access in ECEC services in a mixed market economy are based on conclusions drawn from the body of the report. They do not presume to comment directly on existing strategies or on processes currently underway in Ireland. All changes and adjustments to ECEC policy and funding are deeply contextual, and what works in one country will not necessarily work in another.

### ***Recommendation 1. Clarify and Develop the National Goals and Objectives of ECEC in a Co-ordinated Way and Address Discrepancies.***

In comparison to many other countries, Ireland currently has a fragmented approach to ECEC, and access and quality suffer as a result. If the goal is one of child rights, and entitlement to provision in the child's own right (as in the Nordic countries) then some kind of universal and integrated system has to be put in place, with targets, and the role of each sector carefully specified. In particular there would have to be considerable articulation of what constitutes child wellbeing, in the present as well as in the future. If the goal is the more limited one of providing childcare to enable women's access to the workforce, the evidence is that supply will increase very quickly if there is a pro-market policy (as in the Netherlands), but that funding must be put in place to secure access to quality provision for lower income groups, with whom governments are usually concerned. If the goal, also a limited one, is to provide compensatory pre-school education or welfare provision for deprived families, the evidence is that take-up of places is best ensured where there is state provision, or at the very least a system of paying private providers directly (a supply-side grant), so that parents do not have to pay upfront. *Goal setting means focusing on the specific role of the private and community sectors and, in the light of the evidence, deciding on how they can or cannot contribute to the goals and objectives.*

### ***Recommendation 2. Upskill the ECEC Workforce.***

The evidence is very clear that in order to achieve quality ECEC provision, the initial and continuous training, pay and conditions of the workforce are a crucial factor. This is widely accepted in the education sector, but not yet in the ECEC sector. Training and other staffing requirements need to be clearly specified, and ongoing work in the EU (Eurofound) should provide a good guide.

Upskilling the ECEC workforce is particularly difficult to achieve where there is a substantial private sector, since it has implications for the profitability of businesses, and costs may be passed on to parents, making the price of childcare beyond the means of many parents. It may also be at odds with staffing and training policies in corporate organizations who may have developed their staffing policies with other organizational priorities in view.

A package of measures to overcome these challenges could include: financial regulation to put a ceiling on fees fixed at 15% of household income (the OECD average cost); grants for staff who want to qualify on an in-service basis with mandatory leave, and concomitant training opportunities (as in e.g. Denmark, Spain) and negotiated pay scales on completion; strengthening union representation in the sector (as in e.g. New Zealand, Denmark); developing more public provision, allied to teachers' pay and working conditions (New Zealand again).

**Recommendation 3. Underpin Development with Adequate Financial Resources.**

As noted above, Irish expenditure on ECEC is very low compared with OECD and EU averages. Whilst some progress has been made, an ECEC system which supports high quality and equal access to services cannot be achieved given current levels of expenditure.

In a fragmented ECEC system, the temptation is to continue to make minor adjustments to a variety of funding streams to try to increase cost effectiveness, and to reflect changing circumstances. This process of gradual adaptation and catching up is necessary in the absence of coherent ECEC strategies, and lack of political will, but is no substitute for them. Any fragmented system will inevitably generate further problems, which in turn will require further calibrations. Depending on political and economic goals, and on contextual issues such as employment patterns and child poverty levels, a targeting strategy for the poor may appear inevitable, even if the consequence is a two-tier system. *If parent subsidy is the main option, then it is more simply delivered and easier to monitor and adjust if it is supply-side funding rather than demand-side funding, and if the money is given directly to the childcare setting.*

**Recommendation 4. Strengthen Regulation.**

Once goals and objectives for services are set, regulation is a means of implementing them. In countries such as Norway, regulations are relatively light touch since a consensus has been built up over time amongst professionals, parents and staff working in the service about the importance of high quality ECEC provision and how it is manifested in practice. Quality is then a matter for staff working in the service and professionals to be fine-tuned at local level. Where services are very variable, as in Ireland, this consensus does not exist, and enforcement becomes more of an issue. Where the issue of regulation is ducked or ignored, shortcomings and scandals are largely inevitable.

Regulatory compliance cannot be achieved without adequate resources, for example in regard to training and working conditions. With a large private sector, the issue then arises about financial accountability. If the private sector is given public money to accept children, or to make improvements in staffing or to undertake capital improvements, there is the question of assets: what happens if the childcare setting closes or is taken over. Where a substantial part of ECEC funding is used to support use of private sector providers, regulation also needs to take account of the disposal of assets. There is also the question of the financial regulation of the fees that private providers can charge. Most OECD countries impose mandatory ceilings on fees, and set the level at approximately 15% of household income. Services recoup funds through grants.

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**Recommendation 5. Increase Local Accountability.**

Many countries experience a conflict between central control and compliance and decentralization and local accountability in the operation of the ECEC system. Norway for example is a small country that devolves the organization and funding of ECEC to a local level – within a very broad set of national ECEC policies. This assumes competent local staff at a local authority level as well as within services, who can make appropriate fiscal and professional decisions on behalf of children and their families, who may also have a say. It increases local accountability, as providers must work together within a local, as well as a national framework, to justify their funding. It also means that provision can be planned, so that there are not too many providers in one area, and a shortfall in another.

Many countries plan their ECEC provision at a local level to ensure equal access and coverage for children, e.g. Germany (Oberheumer 2014). But this approach is the antithesis of that of a market philosophy, where it is left to individual entrepreneurs to gauge and respond to demand. England is an example of a country that is highly centralized, despite its large population, yet has adopted a market approach. Each for-profit nursery is responsible for raising its own money and for determining its own fees, and entrepreneurs set up or close nurseries on the basis of their own estimates of local demand and profitability, rather than in terms of children’s needs.

Provision can be better planned at a local level, so that there are not too many providers in one area, and a shortfall in another (Ellingsaeter 2014). Such entry and exit controls are a common feature of all school systems, in order to guarantee children’s right to universal education. *A balance is necessary between central government control and decentralization in order to take account of local contexts in funding and regulating the market and in ensuring equal access for all children.*

**Recommendation 6. Improve Monitoring, Research and Evaluation Systems.**

Good data is essential for making decisions. The need for evidence-based policy is widely accepted internationally. In a private market, where business precepts may dominate, and companies may be internationally based, establishing accountability is problematic, and good data, from surveys, inspections and other systematic data collection, as for example in the UK, is a key to quality improvement on the ground. Given the pace of change, the OECD Starting Strong report (OECD 2006) and ongoing work in the EU also recommends that the structural parameters of quality – regulation, training, governance, funding etc. - should themselves be subject to continuous review. In particular the data on the extent and impact of private sector provision in Ireland is weak and needs to be considerably improved.

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## 9. Conclusions

This report is pessimistic in its assessment of the private sector and the role it can play in ECEC, because variable quality and inequitable access are almost universal consequences of a market approach. This view is also put forward, for example, by OECD (2011, 2013) in the analysis it provided of the relationship between good PISA outcomes and early childhood experiences. Only Norway has managed to make effective use of the private sector, but has done so by following the kinds of policies in the recommendations listed above. Atkinson and Marlier (2012) using complex Eurostat data, suggest that direct provision of services – not just in ECEC - reduces income disparities and inequality more than does increasing disposable income through tax breaks.

Quality, as this report has been at pains to stress, is not absolute but contextual. It is closely linked to the history and socio-economic context of the country, the goals it has set itself for ECEC, and the public consensus which exists about those goals. In Ireland, the Expert advisory group recommended the adoption of two underpinning goals for ECEC; the rights of the child, and progressive universalism. These goals cannot be easily met in a situation where a marketized view of ECEC services prevails in public and political discussions. Very small scale changes can be brought about in a market context, but any initiatives need to be systematically developed, and well-funded, for improvements to be sustainable; in other words changes need to be implemented at a macro as well as at a micro level.

One of the largest studies of the impact of the use of private sector ECEC on subsequent child trajectories has been the DfID Young Lives Project. This project was a multi-faceted, multi-context longitudinal study and followed up 12,000 children across four countries - Peru, Ethiopia, Andhra Pradesh in India, and Vietnam - over a fifteen year period. A small aspect of the project was concerned with ECEC as a foundation for learning and social development. Whilst the circumstances of those countries are very different from those in rich nations, nevertheless the findings serve to illustrate, on a more extreme and problematic canvas, the difficulties of relying on private sector provision. In a series of studies on the impact of the private sector ECEC services, the authors of the report (Woodhead and Streuli 2013) conclude that:

*The private sector is not an alternative to quality public services.* Improving quality in public services and making they sure they are accessible to all is an important priority for any government, especially since the most vulnerable stand to benefit the most – and the long term returns may be greater - from such provision. Even if the state is not the only provider, it has an obligation to be a good one.

*Public-private partnerships require high levels of governance and finance.* ECEC services –like primary education - cannot be funded adequately by the parents who use it. Substantial investment is necessary to achieve high quality accessible services, even if the funds come from a variety of sources.

These findings are also echoed in research on the private sector undertaken in rich nations, discussed above. An economic approach to private sector ECEC provision requires considerable examination, and cannot be assumed to be self-evident.

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# Ireland's Early Years Policies: Past and Future

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## Introduction

This paper has three aims. It presents an overview of Irish policy development in Early Childhood Education and Care (ECEC); provides a context within which to consider the report from Helen Penn and Eva Lloyd; and reflects on how Ireland is placed to respond to the recommendations of that report.

Reviewing the history of a particular policy development can suggest that development occurs in an ordered and linear way, which may conceal the organic, and sometimes unpredictable, process that policy-making can be. A change in policy direction may come slowly over time but appear sudden in the end, particularly where the considerations leading to a given policy have taken place outside the public view. Most commentators recognise that policy development to support and sustain early years services are significantly influenced by economic and employment considerations. The situation is no different in Ireland (Hayes, 2010)

Service development for young children in Ireland was, until the 1990s, largely driven by the voluntary sector. However, a combination of increased national demand, a growing awareness of the positive short- and long-term benefits of early childhood care and education on children and society and the availability of EU funding led to a growing and more concerted demand by interest groups in Ireland for comprehensive policy action in this area. At the turn of this century the rapidly changing demographic, social and economic context of Ireland and the subsequent increased demand for childcare services as female labour force participation grew, highlighted many inadequacies in the provision of quality, affordable ECEC places. In addition, Ireland's growing economic prosperity and a shortage of workers led to employer organisations and unions adding their voice to demands for childcare. Alongside these policy influences, and as a consequence of Ireland's ratification of the UN Convention on the Rights of the Child there was a growing awareness of the importance of attending to children's rights in general. This brought a new voice calling for greater policy attention to children and their rights which led to the increased visibility of children's rights as a framework within which policy and strategy documents were developed. This was most evident in the publication of the National Children's Strategy (2000) which committed to giving voice to children, researching their lives and improving the quality of services for children.

These influences, accompanied by a growth in recognition and acceptance of the developmental benefits of quality education and care in the formative years and the positive effects such experiences can have on social cohesion and economic prosperity, moved ECEC to the forefront of the political agenda. This led to calls for improved government support and funding in a policy area which had previously developed in an ad hoc and inconsistent manner, largely dependent on the support and commitment of voluntary and community organisations and individuals.

