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# **Start Strong**

# **Report to the European Commission on the Country Specific Recommendation for Ireland on ‘childcare’**

# January 2015

Start Strong is a coalition of organisations and individuals seeking to advance high quality early care and education for young children in Ireland. A list of Start Strong’s 63 Supporter organisations is included at the end of this submission.

Start Strong welcomes the opportunity to make a submission to the European Commission on the Irish Government’s progress in responding to the 2014 Country Specific Recommendation (CSR) on ‘childcare’. (We use the term ECEC – ‘early childhood education and care’ – in the rest of this document, in line with the European Commission’s 2011 Communication on *Early Childhood Education and Care*, COM (2011) 66 final).

This submission briefly examines the provision of ECEC services in Ireland today, especially the Irish Government’s measures to make ECEC more affordable, and assesses the Government’s progress in relation to the CSR. However, a limitation of the CSR 2014 was the omission of reference to the *quality* of ECEC services, so we also briefly examine the quality of Ireland’s ECEC services. Finally we make recommendations for the 2015 CSR.

**Conclusions on CSR 2014**

1. **The cost of ECEC to parents in Ireland is among the highest in the EU.** The cost is continuing to act as a barrier to labour market participation. In turn it is a cause of Ireland’s high rate of child poverty.
2. While public funding schemes have reduced ECEC costs for some families, **limitations in the schemes have meant that many families who should be eligible for subsidised places have not been able to access them.**
3. **The quality of ECEC services in Ireland is very variable**, and the lack of public investment has limited the impact of quality-raising measures.
4. **In 2014, no actions were taken to make places in ECEC services more affordable, and quality reforms continued to be extremely limited in scope.**

**Recommendations for CSR 2015**

1. The CSR 2015 should include specific reference to the **need for action by the Irish Government to improve the *quality* of ECEC services at the same time as addressing affordability**.
2. **In order to improve quality and affordability *at the same time*, Government action on ECEC should take the form of increased investment to extend subsidised places in services**, rather than using the taxation system or other demand-side childcare benefits.

**1. Introduction**

The 2014 CSR recommended that the Irish Government should:

‘Facilitate female labour market participation by improving access to more affordable and full-time childcare, particularly for low income families.’

In justifying this recommendation, the CSR referred to the issue of ‘access to and affordability of childcare, a significant barrier to parents finding employment and avoiding the risk of poverty’. The accompanying *Commission Staff Working Document* referred to the ‘affordability of childcare’ as a barrier to employment, ‘especially for single-parents (mostly women) and second earners’, and pointed to the ‘limited availability of childcare benefits’ in Ireland.

Start Strong is a coalition of organisations and individuals seeking to advance high quality early care and education for young children in Ireland. We have prepared this submission for the European Commission, both to report on the Irish Government’s performance in relation to the 2014 CSR, and also to register our concern about the lack of reference to the *quality* of ECEC services in the 2014 CSR for Ireland.

Section 2 presents data on the cost of ECEC services to parents in Ireland, and Section 3 looks at the limitations of the public funding schemes that reduce the cost to parents. Section 4 then looks at the evidence on the *quality* of ECEC in Ireland. Section 5 assesses actions taken by the Irish Government in 2014. Section 6, the final section, makes recommendations for inclusion by the European Commission in the 2015 CSR for Ireland.

**2. The high cost of ECEC to parents in Ireland**

In the context of discussion of the high proportion of households in Ireland with low work intensity, especially single-parent households with children, the 2014 CSR for Ireland rightly notes that ‘attention has turned to access to and affordability of childcare, a significant barrier to parents finding employment and avoiding the risk of poverty’.[[1]](#footnote-1)

Outside the Free Pre-School Year, ECEC services in Ireland remain among the most costly to parents in all EU and OECD countries. OECD figures indicate that fees for a family in Ireland with two children aged 2-3 amount to between 24% and 35% of the net income of a typical dual-earner family and 40% of the net income of a lone-parent family with average income. In contrast, the average cost across the EU for ECEC services is between a quarter and a half of the Irish average, at 10% – 13% of net income – for both dual-earner and lone parent families.[[2]](#footnote-2)

The Commission’s Staff Working Document notes that the high cost of ECEC services in Ireland is a significant barrier to employment, especially for lone parents, and that it thereby contributes to Ireland’s high rate of child poverty.[[3]](#footnote-3)

According to the recent UNICEF report on the impact of austerity measures on children, *Children of the Recession*, the proportion of children living in poverty rose from 18% in 2008 to 28.6% in 2012, an increase of 130,000 in the number of children living in poverty. The increase in Ireland's poverty rate is one of the largest: of the 41 countries examined by UNICEF, only 4 countries saw a bigger increase.[[4]](#footnote-4)

**3. Limitations of public funding schemes for ECEC in Ireland**

The Commission’s Staff Working Document (p.25) correctly notes that ‘The limited availability of childcare benefits means that parents bear almost the entire cost directly, unlike most other EU countries, where childcare benefits are significant’.

