start strong
Advancing Children's Early Care & Education

Policy Brief
March 2015

'Childcare' – Business or Profession?

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.'*

Variable quality

When it is high quality, early care and education brings benefits all round.[1] It benefits children through giving them a great start in their learning and development. It benefits parents through helping them seek employment, helping families get out of poverty. And it benefits the economy, with cost-benefit analysis showing high rates of return to investment. When it is low quality, however, many of those benefits disappear – and children can suffer.

The quality of early years services in Ireland is very variable, a fact highlighted in the Prime Time investigation, *A Breach of Trust*, in 2013. The key determinant of quality is the staff, with the quality of adult-child interactions closely linked to staff training. Qualification levels in Ireland are low by international standards, which is no surprise as many staff earn little more than the minimum wage.

Research, commissioned by Start Strong and published in November 2014, by Professor Penn and Professor Lloyd of the University of East London, shows that 'variable quality and inequitable access' are typical of countries – such as Ireland – in which early years services are run on a 'market' model.[2] In Ireland, as elsewhere, the 'market' model means low public investment, with quality relying largely on providers' goodwill and on parents' income and ability to 'shop around'.

From a 'market' to a profession

There is an alternative approach, which recognises that early care and education is a public good. As the foundation of children's education, early years services should be seen as a public service. Like other public services, if we want to ensure that early years services are of high quality, they need public investment, with a professionalised workforce and a robust inspection system.

Other stages of our education system are recognised as a public service. Schools, for example, are staffed by professionals who earn professional wages. The same should be true of early years services. The Taoiseach was right to say that 'childcare' should be a profession, not a business.

Public investment – not tax credits

Public investment in Ireland's pre-school services amounts to less than 0.2% GDP. The average investment in OECD countries has recently increased to 0.8% GDP.[3] Because of the lack of public investment in Ireland, staff wages are low, and parents have to pay the full cost of provision. Outside the Free Pre-School Year, only a small proportion of families have access to subsidised places.

The solution is direct investment in services – subsidising the cost of 'childcare' places for families while raising quality standards and supporting professionalisation. Tax credits, which reflect a market view of 'childcare', are not the solution as they will do nothing to improve quality.

1 OECD (2012) *Starting Strong III: A Quality Toolbox for Early Childhood Education and Care*, Paris: OECD, p.9.

2 Penn, H. and Lloyd, E. 'How Can the Government Ensure that Early Care and Education is of High Quality in a Market System? Learning from International Experience', in Start Strong (2014) *'Childcare': Business or Profession?*

3 OECD (2014) OECD Family Database. The published OECD figure for Ireland (0.5%) includes the infant classes of primary schools (nearly 0.4% GDP). Excluding this, pre-school spending in Ireland is 0.16% GDP.

A new Irish model

There is much to be proud of in Ireland's early years provision, with many high quality services, a committed workforce, 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 failing to meet minimum standards; low pay and poor working conditions for staff; inequity in access to quality services; and the invisibility of most childminders.

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.

Learning from schools

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.

That is not to say that early years services should feel like schools to children. Early years services should be distinctive in their strong emphasis on play, child-led activity, an informal atmosphere, small group size, and low adult-child ratios.

The building blocks of reform

In a number of ways, the Free Pre-School Year has already laid the groundwork for this new Irish model, and these opportunities can be built on further:

- Many early years services only offer the Free Pre-School Year, and are therefore already fully or largely State-funded.
- The State is from September 2015, for the first time, introducing minimum qualifications for early years educators, albeit at a low level.
- The Higher Capitation Grant (paid to services delivering the Free Pre-School Year with a graduate leader) is a mechanism by which the State is already incentivising professionalisation.

Ensuring quality – learning from other countries

Following the Prime Time investigation, *A Breach of Trust*, Start Strong asked Professors Penn and Lloyd of the International Centre for the Study of the Mixed Economy of Childcare (University of East London) to look at learning from other countries on how Government can ensure that early care and education is of high quality in a market system such as Ireland's.

Professors Penn and Lloyd reviewed the international literature and examined provision in 5 countries (Australia, England, the Netherlands, New Zealand and Norway). They conclude that **'Quality is *very variable* in a private market', and 'Access is *invariably unequitable* in a private market'.**

Professors Penn and Lloyd recommend that, in a market system, quality and access are only likely to improve with:

- **'Strong regulatory measures',** and
- **'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.'

Penn, H. and Lloyd, E. (2014) *op. cit.*

A profession

At the heart of the new Irish model for early years must be recognition of early care and education as a profession – equally for those working with under-3s and those working with over-3s.

School teachers – including those teaching 4 and 5 year olds in infant classes and 3 year olds in Early Start classrooms – are rightly seen as professionals, with graduate qualifications, continuing professional development, and professional wages. If early years services are to be of the high quality that will benefit children, the same should be true of early years educators.

Qualifications

Research on early years services shows that high quality adult-child interactions are most consistently found where educators are highly qualified, with low adult-child ratios, and a low level of staff turnover.[4]

While a minimum qualification is coming into force in Ireland in September 2015, it is at a low level – Level 5 on the National Framework of Qualifications. In contrast, the recent 'CoRe' study for the European Commission[5] called for initial training at **graduate level** for core staff, with at least one graduate in each 'classroom'. The CoRe report recommends that 60% of early years educators should be graduates.

With sufficient public funding, this benchmark is achievable; in New Zealand 76% of early years educators are qualified graduates.[6] In Ireland the figure is just 13.5%.