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## Policy developments in ECEC

In response to these various pressures, an Expert Working Group on Childcare was established to consider the wide range of childcare services for children from birth to twelve. Meeting under the direction of the Department of Justice, Equality and Law Reform, the group produced the *National Strategy for Childcare* in 1999. The report located itself within a children's rights frame. However, a critical feature of the report was the restrictive nature of its terms of reference, which limited the group to considering the childcare needs of working parents and their children. While expedient budgetary explanations may have contributed to this limited focus it nonetheless laid the foundation for a fragmented policy response to childcare and failed to recognise the wider issue of childcare as a resource for all children, their families and society (Hayes, 2008).

The report of the National Childcare Strategy (Ireland, 1999a) provided the context within which to access EU funding and led to the establishment of the *Equal Opportunities Childcare programme* (EOCP) from 2000-2006 and its successor the *National Childcare Investment Plan* (NCIP) from 2006-2011. Both these programmes laid the foundation for continued, though less extensive investment in the childcare sector in subsequent years to date. The primary ambition of these investment programmes was to grow the childcare sector with a commitment to achieving a total capacity of 90,000 places. Funding is administered through the Department of Children and Youth Affairs (DCYA) through Pobal – a not-for-profit organisation that manages various funding programmes on behalf of the Irish Government and the EU.

Also in 1999, the Department of Education and Science (DES) produced a *White Paper on Early Childhood Education, Ready to Learn* (Ireland, 1999b) which focused on the early educational needs of children from birth to six (the compulsory school age in Ireland) and included recommendations which covered the whole spectrum of early childhood services. This document is of particular importance as it outlined, for the first time, a coherent strategy for developing the ECEC sector for children from birth through to six years of age and recognised the need for increased investment to support early childhood curriculum development, quality enhancement and associated training and continuing professional development across the whole early childhood education and care system.

Arising directly from the White Paper two practice frameworks were developed. *Siolta* – the National Quality Framework for Early Childhood Education was published in 2006 by the Centre for Early Childhood Education and Development (CECDE) and in 2009, the National Council for Curriculum and Assessment (NCCA) published *Aistear* – the Early Childhood Curriculum Framework. Although the frameworks were developed at different times and by two different bodies they both fell under the responsibility of the Early Years Education Policy Unit of the DES. However, the absence of a coherent implementation plan for the frameworks meant that, until as recently as this year, they were considered in isolation. *Siolta* has been perceived as a framework for enhancing the quality of care while *Aistear* has been perceived as an education framework. This is disappointing as the frameworks complement each other and act as an excellent basis from which to

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review setting practice, enhance knowledge and skills, maintain and sustain quality and monitor and evaluate progress. Both frameworks are developed for children from birth to six and are sufficiently broad to be applied in any early learning setting from the home through to the infant classes of the primary school. Currently the NCCA is working on the development of a practice guide which integrates both frameworks.

The policy actions arising from the White Paper on Early Childhood Education (1999) were not aligned to those of the National Childcare Strategy (1999), a point noted in the *Thematic Review of Early Childhood Education and Care in Ireland (2004)* where the OECD criticised the fragmented and dispersed responsibility across the early childhood sector: '*No one Department or Agency had been given clear responsibility to lead integrated policy or to provide coherence across the various childhood bodies and services*' (OECD, 2004, p. 23). The absence of sound structural links across departments to integrate the various policy plans and initiatives resulted in a missed opportunity to develop an integrated approach to support and facilitate the staff working in the new childcare settings. A more integrated approach would have facilitated the cohesive implementation of the two practice frameworks and enhanced setting quality through training and enriched practice. The absence of a strong link between the development of childcare places and support for quality practice contributed to the poor practices revealed in some childcare settings and exemplified by the Prime Time documentary, *A Breach of Trust*, aired on RTÉ in 2013.

## **Investment in ECEC**

The Equal Opportunities Childcare Programme (EOCP) ran from 2000-2006. It drew on funding from the EU to facilitate the development of the childcare sector, specifically to increase the number of childcare places. The programme funding covered areas of capital investments and various other development supports, including staffing grants for settings in disadvantaged communities. Funding was also released to support the establishment of local City and County Childcare Committees, linked through to a National Coordinating Childcare Committee and strengthened through the supported national voluntary organisations. An interim report of the EOCP in 2003 indicated that the performance of the EOCP in terms of the number of childcare places developed was disappointing. It suggested that the initiative was constrained by the requirement to meet the dual objectives of increasing supply of childcare places for children of working parents while also promote social inclusion through provision of affordable childcare.

Government increased the targets for places and the pace of development requiring investment in both the private and community sector. Under the NCIP (2006-2011) private providers could apply for funding up to a maximum of €100,000 per facility (subject to a maximum of 75% of the total cost) and a maximum of €500,000 for multiple services in different catchment areas. The capital allowances may be written off over seven years, at the rate of 15% per annum for the first six years and 10% in year seven. With the introduction of accelerated capital allowances in 2000, owner-operators were allowed to increase the write off to 100% of the qualifying expenditure in the first year. The tax life for buildings first used prior to 1 February 2007 is ten years. The total number of childcare facilities funded was 854, of which 351 were community

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based and 503 were private services. When the NCIP closed at the end of 2011, its funding was supporting a total of 72,146 childcare places nationally (Pobal website).

One consequence of the need to increase childcare places rapidly from a low and poorly resourced base was the focus on centre-based institutional childcare over mixed service developments. With such extensive funding available for investment in creating more childcare 'spaces' there was a robust response from the building industry and a rapid development of centre-based full-day childcare without the concomitant development of smaller, sessional services and family-based childcare. This trend continued despite evidence which suggested that Irish families prefer a wider choice of settings for young children with different preferences across different ages and family requirements. A recent report from the Growing Up in Ireland study found that among the infant cohort studied 'The most common main form of childcare was that provided by a relative (42%, predominantly grandparents), followed by non-relatives (31%, predominantly childminders), with centre-based care such as crèches coming third (27%)' (McGinnity, Murray and McNally, 2013: 8). The danger of the 'corporatisation' of early childhood services (Sumsion, 2006) that accompanies a market-led approach to service development is a cause for concern.

Alongside sectoral development the Government continued to be committed to increasing the childcare places available in more disadvantaged areas. Large scale capital funding and various supports towards community-based childcare centres in disadvantaged areas were made available under both Programmes, ensuring that less advantaged parents in those areas have increased access to quality childcare and that they are charged fees which are less than the economic cost of providing the service. During this period government also had access to extensive philanthropic funds which were leveraged to support the Prevention and Early Intervention programmes and the development and support of the current Area Based Childhood Programmes. These programmes are primarily targeted at children considered to be at risk in terms of their linguistic and cognitive development and often include a compensatory education dimension to their programmes to give children a 'head start' before they enter primary school.

Initially the EOCP also funded staffing grants in community services. However, this investment was time-tied and wound down under the National Childcare Investment Programme (NCIP) 2006–2010, a programme fully funded by the Irish government. The government reconfigured the funding mechanisms, replacing the operational Staffing Grant with the Community Childcare Subvention Scheme (CCSS), which provided a fee subsidy to service providers based on the number of parents in receipt of welfare (O'Donoghue-Hynes, 2012).

## **Improving access and affordability**

Until recently the preferred policy instrument for supporting families to accessing and paying for childcare services has been direct cash payments to parents. This avoids the direct provision of ECEC services that might be seen as a restriction of parental choice in relation to care options. The main financial support for families is Child Benefit, an unconditional, monthly

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cash payment to the primary carer (normally the mother) of every child in the State. Wolfe et al (2013) have argued that although this is a longstanding, universal payment, there have been attempts to reconstruct Child Benefit as both an anti-poverty payment and the primary mechanism of the State to support parents meeting the cost of childcare.

Child Benefit was increased in successive budgets from 2000 to 2007. However, to address continued concerns about the cost of childcare the government, in 2006, also introduced an Early Childcare Supplement for all children under 6 years of age. This was a direct, non-taxable payment of €250 per quarter year, in respect of each eligible child. The decision to commit up to €480m exchequer funding annually from 2006 to assist all parents of children under six years in buying childcare through this scheme is one that did nothing to strengthen the early childhood sector or improve and sustain quality. Had the investment been directed towards the services themselves - through, for instance, a quality-linked fee subsidy scheme or a capitation system - it would have marked the beginning of a direct effort to develop and sustain improved quality within the early childhood care and education system. It seems that the need to treat all families the same in terms of investment in childcare – rather than address the rights and needs of young children attending early childhood services – dominated. (Wolfe et al, 2013).

Despite the provision of increased funding to develop the childcare infrastructure a number of reports on wider socio-economic policy development emphasised the importance of investing in and developing a coherent early childhood care and education policy and infrastructure. *The Developmental Welfare State* report (NESC, 2005) argued that our underdeveloped childcare services make it more difficult to tackle educational disadvantage or to increase the workforce participation of lower-educated women and this impacts on child poverty. It drew attention to the fact that our education spend is lowest in the area of early childhood education (0-5 years) where the international evidence has shown the return on investment is highest.

In their 2009 *Statement on Education and Training* the National Competitiveness Council called on government to support the long-term development of a formal pre-primary education system in Ireland. Specifically, they called for a redirection of funding away from parents towards supporting settings directly to provide affordable, high quality and integrated early childhood services for young children.

The importance of approaching ECEC service development in an integrated way across care and education has been noted many times (OECD, 2004; Langford, 2007; Hayes, 2010; DCYA, 2013) and some efforts have been made to facilitate this. Speaking in 2006 Langford noted that while departments recognised the need to respond to increased demands for policy development on childcare this 'would take time to establish and would be incremental in approach given that responsibility for areas relating to children's policy and services was spread across Government Departments and agencies' (Langford, 2006: 65). One important structural development to coordinate policy developments was the establishment of the Office of Minister for Children (OMC) in 2006. This initiative led to the co-location of the Childcare Directorate and the newly established Early Years Education Policy Unit from the DES to the Department of Health and Children (DoHC). Over

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the years this office has evolved to the point where there is now a Department of Children and Youth Affairs (DCYA) with a full ministerial post of Minister for Children and Youth Affairs appointed for the first time in 2011. This development has the potential to enhance cohesion and integration across the variety of policy issues impacting directly on young children's lives including early years provision. The DCYA lead on the development of an Early Years Strategy, announced in 2012, has important implications for the landscape of early childhood education and care over the next decade. Nonetheless, Irish macro-economic policy continues, structurally and conceptually, to maintain a clear distinction between childcare and early education, a fact supported by the continued separation of the childcare and early education policy units within the DCYA. Furthermore, despite the various investment strategies the issue of public investment in ECEC continues to be problematic with recent estimates suggesting that Ireland invests less than 0.4% GDP annually compared to the OECD average of 0.7%. When one removes the investment in the infant classes of primary school, actual public investment in the sector is less than 0.2% of GDP.