There are currently three main public funding schemes that reduce costs to parents in Ireland, each of which is limited in its impact on costs:

1. **The Free Pre-School Year** was introduced as an educational measure, more than an affordability measure, but it does serve to reduce ECEC costs to parents, particularly given its high uptake (about 67,000 children per year, i.e. 95% of the annual cohort).   
     
   However, it is only for the year immediately before school entry, and is only available for 38 weeks, three hours a day, 5 days per week. Furthermore, it cannot be combined with other subsidy schemes that might reduce the cost of additional ECEC hours.
2. **The Community Childcare Subvention (CCS)** is the main ECEC subsidy for low-income families. In total, the CCS subsidises approximately 25,000 places. There are currently three subsidy-bands within the 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 on possession of a Medical Card or GP Visit Card.

To support parents on low incomes to enter and remain in employment, recipients of Family Income Supplement (FIS) are entitled to support at the highest rate of CCS subsidy (Band A), if they have a Medical Card.

However, a major limitation of the scheme is that CCS places are only available in participating community-based services. In many areas of the country, there are no community providers and therefore no subsidised places are available.

Also, the level of subsidy is limited. The largest subsidy is €95 per week for a full-time place, considerably less than the cost of delivery. Parents have to pay the shortfall. According to the most recent survey of ECEC services, the average fee for a full-time place in a community service is €158 per week, with higher fees in urban areas.[[5]](#footnote-5) Taking the average fee in community services, a parent on Band A of the CCS – who might be in receipt of a social welfare payment (including FIS) and a Medical Card – would still have to pay €63 per week per child, which is beyond the means of many families in that position.

Additionally, the CCS is administered and eligibility determined on an annual basis, which does not match many families’ needs. Many families’ situations change during the course of the year, with families starting and ending jobs or training courses at different points in the year. The CCS is not currently organised to accommodate fluctuating numbers over the course of a year. As a consequence of the annual basis of CCS funding, and the lack of short-term supports, many families who in principle should be eligible for CCS-subsidised places cannot access them.

1. **The three Training and Employment Childcare programmes**, which provide subsidised ECEC places to support categories of parents on eligible training courses or returning to work. The programmes are: the Childcare Education and Training Support programme for parents on training courses run by local Education and Training Boards; the After-School Child Care programme, for specific groups of parents who are working or on employment programmes; and the Community Employment Childcare programme, where parents are on Community Employment schemes.

These three programme are considerably smaller in scale than the CCS, with approximately 5,000 subsidised places available in total.

**4. Variable quality of ECEC services in Ireland**

The international research is clear that ECEC services only benefit children if they are high quality. According to the OECD’s most recent (2012) summary report on ECEC:

‘A growing body of research recognises that early childhood education and care (ECEC) brings a wide range of benefits… But all these benefits are conditional on ‘quality’. Expanding access to services without attention to quality will not deliver good outcomes for children or the long-term productivity benefits for society. Furthermore, research has shown that if quality is low, it can have long-lasting detrimental effects on child development, instead of bringing positive effects.’ (OECD, 2012, *Starting Strong III*, p.9).

Unfortunately, in Ireland, the quality of ECEC services is very variable. The RTÉ Prime Time investigation *A Breach of Trust* in 2013 highlighted examples of bad practice in full-day crèches, making clear that the causes and risks are systemic. The mistreatment of children shown in the documentary reflects structural problems in Ireland’s ECEC system, as well as insufficient public investment.

Referring to the Prime Time investigation and to other evidence – including the low qualification levels among ECEC workers – the Government’s Expert Advisory Group on the National Early Years Strategy wrote in October 2013 that ‘Ensuring high quality is the foremost policy challenge in early care and education today’.[[6]](#footnote-6) Given its concerns about variable quality, the Expert Advisory Group recommended that the Government should take measures to improve quality first, *before* extending access.