Wages and working conditions

In spite of the high cost of 'childcare' to parents in Ireland, the educators on whom the quality of care depends are under-valued, stressed and underpaid. Most receive little more than the minimum wage. Many are laid off in the summer months. Most services are unable to pay for anything other than 'core hours', so early years educators are only paid for their time working directly with children and nothing for the time necessary for preparation, continuing professional development, and meeting parents.

With such low wages, it is difficult for services to recruit and retain well-qualified staff. There is minimal financial support – and no salary gain – for staff who want to upskill themselves, and few opportunities for career progression.

Early years educators in Ireland earn a fraction of primary school teachers. *Managers* typically earn the *starting salary* for a primary school teacher (around €30,000).[7] In New Zealand, in contrast, many early years educators work under a collective agreement with the *same salary scale* as primary school teachers.

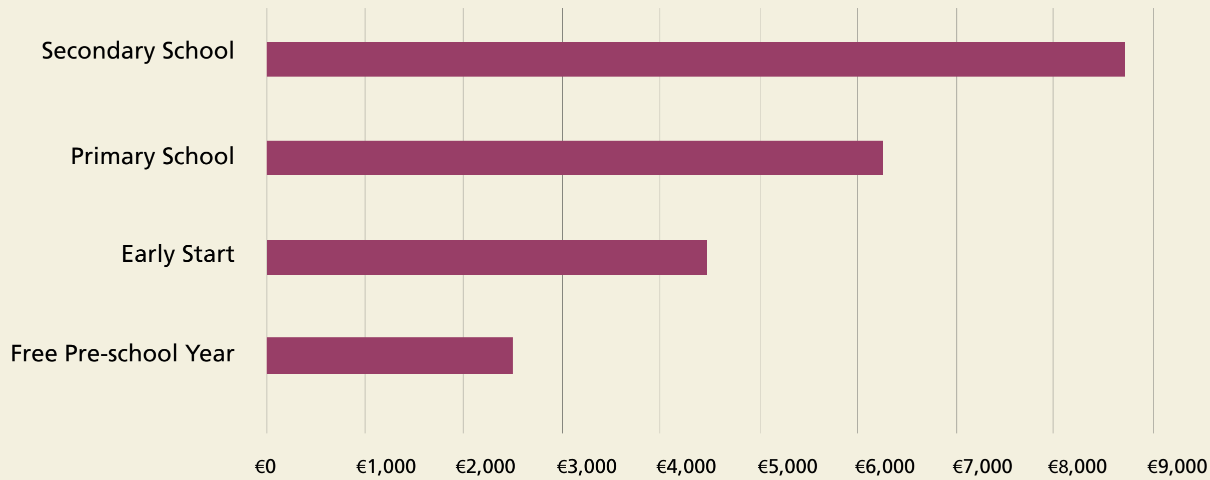
[4] National Research Council & Institute of Medicine (2000) *From Neurons to Neighborhoods: The Science of Early Childhood Development*, J. Shonkoff & D. Phillips (eds.), Washington, DC: National Academy Press, pp.314-320; S. Mathers, K. Sylva & H. Joshi (2007) Quality of Childcare Settings in the Millennium Cohort Study, London: Department for Education and Skills, pp.7-10.

[5] University of East London and University of Gent (2011) *Competence Requirements in Early Childhood Education and Care: Study for the European Commission Directorate-General for Education and Care.*

[6] http://www.educationcounts.govt.nz/statistics/ece2/ece-indicators/54190

[7] Start Strong (2014) *'Childcare': Business or Profession?* p.77.

Public spending per pupil per year in Ireland



Recommendations

Building on our legacy of private and community provision and childminding, we need to develop a new model of early years provision. We need to stop viewing early care and education as a business suited to a 'market', and recognise that it is a profession delivering a public service.

To do that, public funding of early years services must rise. Public funds should be used to lever quality improvements – especially through professionalising the early years workforce – and at the same time to subsidise the cost of 'childcare' places to parents.

The market approach has failed to ensure quality – and tax credits would perpetuate the deficits in quality. Instead, public funding must take the form of direct investment in services – just as we already fund schools and the Free Pre-School Year through direct public investment.

A new model of early years services for our young children…

- **Increase public investment** in early years services, linking public funding to the cost of delivering high quality. Investment needs to rise from the current level of less than 0.2% GDP to reach the recently increased OECD average of 0.8% GDP in 5 years, and the UNICEF benchmark of 1% GDP in 10 years.
- **Fund services directly, to improve quality at the same time as subsidising the cost of 'childcare' places to parents** – avoid tax-based funding, which will do nothing for quality.

…focused on quality…

- **Make 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.
- **Form a new Early Years Inspectorate,** reforming and merging 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. 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.
- **Introduce salary scales** as a condition of public funding, with parity with primary school teachers for similarly qualified staff (as in New Zealand), and paid non-contact time.
- **Introduce the regulation and support of childminders**, recognising and enhancing their central role in the Irish model.

…that is accessible and affordable to families.

- **Continue progress to a Second Free Pre-School Year.**
- **Reduce costs for families.** Make subsidised places available (on the basis of income) in all areas of the country, through reforming the Community Childcare Subvention, extending it to all services – and to regulated childminders – which meet quality requirements.
- **Open up public funding schemes to regulated and inspected childminders** who meet quality standards comparable to those required of centre-based services.
- **Move to introduce ceilings** on fees so that the costs of professionalisation and higher standards do not result in higher fees for parents.

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