## Regulation of ECEC settings

Early years settings must conform to a number of legal requirements, national standards and guidelines. Alongside the EOCP investment, the Department of Health and Children established a Preschool Inspectorate to implement the 1996 Preschool Regulations. Inspection teams were established across the country over the period 1997 to 2000 and comprised public health nurses and environmental health officers. However, concern was expressed about the nature of the regulations and the inspectorate in that the focus was, initially, on health and safety with little attention to the developmental needs of children, the curriculum and the qualifications or training of the staff. Amended regulations were introduced in 2006 with the publication of the Child Care (Pre-school Services) (No 2) Regulations (2006). Within the revised regulations there is greater attention to the development of the child. Of particular relevance is Regulation 5 on the Health, Welfare and Development of the Child which notes that 'Each child's learning, development and well-being needs should be met within the daily life of a service through the provision of the appropriate opportunities, experiences, activities, interactions and materials' (DoH, 2006: 36). The department also published an Explanatory Guide on the regulations, which will be replaced by new National Pre-School Standards when these are published in the near future. The stated purpose of these regulations and standards is to draw attention to the critical role of all professionals, including early years practitioners, in working with and protecting children and to provide a robust system within which children are protected and allowed to develop in safe, healthy and enhancing environments.

Arising from the Prime Time documentary, *A Breach of Trust*, in 2013 there has been increased focus from departments on how best to improve quality in early years settings through support and regulation. In this regard the DCYA (on their website, 2014) state that 'the long term aim of the Department of Children and Youth Affairs (DCYA) and HSE Children and Families is to ensure the development of a 'fit for purpose' early years regulatory service that contributes to building high standards and is based on our internationally respected quality and curriculum standards as described in *Síolta*, the National

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Quality Framework for Early Childhood Education and Aistear, the Early Childhood Curriculum Framework'. To achieve this aim the DCYA, working with the Department of Education and Skills (DES) and Tusla, are reviewing the inspection process with a view to including the assessment of educational outcomes in early years settings. The DCYA has also recognised that the absence of a coherent national approach to regulation was challenging for both individual settings and the inspectors. To strengthen the regulatory process, DCYA and Tusla are working on a registration process to replace the current notification system.

### More recent developments

As a consequence of the current economic crisis the Irish government has sought, through a number of budget initiatives, to reduce spending significantly. One measure has been to abolish the Early Childcare Supplement (ECS) introduced in 2006. As part of this cost-cutting initiative, the government announced in its 2009 budget statement that while moving to abolish the ECS an element of the funding would be ring-fenced to provide a Free Pre-School Year (FPSY<sup>1</sup>) to all children aged between 3 years 2 months and 4 years 7 months at the beginning of September. This change in policy direction was unexpected but welcomed as it was in keeping with calls from many individuals and policy bodies over the years. Interestingly, the Press Release characterised the introduction of a free pre-school year for children as a '*- a highly significant step in the development of Ireland's early childhood care and education (ECCE) policy*' rather than locating it within a childcare policy frame (OMCYA, 2009).

The FPSY brought Irish ECEC policy more closely in line with international policy development. The scheme also brought a change in policy language. For instance, when announced, the Minister for Finance argued that the FPSY would 'enhance the subsequent educational achievement of students and in turn increase the return for State investment in education generally' (Department of Finance 2009). Wolfe et al (2013) suggest that in important respects the scheme can be seen to signal a marked change in ECEC policy in Ireland. Funding for the FPSY went directly to services and not parents, free places were introduced for the first time, and there was a universal ECEC scheme outside the infant classes of the primary school system. Other funding supports, such as the CCSS, remained as social inclusion initiatives to which minimal regulations applied. By contrast a key condition of FPSY funding was that a member of staff must meet a minimum qualification requirement with a financial incentive for FPSY services to employ qualified staff. The level of qualification accepted is quite basic, a certificate at Level 5 or 6. Participating settings were also expected to take account of both framework documents *Síolta* and *Aistear*. Of some concern, however, was the fact that no attention was given to the quality and practices in early years settings for children under 3 years of age or those settings that children attend when the FPSY finishes or is not open.

Following the initial roll out of the FPSY, and in response to growing concerns about the variation in the quality across settings a number of more stringent requirements have been announced. In 2013 new qualification requirements were outlined - the department has increased the minimum qualification requirement for all pre-school leaders delivering the FPSY from a Level 5 qualification to a Level 6. For the first time the department has introduced a minimum qualification of

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<sup>1</sup> In many department documents the FPSY scheme is also referred to as the ECCE scheme. As this can be confusing this paper only uses the term FPSY.



Level 5 for all staff working with children in early years services. These qualification requirements will be phased in. As all FPSY contracts are entered into for a period of two years, and the current contractual cycle commenced in September 2014, the new qualification requirements will apply to all new services from that date, and to all existing services by September 2015.

In recognition of the challenge for the sector in meeting the qualification requirements the government has made available a Learner Fund. Working with the broad childcare sector the department aims to accelerate the process for training and upskilling staff and improving the quality of care delivered to children. To this end €0.9 million was provided to support a training programme in 2013 and €3 million is being made available over the next two years (€1.5 in each year) to support staff who are seeking to meet the qualification requirements. There are a number of limitations to the scheme; the Fund has strict guidelines attached and can only be used to upskill to meet the new minimum qualification requirements and not for general or enhanced upskilling. Staff who are not currently Leaders in the FPSY are not eligible to get subvention for a course at Level 6 or equivalent and the Fund cannot be used to support access to courses at graduate Level 7 or 8. In light of research evidence showing the value to professional practice and quality enhancement of a graduate led workforce these restrictions are regrettable. A second difficulty for the sector is that contracts for working in the FPSY only cover the time working directly with children, that is three hours per day, five days per week over 38 weeks. Staff members taking a training course must do so in their own time. The recently appointed National Early Years Quality Support Service with a regional reach through a network of early years mentors will have a crucial role in sustaining and enhancing the quality of practice in early years settings. It may also have a role in supporting continued professional development for those working within settings.

From the above outline one could characterise the unfolding of policy in ECEC in Ireland as incremental and reactive. In response to the previous lack of an explicit national policy, the Minister for Children and Youth Affairs announced the development of Ireland's first National Early Years Strategy in January 2012. To this end an Expert Advisory Group (EAG) was established to advise the minister on matters relating to a strategy. *Right from the Start* the report of the EAG was published by the DCYA in October 2013. Working within a children's rights framework and supporting the concept of '*progressive universalism*' the report identified five peaks that needed to be addressed in parallel over the lifetime of the strategy. These were to (i) increase investment, (ii) extend paid parental leave, (iii) strengthen child and family supports, (iv) insist on good governance, accountability and quality in all services and (v) enhance and extend quality early childhood care and education services. To inform these five peaks the EAG identified ten themes within which they made 54 recommendations. The themes were (i) An economic rationale for increased investment, (ii) supporting families, (iii) health and well-being, (iv) access to services and inclusion, (v) quality in services and supports, (vi) training and professional development, (vii) regulation and support, (viii) governance, (ix) information, research and data and (x) implementation. The report can be accessed on the DCYA website. At the time of writing there is no date set for the publication of the Early Years Strategy but it is hoped that when it is published it will provide a clear path towards supporting and improving the quality of early years experiences for children, families and professionals.

And so, taking the recommendations from the Penn and Lloyd report, where do we stand?

**Recommendation 1: Clarify and Develop the National Goals and Objectives of ECEC in a Co-ordinated Way and Address Discrepancies**

The Expert Advisory Group report *Right from the Start* provides a rich basis from which a comprehensive Early Years Strategy can be drawn. Bedded within the National Policy Framework for Children and Young People *Better Outcomes, Brighter Futures* the strategy can be an ambitious charter for young children and the various services necessary to provide a solid foundation for learning and development.

**Recommendation 2: Strengthen the ECEC Workforce**

The developments that have emerged as a result of the introduction of the FPSY, the publication of *Síolta* and *Aistear* and the commitment to supporting training all provide a beginning from which we can meet this recommendation. However, the training demands are relatively limited and targets for a graduate-led workforce should be identified and funded. In addition there is a need to review and improve the wages and conditions of service of those providing early childhood education and care to our youngest children.

**Recommendation 3: Underpin Development with Adequate Financial Resources.**

Our record on investment in ECEC is not a good one. When we had money to invest in ECEC it was poorly distributed. The focus on growing the sector was not met with equal attention to supporting the professionals within the sector. Our investment is significantly below the average OECD investment of 0.7% GDP and the distribution of what limited funding is available privileges the formal education sector over the emerging ECEC sector. There needs to be both an increase in investment and more careful attention to the distribution of funding so that all children in ECEC services are receiving the best quality care and education.

**Recommendation 4: Tighten Regulation.**

There are certainly moves to tighten regulation of the sector with a new system of registration due shortly. There is a need to ensure that other developments, such as broadening the inspection process to include an educational inspection component, are planned and implemented in a way suited to the sector. Developments in this area should also avail of the emerging expertise in ECEC resulting from the development of a number of degree-level programmes in the field.

**Recommendation 5: Strengthen Local Accountability**

There is much to be said about strengthening local-level supports. However, there is a balance between strengthening local accountability and imposing unrealistic demands on the emerging ECEC sector. There is a need for a clear policy leader at a national level and from this a strong network of local-level systems can work together to enhance the effectiveness and efficiency of a national system of quality ECEC that is affordable, viable and accessible.

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### **Recommendation 6: Improve monitoring, research and evaluation systems**

With adequate investment and clear leadership at local and national level, services can be supported to contribute to the monitoring, research and evaluation systems that are so critical to future planning and policy implementation. It is important, however, to ensure that such systems as are put in place do not impose too heavy a burden on settings or the quality of the day-to-day experience for all will suffer.

Some years ago I wrote that the economic, demographic and social changes in Ireland over the previous decade had crystallised the urgency for policy action in ECEC. The policy of prioritising investment in the creation of places for children of working parents proved both divisive and insufficient. This policy approach did not lead to the resolution of problems of accessibility and affordability; neither did it contribute to the development of a sustainable, high-quality early years sector nor the growth of a trained workforce to provide and maintain quality (Hayes, 2010).

The recent shift in policy direction, away from targeted to universal support and from parental to setting subsidy, is an important one. Its impact will depend on how carefully it is planned, implemented and resourced. For multiple reasons, including a reluctance to recognise the early childhood education and care sector as a public good and the need to speedily increase the number of childcare places at the turn of this century following years of underinvestment, we find ourselves in a situation where some 70% of services are private. These services vary from very small single-setting services offering the FPSY only to those that are part of a large chain of settings offering a range of services across a number of different settings. Given that we have a mixed-model approach to ECEC service provision, the new policy environment with enhanced support for training and quality supports, affords an important opportunity to revisit and reflect on ECEC policy, practice and pedagogy so that the challenges presented by the system in place and the diverse constituency of young children in contemporary Ireland can be met to the benefit of the children, their families and society as a whole.

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# Ireland's Market Model Today

Start Strong

This overview of Ireland's current market model of early years provision is based on data and on interviews with service providers. The data is largely drawn from Pobal's annual survey of early years services,<sup>1</sup> and from the Growing Up in Ireland study. Unfortunately, there is only limited data available on early years provision in Ireland.

To complement official data, Start Strong began work on a new survey of providers, and carried out a pilot survey in summer 2013. However, partly because of a low response rate and partly because of difficulties in comparing income and profit data across services, a decision was taken instead to carry out a small number of visits to services and interviews with service providers, to give a more in-depth understanding of the current model of provision.