There is no official data on the quality of ECEC services in Ireland, and – as a result of the exemption of most home-based childminders from regulation – there is no data at all on the quality of home-based childminding. What evidence there is on centre-based ECEC services suggests that their quality is very variable:

1. **Evidence from inspection reports.** While the majority of services are compliant with all or most of the Pre-School Regulations, a significant minority of services are non-compliant with a large number of regulations, even though the Regulations are minimum standards. A recent report from the Inspectorate based on analysis of all inspections completed between 2012 and mid-2013 shows that of the 27 regulations assessed, 24% of services were compliant with all regulations assessed, the majority of services were non-compliant with between 1 and 10 regulations, and 6.5% of services were non-compliant with 11 or more of the 27 regulations.[[7]](#footnote-7)
2. **Evidence from qualification levels of staff.** 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. While the proportion of unqualified staff has been reduced (to 10%), still only 13.5% of staff have achieved a relevant tertiary / graduate qualification – far below the 60% level recommended in the EU CoRe study.[[8]](#footnote-8)

The low level of staff qualifications is linked to the low wages and low levels of public funding in the sector. There are no national salary scales which might help recruit and retain qualified staff. Staff in ECEC services are typically paid at or just above the minimum wage, and a significant proportion of staff delivering the Free Pre-School Year are laid off during the summer months.[[9]](#footnote-9)

1. **Evidence from observations of services.** The most direct means of assessing the quality of ECEC in a service is through observation of practice by observers who are themselves qualified and experienced in ECEC. A research study was recently published that used the international ECERS/E rating scale to assess the quality of curriculum in 26 randomly selected Irish pre-school settings.[[10]](#footnote-10) Across the 4 dimensions of curriculum quality in ECERS/E, the average ratings for the 26 services (on a 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. According to ECERS/E standards, practice in relation to literacy and maths was “minimal”, and practice in relation to science, environment and diversity was “inadequate”.

The variable quality of ECEC services in Ireland – and also the high cost to parents – reflects the lack of public investment. According to the OECD Family Database, Ireland invests only 0.4% of GDP annually in ECEC, compared to the OECD average of 0.7% of GDP.[[11]](#footnote-11) In fact, with the majority of children in Ireland starting school at age 4, the level of public investment in *pre-school* services is less than 0.2% GDP.[[12]](#footnote-12) 1% of GDP is regularly cited as a benchmark for the level of annual investment required to achieve a high-quality system of ECEC services.[[13]](#footnote-13)

**5. Lack of progress in 2014**

The Irish Government took no action in 2014 to reduce the cost of ECEC places to parents, and measures to improve the quality of ECEC services were very limited, with minimal public investment.

On the **affordability of ECEC places:**

* **No move towards a Second Free Pre-School Year.** While the Government made a commitment in *Better Outcomes Brighter Futures* (the National Policy Framework for Children and Young People 2014-2020, launched in April 2014) to introduce a Second Free Pre-School Year, it set a long timeframe for achieving this (2020), and has taken no steps towards it yet.
* **No change to subsidies for places.** The level of funding provided by the Community Childcare Subvention (CCS) remained unchanged in 2014, and coverage of the scheme remained limited to existing community-based services.
* **Income supports.** While some measures were announced in Budget 2015 to increase income levels for families with children (the €5 monthly increase in Child Benefit, and the Back to Work Family Dividend, allowing families moving from social welfare into employment to retain the Qualified Child Increase of €29.80 per week for 12 months), the sums involved were small and did nothing to reduce the cost of ECEC places to families.

On the **quality of ECEC services**:

* **No additional funding for staff training.** While Budget 2014 saw the introduction of a small (€1.5m per year) Learner Fund to help staff meet the low minimum qualification requirement that will come into force in September 2015, no public funding is available to help staff progress towards graduate qualifications. And no funding is available for Continuing Professional Development, with public funding schemes providing funds only for direct contact time with children.
* **Missed opportunity to attach quality conditionality to public funding.** In August 2014, new contracts were introduced for services delivering public funding schemes, but no steps were taken to tighten the conditionality of public funding on quality. It remains the case that public funding is not linked to the quality of services, other than through minimum staff qualification requirements. According to the contract for delivery of the Free Pre-School Year (but not the CCS or TEC funding schemes), services ‘must provide an appropriate educational programme for children in their pre-school year which adheres to the principles of Síolta, the Childcare Quality Framework, and Aistear, the Early Childhood Curriculum Framework’ – but no mechanism exists to enforce this contractual requirement.
* **Limited mentoring support.** A budget of €2.5m was allocated to a new National Quality Support Service which will become operational in 2015, to provide mentoring for ECEC services. Its establishment is welcome, but with only 30 mentors for 4,500 services, mentors either will have unmanageable caseloads, or will have to work with only a small proportion of services. Either way, their impact is likely to be small, unless additional funding is provided.
* **Partial measures to address need for reformed inspectorate.** Budget 2015 gave €0.6m to the Department of Education and Skills to recruit ‘a new team of early childhood education inspectors’. While the recruitment of education-focused inspectors is welcome, it is not clear whether or how the new inspectors will be integrated with the existing inspection system (managed by Tusla).
* **Lack of progress in publishing the National Early Years Strategy.** In January 2012, the Minister for Children and Youth Affairs announced that she would publish a National Early Years Strategy, to include a comprehensive approach to ECEC policy. The Expert Advisory Group she established to advise on the strategy published its recommendations in October 2013.[[14]](#footnote-14) However, the strategy still remains unpublished.