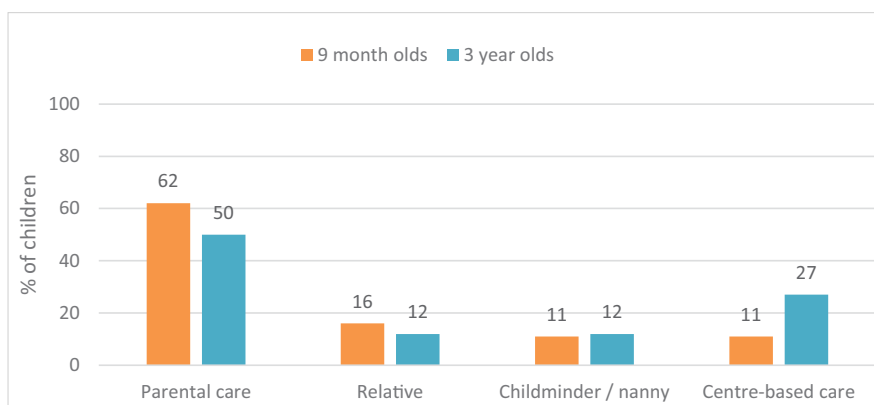
During late 2013 and early 2014, interviews were carried out with the managers of 22 centre-based providers, who between them manage 45 services. The selection of interviewees was not intended to be fully representative, but interviewees were selected to reflect the variation between different types of provider: private and community, urban and rural, large and small, chains and sole traders, full-day care and sessional. Summaries of some of the case studies are presented in boxes at relevant parts of the chapter. A full listing of interviewee types is in the annex. The case studies have been anonymised, with details removed that might make them identifiable.

## Settings: Home, centre-based and schools

The settings for children's early care and education vary considerably by the age of the child. Until children are 6 months old (the duration of paid maternity leave) the very large majority of children in Ireland are at home with a parent, with just 8% of mothers in employment when their children are 5 months old.<sup>2</sup> After children reach 6 months, the proportion of mothers working rises rapidly. Nevertheless, as Chart 1 shows, right through until entry into the Free Pre-School Year (at either 3 or 4 years old), the majority of children continue to be cared for during the day by a parent in the home.

Among children in non-parental care, at 9 months children are fairly evenly divided between care by other relatives (mainly grandparents), childminders, and centre-based care (e.g. crèches). At the age of 3, the proportion of children in centre-based care is much higher (at 27%). The proportion with childminders or relatives remains fairly stable throughout this time.

**Chart 1: Main 'childcare' at 9 months and at 3 years**



Sources: J. Williams et al. (2010) *Growing Up in Ireland: The Infants and their Families*, p.88; and J. Williams et al. (2013) *Growing Up in Ireland: Development from Birth to Three Years*, p.93.

After children become eligible for the Free Pre-School Year, there is a considerable shift. Take-up of the Free-Pre-School Year – which is almost entirely delivered through centre-based services – is around 95% of children. Children vary in the age at which they take part – children must be between 3 years 2 months and 4 years 7 months in September. So, while many children begin the Free Pre-School Year at 3 years old, many begin aged 4.

<sup>1</sup> Pobal (2014) *Annual Early Years Sector Survey 2013*.

<sup>2</sup> F. McGinnity et al. (2013) *Mothers' Return to Work and Childcare Choices for Infants in Ireland*. Dublin: ESRI.



As the Free Pre-School Year is only available for 15 hours per week, and 38 weeks per year, children vary in their care arrangements at other times of the week and during holidays. While some children are at home with parents, others may be with relatives, with a childminder, or in centre-based care for longer hours.

Children then begin primary school (Junior Infant class) between 4 and 6 years old. While primary school is not compulsory until the age of 6, the majority of children are 4 years old when they begin primary school in September, with nearly all the rest starting at 5.<sup>3</sup>

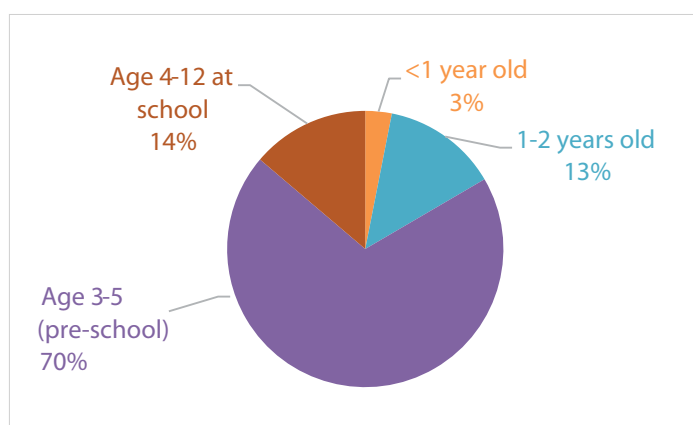
As with the Free Pre-School Year, the opening hours of primary schools means that many children combine school with some form of non-parental after-school care, whether home-based or centre-based.

## Centre-based care: age and duration

Children’s changing patterns of care arrangements explains the mix of different ages of children in centre-based services. As noted above, while only 11% of 9 month olds and 27% of 3 year olds are in centre-based care, 95% of children take part in the Free Pre-School Year.

As a result (Table 1 and Chart 2), of the 135,000 children who attend a centre-based service,<sup>4</sup> 70% are pre-school children aged 3-5. Most of the remainder are either aged 1-2 (13%) or are school-aged (14%). Few (just 3%) are less than 1 year old. (See Case Study 1.)

**Chart 2: Age of children in centre-based services**



Source: Pobal (2014) *op. cit.*, Table 3.4.2, p.11

For children in centre-based services, Irish pre-school regulations distinguish “sessional” care that lasts 3.5 hours or less per day (such as the Free Pre-School Year), “part-time” care (between 3.5 and 5 hours per day) and “full-time” care (more than 5 hours per day).

### Case study 1: From full-day to sessional

Provider V, a sole trader in a small rural town, opened the doors of its purpose-built crèche in 2007, with a mortgage of €800,000. The service has grown to a size of 103 children, though at most 70 children attend at any one time.

However, the age of children in the service is changing: the baby-room was recently closed, and the provider plans to gradually close the full-day care rooms as the current children get older, with the expectation that the service will in time only offer the Free Pre-School Year.

Over time, full day-care has become financially unviable, with many families not needing full-day care as a result of job-losses and reduced working hours. At the same time, the Free Pre-School Year has come to offer a stable, secure source of income to the provider. After-school is also growing in importance for the service. Currently there are 16 after-school children.

<sup>3</sup> Source: Department of Education and Skills (2014) *Annual Statistical Report 2013/2014*, Table 2.1.

<sup>4</sup> This figure is estimated by Pobal. Pobal (2014) *op. cit.*, p.10.

As Table 1 shows, nearly half (48%) of all children in centre-based care are pre-school children aged 3-5 in sessional care, which reflects the prominence of the Free Pre-School Year. In total, more than half (57%) of all children in centre-based care take part on a sessional basis, while 19% attend full-time.

Table 1: Attendance in centre-based services, by age and hours per day

	Full-time	Part-time	Sessional	TOTAL by age
Less than 1 year old	2 %	< 1 %	< 1 %	3 %
1 – 2 years old	6 %	5 %	2 %	13 %
Pre-school aged 3 – 5 years old	10 %	12 %	48 %	70 %
School-age	–	7 %	7 %	14 %
TOTAL by hours per day	19 %	25 %	57 %	100 %

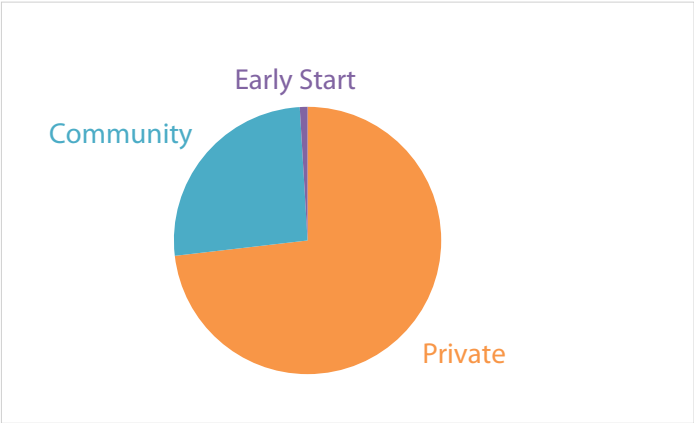
Source: Pobal (2014) op. cit., Table 3.4.2, p.11

Private, community and public provision

Centre-based care

About three-quarters (approx. 73%) of Ireland’s 4,500 early years services are privately owned and managed, and one quarter are community-based. A very small number (just 1%) are publicly provided through the school system as a result of the Early Start programme. (See Chart 3.)

Chart 3: Centre-based care: private, community and public



Sources: Pobal (2014) op. cit., p.4; Early Years Education Policy Unit (2014) Focussed Policy Assessment: Early Start Programme. Dublin: Department of Education and Skills.

There is no official data giving a breakdown of different centre-based services by size, but we know there is considerable variation.

At one end of the spectrum, many private services are sole traders operating just one service, with an owner-manager (who may work full-time or part-time) employing a small number of part-time staff. We interviewed four providers who were sole traders employing between 1 and 4 part-time staff, and catering for between 20 and 24 pre-school children, with after-school children in addition in two of the services. (See Case Study 2.)



### Case Study 2: Sole trader

Provider F is a private sole trader operating a sessional service at the edge of a large rural town. The service, established in 1991 in the owner-manager's home, is open in the mornings only, providing the Free Pre-School Year. The service currently caters for 22 children, having previously had 27 children. Among the 22 children are three with special needs, but the provider has not succeeded in accessing any HSE funding for special needs assistants. The owner-manager employs two part-time, sessional staff.

### Case study 3: A local chain

Provider C is a private company that operates a chain of three services across an urban / suburban region. The provider opened its first service in 2005, a second in 2007, and third in 2008.

All three services offer full-day care, two offer sessional care (including the Free Pre-School Year), and two offer after-school care. The owners employ a manager in each service, as well as a training manager who supports and trains staff across all three sites.

The three services vary in size: 25, 50 and 75 children respectively – in total, 150 children across the three settings.

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Some early years services are private companies, in some cases owned by investors who are not themselves involved in delivering the service.

A proportion of private services are chains with multiple settings. Again there is no official data on the size of chains. While a small number are internationally owned, several operate solely within a single region of the country. (See Case Study 3.) For instance, our interviewees included three local private chains, which operate 3, 4 and 6 services respectively. In each case, the chains of services are all concentrated within a single county or across neighbouring counties. One private chain we spoke to with 4 services (Provider J) has an annual turnover of €2.1 million, mostly from parental fees, with a quarter of income from the Free Pre-School Year.

About a quarter of all early years services (approx. 26%) are community-based, which means they are designed to be non-profit making and are managed by a voluntary board comprised generally of members of the local community. As non-profit making services, any financial surplus is either reinvested in the early years service itself or cross-subsidises other community activities carried out by the service.

While some community services offer only early care and education, some offer a range of services to children and adults within the local community. For example, 61 of the 106 Family Resource Centres provide early care and education along with other services for families living in disadvantaged communities, including family support services, information and advice, and adult education courses.<sup>5</sup> Two of the providers we interviewed are Family Resource Centres. (See Case Study 4.)

A small proportion of community services may be viewed as non-profit chains, with management structures through which a number of community services within a region can pool resources, especially management and administrative resources. We interviewed two such providers as part of our research. In the providers we spoke to, a single management structure oversees between 4 and 9 community services within a county. Shared services include training, quality assurance, HR management, maintenance, catering and administration.

A very small number of early years services are publicly provided through the school system as a result of the Early Start programme, which has delivered a pre-school service in 40 primary schools in disadvantaged communities since the mid-1990s.

In addition to the Early Start programme, some primary schools also make facilities available for the running of an early years service on the primary school site. In many cases, such services are delivered by providers who rent facilities from the primary school. Two of our interviewees were private providers operating both sessional pre-school (primarily the Free Pre-

<sup>5</sup> Family Support Agency (2013) *Family and Community Services Resource Centre Programme: SPEAK FRC Report 2012*, p.27.

**Case study 4: Family Resource Centres**

Provider K is a Family Resource Centre in a disadvantaged community within a large town. The service initially opened in 1996 in a community house. In 2003, it became a Family Resource Centre, and capital funding allowed the building of a purpose-built resource centre for early care and education, adult education, and community development activities. The service offers parenting supports, and runs a parent-and-toddler group one morning per week. Initially the service provided both pre-school and crèche facilities, but now only offers sessional care during term times. It caters for 65 children – 38 on the Free Pre-School Year in two morning sessions, and 37 on the Community Childcare Subvention in two afternoon sessions. To accommodate the service's long waiting list, it is considering opening a new room in a local primary school.

Provider Q has been a Family Resource Centre since 1997 in a disadvantaged part of a rural town, with a large Traveller community. It offers a range of family supports including home visiting, outreach within the community, community development and adult education – as well as early care and education. The early years service, which includes both full-day and sessional care, caters for 90 children, aged from 4 months to 6 years. Provider Q too has a long waiting list.

**Case Study 5: Renting from a primary school**

Provider L is a sole trader who, since September 2010, has operated a sessional pre-school service in a room rented from a rural primary school.

The service offers one session of the Free Pre-School Year every morning, catering for a large proportion of the children who the following year will move on into the school. The service also offers a short after-school service from 2 to 3 pm every day. Last year the service had 22 children, of whom 17 were in the Free Pre-School Year and 5 were a year younger, with the parents paying for an earlier year before moving on to the Free Pre-School Year. The provider is uncertain about the continued availability of the school classroom from year to year, and a proposal to expand the service by building a prefab room was blocked by the school patron.

School Year) and after-school services in rooms rented from primary schools. (See Case Study 5.) A third interviewee was a community service operating near a primary school that ten years ago took over the running of a pre-school service on the primary school site, and continues to run it, now as part of the Free Pre-School Year.

**Childminders**

As noted above, Growing Up in Ireland data indicates that 11-12% of young children are cared for by childminders, but the large majority of childminders are legally exempt from regulation, so there is hardly any data available on them. Although outside the scope of regulation, childminders are like centre-based services in operating within Ireland's market model of provision, and are similarly in "competition" for children / parents, with no coordination of places.

Goodbody Economic Consultants estimated that nearly 50,000 young children in Ireland are cared for by about 19,000 childminders.<sup>6</sup> The Child Care Act 1991 exempted most childminders from regulation on the grounds that they care for 3 or fewer pre-school children, or for the children of only one family (in addition to their own). At the end of 2011, there were just 257 childminders notified to the HSE (a role now transferred to Tusla) and therefore subject to regulation and inspection. There are currently (in 2014) only 194 notified childminders listed on the Tusla website.<sup>7</sup>

Growing Up in Ireland data indicates that between two-thirds and three-quarters of childminders work in their own home, while between one-quarter and one-third work in the child's home (nannies or au pairs).<sup>8</sup> Childminders working in their own home are, in Ireland, self-employed. Nannies are, according to Irish law, employees of the child's parents.

**Primary schools**

In contrast with early years services, while the very large majority of primary schools in Ireland are privately owned, they are in effect publicly provided, being State-funded, non-profit making, run by a voluntary board of management, and operating within guidelines and a curriculum prescribed by the Department of Education. In January 2014, just under 100,000 children aged 4-5 were in the infant classes of primary schools, of whom just 1% were in fully private primary schools, and 99% in the national school system.<sup>9</sup>

6 Start Strong (2012) *Childminding: Regulation and Recognition*.

7 <http://www.tusla.ie/services/preschool-services/list-of-pre-school-services-by-county>, accessed November 2014.

8 J. Williams et al. (2013) *Growing Up in Ireland: Development from Birth to Three Years*, p.93. Dublin: ESRI.

9 Department of Education and Skills (2014) *op. cit*

## Type of care offered by centre-based services

The average centre-based service has 36 places and 5 staff members.<sup>10</sup> However, these average figures covers wide variation between services – there is in that sense no “average service”, which is one of the reasons we have chosen to illustrate this section of the report with a number of varied case studies.

Community services are typically larger than private services. The average size of a community service is 46 places, with 7 staff members, implying an average ratio of 6.5 children to each staff member. The average private service, in contrast, has 31 places with 4 staff members, an average ratio of 8 children to each staff member.

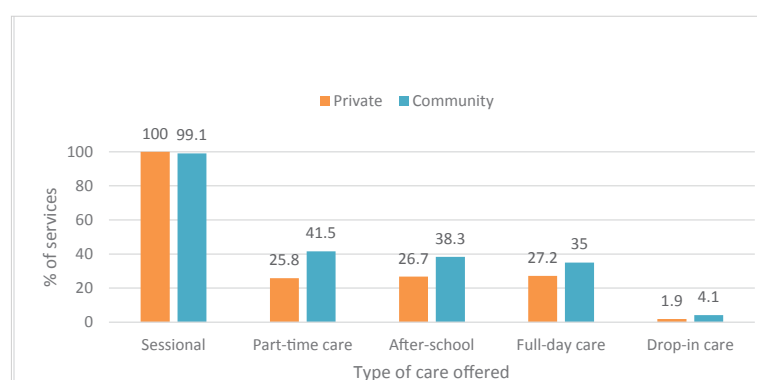
The smaller size and larger ratios found on average in private services almost certainly reflects the fact that a significant proportion of private services now only offer the Free Pre-School Year, for which adult-child ratios are considerably higher (11:1) than they are for full day-care (ranging from 3:1 for children less than 1 year old, to 8:1 for children aged 3-6 years old). Three of the providers we interviewed were private providers who only offer the Free Pre-School Year. One provider we spoke to, which was typical of this model, solely offers the Free Pre-School Year, for 22 children, and employs two part-time staff in addition to the owner-manager.

Nevertheless, within both the private and community categories, there is considerable variation in size and types of care offered.

On size, official data is not published on the range of service sizes. Of the 45 services run by the providers we interviewed, twelve services have fewer than 30 children, while eight care for more than 100. (See Case Study 6.) However, with a large proportion of children attending on a part-time or sessional basis, the number of children at any one time is often much lower than the total number attending.

Among the providers that run multiple services, the total number of children catered for is proportionally larger. One of the providers we spoke to, for example, manages four services, with a total of 179 children across the four sites, while another provider caters for 230 children across three sites. Another provider cares for 594 children across four sites and although the largest number attending on any one day is 394, this is equivalent to 311 full-time places, which reflects the large proportion of children who attend on a part-time or sessional basis.

**Chart 4: Types of care offered by private and community providers**



Source: Pobal (2014) *op. cit.*, p.9

On type of care offered, while nearly all centre-based services provide sessional places, a slightly larger proportion of community than private services offer a range of other care types, such as full-day care and after-school care (see Chart 4). On the community side, this pattern reflects the history of many community services offering a range of ‘childcare’ supports for disadvantaged and low-income families, including short-term or drop-in care to support adults taking part in training courses. (A very small number of community services – including two that we interviewed – do not offer the Free Pre-School Year at all, catering solely for full-day or part-day care.) On the private side, the pattern partly reflects the recent development of private services that are exclusively meeting the demand for places funded through the Free Pre-School Year.

<sup>10</sup> Pobal (2014) *op. cit.*, pp.10 and 47.

**Case study 6: A large setting**

Provider U is a community childcare centre in a rural community. The childcare service was initially a private pre-school in the 1980s, became a community preschool (sessional and after-school) in 1998, and opened a purpose-built, full-day crèche in 2007 with government (EOCP) capital funding.

The 102 children who now attend the service include children in full-day, part-day, sessional and after-school care. The sessional care includes two sessions of the Free-School Year which cater for 33 children in total.

**Sources of funding**

The balance of different funding sources varies considerably between services, depending for example on whether full-day care is offered, and whether the service is community-based or private. Official data on the balance of funding sources is limited, as no data is gathered on how much money services receive in parental fees.

However, we do know that, as a result of the Free Pre-School Year, a large proportion of both private and community services now receive the bulk of their income from the State – a significant change from the past.

Unlike in primary schools, none of the early years funding schemes provide funding to allow for non-contact time, whether for planning, team-work, recording of observations with children, administration, or continuing professional development. Within primary schools (including the Early Start programme) teachers are paid salaries that reflect the expectation that they will engage in these activities as a routine part of their work.

**Parental fees.** While the Free Pre-School Year is (to a large extent) free to parents, parents must pay some or all of the cost of all other ‘childcare’ – including hours beyond the 15 free hours in the pre-school year. For most parents using centre-based care and (almost) all parents using a childminder, there is no public subsidy available.

With the exceptions of the Free Pre-School Year and the CETS programme (see below), there are no limits set on the level of fees services can charge parents. Fees are left to market forces, reflecting the cost of supply and the level of demand. Even the Community Childcare Subvention scheme, which is intended to provide ‘childcare’ to parents at a subsidised rate, takes the form a deduction from the full fee, with no maximum fee imposed.

However, survey data does show the average fees charged per place. According to the Pobal survey (p.42), the average fee for a full-time place is €167 per week, with €95 for the average part-time place, and €65 for the average sessional place.

Average fees vary considerably between services. Places tend to be more expensive in private services (average €172 per week) than in community services (€158 per week), and more expensive in urban (€174) than in rural (€160) areas. A survey in 2011 by the National Consumer Agency indicated wide variation between different areas, with the prices of full-time places ranging from €130 per week in a service in Dundalk to €248 per week for services in Dublin city-centre and in Swords.<sup>11</sup>

Among providers we interviewed, fees for full-day care ranged from €160 per week in one private (rural) and one community service, up to €215 per week in an urban crèche.

**Free Pre-School Year.** The main source of public funding to providers is the Free Pre-School Year, which provides 15 hours per week for 38 weeks of free pre-school in the year before school entry (either for 3-4 year olds or for 4-5 year olds). Of the 4,500 centre-based early years services, in the year 2013-14 a total of 4,220 services – about 95% of services – offered the Free Pre-School Year, with about 68,000 children taking part.<sup>12</sup> (See Case Study 7.)

<sup>11</sup> The average price among the 81 services surveyed by the NCA was €181 per week. National Consumer Agency (2011) *Childcare Price Survey*. Dublin: NCA.

<sup>12</sup> Minister for Children and Youth Affairs, response to Parliamentary Question 27974/14 on 1 July 2014.

**Case study 7: Only the Free Pre-School Year**

Provider D is a private sole trader operating in a rural area, initially in the owner-manager's house. In 2009 a purpose-built facility was built next to the owner's home, funded through a commercial loan.

The service now exclusively provides the Free Pre-School Year. It has two rooms, and currently caters for 24 children.

The owner-manager employs four part-time staff. Currently the owner-manager has a Level 6 qualification, and the other staff are at Level 5, so the service receives the lower level of capitation grant.

The owner-manager is currently training for Level 7.

The Free Pre-School Year is not an entitlement for children. Access to a place on the scheme depends on the local availability of services that have chosen to take part, and there is no requirement on any service to take part. As the participation of services is not controlled (other than contractual requirements), the number of services varies from year to year.

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Services in the scheme are required to make 15 hours free of charge to parents. Services may charge for additional hours or optional extras, and they often do so, but they must make a core offer available to parents for no fee. One service we interviewed, which only runs the Free Pre-School Year, offers a range of optional extras (including activities from external providers and resources such as project books), for which parents pay up to €70 per month.

Services that participate in the scheme receive a capitation grant of €62.50 per child per week over 38 weeks. As the programme is only for 38 weeks, children may need alternative care arrangements at other times of year, and some staff are laid off during the summer months (see Case Study 10 below).

Services in which the Leader of the Pre-School Year is qualified to Level 7 or higher on the National Framework of Qualifications can receive a Higher Capitation Grant of €73 per week. No conditions are imposed on how the additional funding for the Higher Capitation Grant should be used.

A very small number of community services – including two of our interviewees – have only CCS and CETS places (see below) and do not offer the Free Pre-School Year.

**Community Childcare Subvention (CCS) scheme.** The Community Childcare Subvention provides reduced-fee 'childcare' for children from families in receipt of a range of social welfare payments or income supports. It is available for all types of care (full-time, part-time, after-school), but is only available in the "more than 900" community services that participate in the scheme.<sup>13</sup>

There are approximately 25,000 subsidised places,<sup>14</sup> but the scheme is not an entitlement for children or families. As community services are only present in some areas of the country, and no new services are being admitted onto the scheme, it is not available to many families who in principle should be eligible.

There are currently three subsidy bands within CCS. Eligibility to CCS-subsidised places depends on parents' receipt of social welfare payments or participation in employment schemes in conjunction with a Medical Card, or possession of a Medical Card or GP Visit Card.

The largest subsidy available is €95 per week for a full-time place, considerably less than the cost of delivery. Parents have to pay the shortfall. With an average full-time fee in a community service of €158 per week, the parental contribution would be €63 per week. In the past, Community Welfare Officers often paid the shortfall. This is now less common. As the fees are beyond the means of many parents on social welfare payments, many community services – including providers we interviewed in this project – report that they frequently have to waive part of the parental fee, even though this means providing places for less than the cost of provision and putting in doubt the financial viability of some community services. (See Case Study 8.)

<sup>13</sup> Minister for Children and Youth Affairs, response to Parliamentary Question 32546/14 on 17 July 2014.

<sup>14</sup> Minister for Children and Youth Affairs, response to Parliamentary Question 14017/14 on 27 March 2014.

**Case study 8: Struggling for sustainability**

Provider G is a large community service in a disadvantaged urban area, established in 2010.

Of the 65 children in the service, 22 are part of the Free Pre-School Year (for which the service receives the Higher Capitation Grant), and the remaining 43 children all have places subsidised through the Community Childcare Subvention scheme.

While parental contributions are in principle a major source of income, many of the parents cannot afford the set fees and rely on support from Community Welfare Officers. However, this financial support is unreliable and frequently delayed.

To keep maintenance costs low, the service obtains dry goods and cleaning products from a local food bank for a nominal fee. The service made a financial loss in the most recent year.

**Training and Employment Childcare (TEC) programmes.** There are currently three TEC programmes which provide subsidised 'childcare' places in order to support categories of parents on eligible training courses or returning to work. The programmes are: the Childcare Education and Training Support (CETS) programme for parents on training courses run by local Education and Training Boards; the After-School Child Care (ASCC) programme, for specific groups of parents who are working or on employment programmes; and the Community Employment Childcare (CEC) programme, where parents are on Community Employment schemes.

In total 1,600 services are in contract under the TEC programmes, with nearly 5,000 places available. The scheme is open to both private and community services. In the past it was also open to some childminders, but this is no longer the case.

In the TEC programmes too there is a shortfall in the level of public subsidy provided, as a full-time TEC place receives a public subsidy of €145 per week. Services may charge parents for the shortfall, but there is a maximum price cap for parental contributions of €25 per week.

**Other public funding.** A small number of services supporting very disadvantaged families have received part funding from the HSE and now Tusla, including some of the services we interviewed, but there have been significant cuts to this funding in recent years. In addition, services – such as Family Resource Centres and some other community services – which operate a range of services to families may receive public funding for provision of services such as family and parenting supports.

**Early Start.**<sup>15</sup> Early Start is only available in 40 participating primary schools, and is aimed specifically at children from disadvantaged backgrounds. In 2013-14, there were 1,650 places available through the scheme, but only 1,251 places were taken up. The age-range of children in Early Start was adjusted in 2012 to bring it into line with the Free Pre-School Year, so that a child may only take part in one of the two schemes.

Like the Free Pre-School Year – and like other classes in primary schools – Early Start is available free of charge to parents.<sup>16</sup> However, Early Start – like other primary school provision – is considerably better funded than the Free Pre-School Year. The school funding model involves the State paying teachers' full salaries directly, as well as providing annual capitation grants to cover operating costs.

As a result, the unit cost of an Early Start place is €4,474 – which is nearly double the capitation rate for the Free Pre-School Year, even though the service is a parallel service for children of the same age. The high unit cost of Early Start partly reflects its low take-up, but even if all available Early Start places were filled, the unit cost would be €3,416 – some 44% higher than the standard capitation grant for the Free Pre-School Year, and 23% higher than the Higher Capitation Grant in the Free Pre-School Year.

<sup>15</sup> Data on Early Start is drawn from Early Years Education Policy Unit (2014) *Focussed Policy Assessment: Early Start Programme*. Dublin: Department of Education and Skills.

<sup>16</sup> However, many primary schools ask for voluntary contributions from parents, and most of the cost of books and clothing is met by parents. According to the Barnardos annual survey, average costs in the infant classes amount to €345 per pupil per year. Barnardos (2014) *School Costs Survey Briefing*.

## Staff qualifications

Prior to the introduction of the Free Pre-School Year, there were no qualification requirements for staff in early years services, and there continue to be no qualification or even training requirements for childminders. The Free Pre-School Year introduced a minimum qualification requirement (Level 5 on the National Framework of Qualifications), but just for the Leader in a pre-school year room.

As a result of the Pre-School Quality Agenda announced in 2013 in the wake of the Prime Time documentary, *A Breach of Trust*, a minimum qualification requirement (Level 5) will from September 2015 be in force for all staff who count towards adult-child ratios in centre-based services.

The qualification requirement will continue to be higher for room-leaders delivering the Free Pre-School Year. From September 2015, Leaders in the Free Pre-School Year will be required to have a qualification at Level 6 or higher.

In addition, a Higher Capitation Grant is available for services in which the Leader of the Free Pre-School Year is qualified to Level 7 or higher.

Nevertheless, it remains the case that qualification levels are low in centre-based services both by international standards, and in comparison with Irish provision for 3-6 year olds in primary school settings (through Early Start, and the infant classes). According to the latest Pobal survey (p.52), 10% of staff in centre-based early years are unqualified or have non-accredited training, 87% are qualified to Level 5 or above, and 47% to Level 6 or above. 13.5% of staff are qualified to Level 7 or above.

As Chart 5 shows, qualification levels are on average slightly higher in private services than in community services, The proportion of unqualified staff in community services (11%) is double that in private services (5.6%), while the proportion of graduates (10%) is well below that in private services (16%).

The lower qualification levels in community services partly reflects the lower qualification requirements of the Community Childcare Subvention scheme than for leaders in the Free Pre-School Year. While the new minimum qualification requirement will improve standards in all services, qualification requirements outside the Free Pre-School Year will continue to be lower than within the Pre-School Year.

In addition, the high proportion of staff in community services who are unqualified or have low qualification levels partly reflects the reliance of many community services on staff funded through employment schemes, especially Community Employment (CE). With low parental contributions, and only partial subsidies from the CSS scheme, many community services can only continue through employing staff on the Community Employment scheme. (See Case Study 9.) According to the Pobal survey, 18% of staff in community services are on employment schemes, primarily Community Employment (16% – or 1 in 6 – of all staff in community services).

The reliance of community services on CE workers may change after September 2015, when the minimum qualification requirement of Level 5 will apply to all staff in early years services who count towards adult-child ratios. The effect of this is likely to be greater financial difficulty for those services currently dependent on CE workers, as they will then have to employ qualified staff instead, at higher cost to the service.

### Case study 9: Reliance on Community Employment scheme

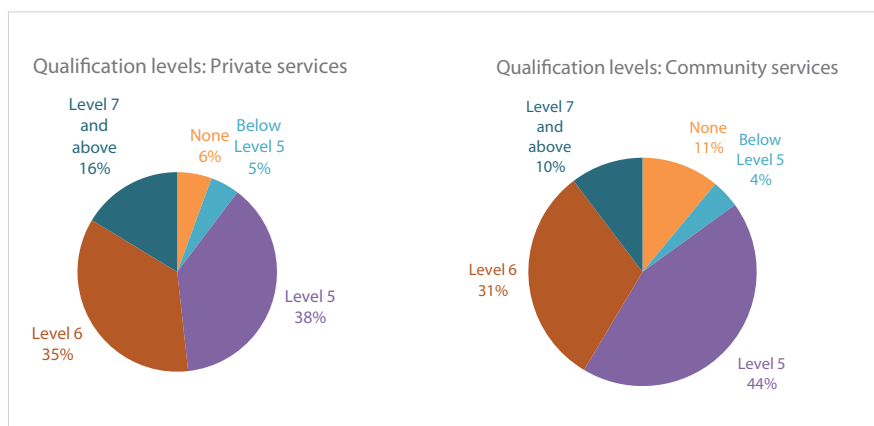
Provider O is a community service operating across four settings in an urban area.

In total, there are 35 childcare staff across the four sites, including 6 staff from a Community Employment (CE) scheme who are included within adult-child ratios.

The manager is qualified to Level 9, senior staff to Levels 6 and 7, and all other childcare workers (other than the CE participants) to Level 5.

4 of the 6 CE workers are concentrated in one of the settings. That is the only one of Provider O's four settings that has been operating a financial surplus.



**Chart 5: Qualifications in private and community services**

Source: Pobal (2014) op. cit., p.52.

In contrast, qualification levels in primary schools – including in Early Start – are higher, though the teaching qualification does not require specialisation in early care and education. Primary school teachers are all qualified graduates who may, depending on the composition of the class, be assisted by a Resource Teachers or a Special Needs Assistant. Early Start staff are 50% qualified graduate teachers, and 50% assistants who are required to have a Level 5 qualification in ‘childcare’ / early education.<sup>17</sup>

## Staff wages and profits

There is no official data gathered on staff wages in early years services, but surveys and our own interviews indicate that wages are only just above the minimum wage for many staff, and – even for graduate staff – are well below the salaries of primary school teachers, who may be teaching children of the same age and may have the same qualification level.

A 2012 survey carried out by Early Childhood Ireland found that average wages ranged from €10.10 per hour for unqualified staff to €11.24 for graduates (Level 7 or above).

Evidence from interviews carried out for this project suggests wages for assistants are typically between €9 and €10.50 per hour – little more than the minimum wage of €8.65 per hour.

Salary data is given in Table 2 for all interviewees who gave us information. Figures in the left-hand column are for starting salaries. It should be noted that the figures in the right-hand column (for senior staff) are not directly comparable with each other, as the role of senior staff members varies greatly depending on the size and type of service – in some cases the figures are for manager positions, in some cases for senior staff below management level. The figures do nevertheless give some indication of the range of wages.

<sup>17</sup> Early Years Education Policy Unit (2014) op. cit., p.14.



**Table 2: Salary ranges for staff (min. and max., excluding owners-managers)**

Provider	Starting wage € per hour (assistant, Level 5 qualification)	Wages of senior staff € per hour (excluding owner-managers)
A	€ 9	€ 10.75
C	€ 9.50	€ 15
E	€ 10.40	€ 14
F	€ 12	€ 14
G	€ 10.50	€ 14.50 - € 15.50
H	€ 11	€ 15-16
I	€ 9	€ 11
J	€ 9 - € 9.50	€ 11 - € 12
K	€ 10	€ 12.25
O	€ 10.70	€ 17.67
P	€ 9	€ 12
Q	€ 10.20	€ 12.50
S	€ 9	€ 13.80
T	€ 10	€ 16
U	€ 8.65 - € 10	€ 13 - € 13.50
V	€ 9.75	€ 13

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In addition, many staff are only paid for contact time with children and only for periods of the year when the service is open. Staff working in sessional services – such as the Free Pre-School Year – are often laid off for the summer months, when services close. (See Case Study 10.)

As the Expert Advisory Group estimated,<sup>18</sup> using the Early Childhood Ireland survey, somebody working in a sessional service that operates two sessions a day during term times might have an annual salary of €15,000–16,000. Many staff, particularly those working part-time hours, earn much less than this. In comparison, the lowest point on the basic salary scale for new entrants into primary school teaching is double that figure – at €30,700 per year.

In fact, the starting salary for a primary school teacher is comparable to the salaries earned by service managers who we interviewed. Among our interviewees, managers of medium-large services were paid annual salaries of between €28,500 and €50,000, with most managers in the range €28,500 to €38,000.

#### **Case study 10: Reduced hours and wages during summer months**

Provider A has since 2010 run a private crèche in a purpose-built setting rented from a community centre in a rural area.

The service caters for 45 children. The Free Pre-School Year provides 35% of annual income. Nearly 60% of income comes from parental fees, and a small amount through the CETS scheme.

Childcare staff wages range from €9 per hour for assistants, to €10 per hour for room leaders, and €10.75 per hour for the assistant manager.

The service has made a small loss for the last 3 years, as demand for full-day places has fallen.

The service has low numbers of children during the summer months when the Free Pre-School Year and after-school places stop. Some staff work term-time only, and during the summer months all staff work reduced hours and the owner-manager takes only a token salary.

<sup>18</sup> Department of Children and Youth Affairs (2013) *Right from the Start: Report of the Expert Advisory Group on the Early Years Strategy*, p.21.

Data on profits and on salaries taken by owners of private services is hard to gauge, particularly as income and expenditure levels may fluctuate significantly from year to year. Evidence from our interviews, while not representative, suggests wide variation in levels of profit for owners and owner-managers.

At one end of the spectrum, during the recent years of recession some owner-managers who we interviewed have drawn no personal income from the services or only a minimal wage. One private owner-manager we interviewed (Provider D) draws no wage at all, making only enough income to cover staff salaries and the mortgage on the building. In another sessional service (Provider L), the owner-manager takes a salary of €350 per week for the 38 weeks of the Free Pre-School Year, with no income during summer months – an annual salary of just over €13,000.

At the same time, some services have been able to make profits in spite of the recession. (See Case Study 11.)

Other services fall in between. In one chain of services we spoke to (Provider C), service managers receive a salary in the region €35,000 to €38,000 per year, and the company owners draw salaries that are comparable to the service managers. The highest level of profit the company has made in any given year is €42,000 (after payment of salaries to owners), which was reinvested in the company for service development.

Community services also show variation in their financial sustainability. While some of the services we interviewed are making losses, others are making an annual surplus that is reinvested in the service.

## Regulatory framework

Early years services are inspected on the basis of the Child Care Act 1991, which gave rise to the Pre-School Regulations in 1996, revised in 2006. As noted above, the Child Care Act exempts nearly all childminders from regulation, with only 1% of childminders currently regulated and inspected.

The Child Care Act provides the basis for inspections, which are carried out by Public Health Nurses located within Tusla, the Child and Family Agency (previously part of the HSE.)

Most of the Regulations are concerned with health and safety issues, and set out minimum standards. Two of the Regulations are concerned with adult-child interactions:

- **Regulation 5:** “Health, Welfare and Development of the Child”, which includes reference to children’s learning and development, experiences, activities and interaction.
- **Regulation 9:** “Behaviour Management”, which prohibits corporal punishment and any practices that are disrespectful, emotionally or physically harmful or neglectful, and requires procedures to manage children’s behaviour.

### Case study 11: Profits in private company

Provider I is a private company, established in 1998, operating a single service in an urban area.

The company, whose Directors have a portfolio of business interests and are not directly involved in the childcare service, employs a Manager, 12 full-time childcare workers, and a part-time cook.

The service offers the Free Pre-School Year, as well as full-day and part-day care (for children from 12 months old), and after-school care. It is open 52 weeks of the year.

There are 60 childcare places, mostly part-time, with 80 children attending at some stage every week. 16 children are in the Free Pre-School Year.

One staff member has a Level 8 qualification, and works in the Free Pre-School Year room. Three staff are training to achieve Level 5 with financial support from the service, while the others all have Level 5. Most staff earn €9 per hour, with supervisors earning €11 per hour.

The company has annual expenditure of €350,000, while annual income is just under €500,000. Some of the profits are reinvested in the company each year to improve the service.

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Shortages of inspectors mean that many services have gone without inspections for periods of several years. Tusla has recently recruited additional inspectors (also Public Health Nurses) with the aim of achieving one inspector per 100 services.

There is no official data on the follow-up to inspections or on complaints made about services to the inspectorate. A recent review of the inspection process carried out by Tusla itself did not examine either the follow-up to breaches of regulations identified in inspections or to complaints made about services.<sup>19</sup>

A number of reforms to the inspection system have recently begun and/or are currently under way, including:

- Movement from local accountability within the HSE to a national management structure within Tusla.
- The introduction of new National Standards, soon to be published.
- The introduction of a registration system, which will for the first time require new services to be inspected prior to opening.
- The establishment of a new parallel inspection process based in the Department of Education and Skills, to examine “the quality of educational provision”, in particular: the “quality of provision for children’s learning and development”, “children’s learning experiences and achievements”, and “management and leadership for learning”.<sup>20</sup> According to the Government’s initial announcement, these new “early childhood education inspectors” will look at settings participating in the Free Pre-School Year only, though it is unclear if this is a temporary or permanent limitation. It also remains unclear how the new education inspectors will relate to the existing inspectorate in Tusla, what standards they will apply, and what sanctions or resources will be available to them.

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## Supports for quality

A range of supports are available to centre-based services to enhance the quality of early care and education. Supports are optional – there is no requirement that services take up the quality-raising opportunities available to them. Low levels of public funding (with capitation grants only paid for direct contact-time with children) limit the capacity of many services to take up these opportunities, making it difficult to require staff to take part in the sorts of continuing professional development that should be standard requirements of a profession.

- The Siolta national quality framework, and Aistear curriculum framework. While both frameworks are specified in contracts for delivery of the Free Pre-School Year, and some supports are available to services wanting to use the frameworks, Siolta and Aistear remain optional and lack a national roll-out programme, even though they are intended to be national frameworks.
- A range of quality-improvement initiatives delivered by City/County Childcare Committees, and by Voluntary Childcare Organisations,<sup>21</sup> and made available to their members or to services within local areas.
- A Learner Fund, introduced in 2014, to give financial assistance to staff who need to undertake training to meet the new minimum qualification requirement coming into force in September 2015. The Learner Fund only supports staff to undertake training for Level 5 and Level 6 qualifications, not for Levels 7 or above.
- A Higher Capitation Grant available for services delivering the Free Pre-School Year. There are no conditions as to how the additional funding should be spent, e.g. on whether or not the additional funding should go to pay higher wages to the graduate staff member.
- A new National Early Years Quality Support Service (Better Start), which will be operational in 2015, providing mentoring supports to services. It is not yet clear what model will be used in deciding which services to support.

<sup>19</sup> Tusla (2014) *Report on the Process of Pre-School Inspection Practices, as Documented in Inspection Reports*.

<sup>20</sup> Budget speech in the Dáil by the Minister for Children and Youth Affairs, 15 October 2014.

<sup>21</sup> Barnardos, Border Counties Childhood Network, Childminding Ireland, Early Childhood Ireland, Forbairt Naíonraí Teo, the Irish Steiner Kindergarten Association, and the St Nicholas Montessori Society of Ireland.

Very little support is available to childminders. Until recently, a network of county-level Childminding Advisory Officers was funded by the HSE to support childminders, including the quality of early care and education they provide. As a result of HSE cuts, nearly all the Childminding Advisory Officer posts were removed. Childminding Ireland provides quality-raising supports to its members, but its approx. 700 members<sup>22</sup> constitute only a small fraction of the estimated 19,000 childminders who care for pre-school children every day.

## Coordination of provision

As a market-based system, there is no coordination of access to places in early years services in Ireland. While City/County Childcare Committees provide a range of administrative and quality supports to services in every city/county in the country, they are not required to ensure the availability of places. As a consequence, parents have no guarantee that places will be locally available, either in centre-based services or with childminders.

As noted above, even the Free Pre-School Year, which is in effect a universal service, is not offered as an entitlement to children. Its local availability is contingent on services choosing to take part in the scheme.

With no coordination of provision, there is also no control of entry to – or exit from – provision. Even with the imminent introduction of a registration system, which will require inspection and a licence to operate before a service can open, service providers' decisions as to whether and where to operate will still be unconstrained other than by planning controls.

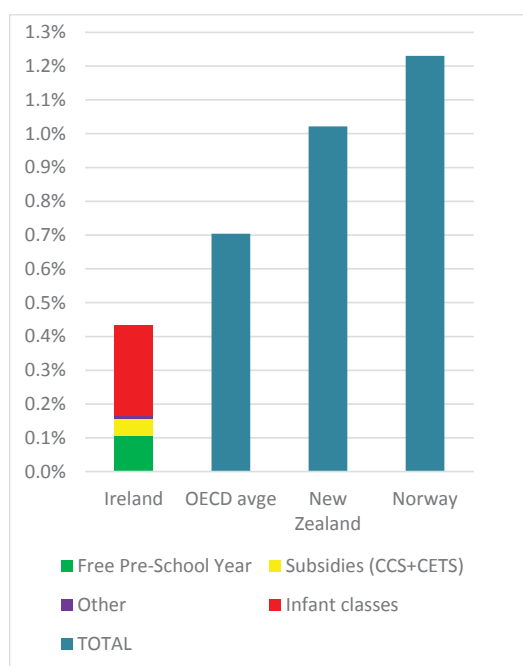
Some indication of the effect of a lack of coordination is seen in Pobal data on waiting lists and vacancies. Pobal estimate that there are approximately 6,700 children on waiting lists for services, at the same time as there are an estimated 31,500 vacancies in services. So, while some local areas have an over-supply of places, in others areas there is a shortage.

Even the availability of community services is effectively uncoordinated, and many areas of the country – even areas with significant numbers of disadvantaged families – have no community service in the area. Not surprisingly, Pobal data (p.19) indicates a particular shortage of places in community services, which are the only services where subsidised places are available to low-income families. According to Pobal data (p.14), there are on average 2.8 children on a waiting list for every community service, compared to 1.0 children a waiting list for every private service.

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<sup>22</sup> Childminding Ireland (2013) *Report on Survey of Registered Members* in 2012.

**Chart 6: Public spending on early care and education (% GDP)**



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## Public investment level

According to the OECD Family Database (see chart), Ireland invests only 0.4% GDP annually in early care and education services, compared to the OECD average of 0.7% GDP. Internationally, 1% GDP is regarded as a benchmark for the level of investment required for a high-quality system of early care and education – a level achieved in New Zealand and the Nordic countries.

In fact, the picture in Ireland is worse than these figures suggest. The OECD data relate to all services for 0-6 year olds, including within schools. Two-thirds of early years spending in Ireland is in the infant classes of primary schools (coloured red in the graph). Ireland invests less than 0.2% GDP at pre-school level, mostly through the Free Pre-School Year (coloured green).

## The quality of provision

The 2013 Prime Time investigation, *A Breach of Trust*, has made the quality of early years services an issue of public and media concern. However, there is no official data on the quality of early care and education services in Ireland, and – as a result of the exemption of most childminders from regulation – there is no data at all on the quality of childminding. What evidence there is on centre-based services suggests that the quality of early care and education is very variable:

### **Evidence from observations of services**

The most direct means of assessing the quality of early care and education in a service is through observation of practice by observers who are themselves qualified and experienced in early care and education. International ratings scales (e.g. ECERS /ITERS) are available that provide tested methodologies and comparative standards. Unfortunately, no official data is available that uses this approach.

However, a research study was recently published that did use the ECERS rating scale to assess the quality of curriculum in 26 randomly selected Irish pre-school settings.<sup>23</sup> The ECERS/E rating scale assesses 4 dimensions of curriculum quality: literacy (including talking and listening, use of books and print, and adults reading with children); maths (counting, sorting and comparing, shape and space); science and environment (use of natural materials, science activities with living and non-living things, food preparation); and diversity (diversity planning for individual needs, gender awareness, and race awareness). Each measure is rated on a scale from 1 ("inadequate") to 7 ("excellent").

Across the 26 settings that took part in the research, the average ratings (on the scale from 1 to 7) were 3.79 for literacy, 3.23 for maths, 1.54 for science and environment, and 2.35 for diversity. Of the sub-scales, the highest average score was for "talking and listening" (4.81) and the lowest was for the engagement of children with food preparation (just 0.15 on the scale from 1 to 7). According to the terminology of the international ECERS/E scale, practice in the 26 settings in relation to literacy and maths is "minimal", and practice in relation to science, environment and diversity is "inadequate".

### **Evidence from inspection reports**

Reports on inspection, as currently organised, give only a partial assessment of the quality of services. They only assesses quality by reference to the Pre-School Regulations, which as noted above focus mainly on health and safety issues. And they only involve assessments made by the Pre-School Inspectors (who are Public Health Nurses, and therefore may not be fully qualified to assess children's learning and development) as recorded in the inspection reports. In spite of those limitations, inspection reports do tell us part of the story.

Tusla – the Child and Family Agency – has just published its first analysis of the quality of pre-school services as revealed in inspection reports.<sup>24</sup> The research, which was commissioned in the wake of the May 2013 Prime Time investigation, *A Breach of Trust*, suggests that quality is variable. While the majority of services are compliant with all or most of the regulations, a significant minority of services are non-compliant with a large number of regulations.

In total, 3,007 inspection reports were reviewed - every inspection report submitted to the National Pre-School Office between 2012 and the end of August 2013. As each inspection report was supposed to assess compliance with 27 regulations, in total more than 81,000 separate regulations were assessed by Dr Hanafin for compliance.

Of that total number, 74% were found to be compliant, and 14% non-compliant. There is large variation between the different regulations in levels of compliance. The lowest compliance levels were found in:

- Regulation 8 (Management and Staffing - including adult-child ratios and Garda vetting), with 46% of services non-compliant (more than the numbers compliant, at 45%).
- Regulation 27 (Safety Measures - including safety of heating, security of the premises and unauthorised access, risk of infection, and procedures on outings), with 43% of services non-compliant.
- Regulation 14 (Records - including the maintenance of written records and procedures, and their availability to parents), with 35% of services non-compliant.

Regulation 5 and Regulation 9 are the two regulations that most directly relate to interactions between staff and children. Here, 15% of services are non-compliant with Regulation 5 (the Health, Welfare and Development of the Child - which includes support for children's learning, development and well-being), and 9% are non-compliant with Regulation 9 (Behaviour Management - which includes corporal punishment, harmful or neglectful practices, and procedures to manage and support children's behaviour).

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23 G. Neylon (2014) 'An analysis of Irish pre-school practice and pedagogy using the early childhood environmental four curricular subscales', in *Irish Educational Studies*, vol.33, issue 1

24 S. Hanafin (2014) *Report on the Quality of Pre-School Services: Analysis of Pre-School Inspection Reports*, Dublin: TUSLA.

To give a better picture of this variation in quality, the report groups services together according to the number of regulations they comply with:

- 24% of services are compliant with all regulations assessed.
- The majority of services are non-compliant with between 1 and 10 regulations.
- 6.5% of services are non-compliant with 11 or more regulations.

The report did not attempt to categorise some breaches as more serious than others, or identify particular combinations of breaches that should raise a red-flag, or examine complaints made about services.<sup>25</sup>

Nevertheless, there can be no doubt that any service that is non-compliant with 11 or more regulations is clearly failing to meet minimum quality standards. The 6.5% of services that are non-compliant with 11 or more regulations equates to around 300 services, which – given the average service size – cater for approximately 10,000 children.

### ***Evidence from qualification levels of staff and adult-child ratios***

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Given the central importance of the professional skills of early childhood educators in achieving high quality standards, a proxy measure of quality is the professional qualifications of educators.

For this reason, the *State of the Nation’s Children* report uses as its measure of quality the proportion of services that receive the Higher Capitation Grant for delivery of the Pre-School Year, which requires the Pre-School Year leader to be qualified to Level 7 or higher. The most recent report, published in 2012, states that the proportion of services meeting the higher capitation criteria rose from 11.0% in 2010 to 14.6% in 2011.<sup>26</sup> Figures recently given by the Minister for Children and Youth Affairs indicate that the proportion may now be as high as 24% of services.<sup>27</sup>

However, while 24% of services have a graduate staff member leading the Free Pre-School Year, there is evidence that the graduates tend to be placed with older age groups (such as the Pre-School Year) rather than with younger children.<sup>28</sup> The overall proportion of early years staff who are qualified to Level 7 or above is only 13.5%.

In contrast, the infant classes of primary schools, which cater for a large proportion of 4 and 5 year olds, are staffed by qualified teachers with graduate qualifications in education (though not early care and education).

However, pupil-teacher ratios are considerably worse in primary schools. The average pupil-teacher ratio in primary schools including resource teachers and principals is 16:1, while the pupil-teacher ratio for “teaching teachers” is 25:1,<sup>29</sup> and many classes have higher ratios than this, compared with a maximum ratio in the Free Pre- School Year of 11:1 and a maximum ratio in full day-care services of 8:1 for this age-group. For young children, ratios are a key concern, affecting the attention each child can receive and the nature of adult-child interactions.

<sup>25</sup> There is no official data published on complaints made about services in Ireland. This is in contrast with New Zealand, where data on complaints is routinely published by the Government. <http://www.minedu.govt.nz/theMinistry/InformationReleases/ECEComplaintsSummary2013/ECEComplaintsQ-A.aspx>

<sup>26</sup> Department of Children and Youth Affairs (2012) *State of the Nation’s Children – Ireland* 2012, p.66

<sup>27</sup> Minister for Children and Youth Affairs, response to Parliamentary Question 41044/14 on 4 November 2014.

<sup>28</sup> Pobal (2014) *op. cit.*, p.54.

<sup>29</sup> Department of Education and Skills (2014) *Key Statistics 2013/2014*. Dublin: DES.

**ANNEX: Interviews**

Provider ref.	No. of services	Year estd.	Location	Private/ community	Size (no. children)	Free Pre-School Year?	CCS scheme?	Full-day care?	After-school care?
A	1	2010	Rural	Private	45	✓	–	✓	✓
B	1	1976	Urban	Community	47	✓	✓	✓	✓
C	3	2005	Urban	Private	25 50 75	✓ – ✓	– – –	✓ ✓ ✓	– ✓ ✓
D	1	2000	Rural	Private	24	✓	–	–	–
E	1	1996	Large town	Community	84	–	✓	–	✓
F	1	1991	Rural town	Private	22	✓	–	–	–
G	1	2010	Urban	Community	65	✓	✓	✓	–
H	1	1985	Rural town	Private	90	✓	–	–	–
I	1	1998	Urban	Private	60	✓	–	✓	✓
J	4	1992	Rural towns	Private	594 across 4 sites	✓	–	✓	✓
K	1	1996	Rural town	Community	65	✓	✓	–	–
L	1	2010	Rural	Private	22	✓	–	–	✓
M	1	1986	Urban	Community	48	–	✓	✓	–
N	6	2002	Urban	Private	176 across 6 sites	✓	–	–	✓
O	4	2010	Urban	Community	59 28 44 37	✓ ✓ ✓ ✓	✓ ✓ ✓ ✓	– – – ✓	– ✓ – –
P	3	2010	Rural town	Community	230 across 3 sites	✓ ✓ –	✓ ✓ ✓	✓ ✓ –	– – ✓
Q	1	1991	Rural town	Community	90	✓	✓	✓	✓
R	1	1997	Rural town	Private	41	✓	–	✓	–
S	9	2003	Rural towns	Community	699 across 9 sites	✓	✓	✓	✓
T	1	2011	Rural	Private	28	✓	–	–	✓
U	1	1998	Rural	Community	102	✓	✓	✓	✓
V	1	2007	Rural town	Private	103	✓	–	✓	✓





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