**6. Recommendations for CSR 2015**

We welcome the European Commission’s inclusion of ECEC in its 2014 CSR for Ireland, and we agree with the Commission that the high cost of ‘childcare’ for parents is a significant barrier to employment and a significant factor in high poverty rates.

However, in making its 2015 recommendations, **we urge the Commission to call for *higher* *quality*** affordable‘childcare’ services in Ireland, **and for policies that can improve quality *at the same time as* making ‘childcare’ places more affordable to parents**.

The need for government policies to address the *quality* of ‘childcare’ at the same time as access is the central message of the European Commission’s 2011 Communication on ‘*Early Childhood Education and Care*’ [ECEC] (COM (2011) 66 final), and the subsequent Council Conclusions.[[15]](#footnote-15)

The Council Conclusions specifically recognise that ‘Providing high quality ECEC is just as important as ensuring its availability and affordability’ and conclude that ‘the provision of generalised equitable access to high quality ECEC can make a strong contribution to the success of the Europe 2020 strategy, and in particular to achieving two of the EU headline targets: reducing early school leaving to below 10%, and lifting at least 20 million people out of the risk of poverty and social exclusion’.

During 2014, Start Strong published two reports which make detailed recommendations on how the Irish Government can raise quality standards *at the same time as* lowering costs to parents.[[16]](#footnote-16)

To achieve this, one of our key recommendations is for the Government to reduce ECEC costs to parents through ‘supply-side’ subsidies to providers, rather than through ‘consumer subsidies’ such as childcare tax credits, as **supply-side subsidies give the Government more ‘steering capacity’ over the quality of services**. This approach reflects the conclusions of the OECD’s systematic review of ECEC provision in 20 developed countries:

‘…The OECD reviews suggest that direct public funding of services brings, in the majority of countries reviewed, more effective control, advantages of scale, better national quality, more effective training for educators and a higher degree of equity in access and participation than consumer subsidy models… When public funding to the child care system takes the form of subsidies paid directly to parents, the steering capacity of governments [over] services is considerably weaker than in funding-to-services systems. Tax rebates and parent subsidies do not support system co-ordination or universal provision or even necessarily improve in-service training and salaries for staff.’ [[17]](#footnote-17)

We therefore urge the European Commission to include in its 2015 CSR for Ireland:

1. Specific reference to the need for action by the Irish Government to improve the *quality* of ‘childcare’ (ECEC) services, and
2. A recommendation that Government action on ‘childcare’ (ECEC) should take the form of increased investment to extend subsidised places in services, rather than through the taxation system or other demand-side childcare benefits.

**Start Strong supporters**

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**

We currently have 63 organisational supporters:

ABC Childcare

An Gairdín Scoil Montessori

Association of Childhood Professionals

Ballymun Whitehall Area Partnership

Barnardos

Bonnybrook Early Education Centre

Border Counties Childhood Network

Brigit’s Hearth Children’s Centre

Bright Horizons Family Solutions

Canal Communities Partnership

Childcare Network Loch Garman

Childminding Ireland

Children in Northern Ireland

Children's Rights Alliance

Cork County Childcare Committee

Cork Early Years Network

Centre for Research in Early Childhood (CREC)

Deansrath Family Centre

Disability Equality Specialist Support Agency (DESSA)

Donegal County Childcare Committee

Dublin City Childcare Committee

Early Learning Initiative, NCI

Early Childhood Ireland

Early Childhood Studies & Practice (BA prog.), Adult & Continuing Education, NUI Galway

Equality and Diversity Early Childhood National Network (EDENN)

Fingal County Childcare Committee

Finglas Childcare Limited

Forbairt Naíonraí Teo

Grovelands Childcare

Institute of Community Health Nursing

Irish Penal Reform

JAGGO Pre-school

Kildare County Childcare Committee

Lifestart

Little Stars Pre-school, Montessori & Afterschool, Donegal

Meath County Childcare Committee

Montessori Alliance

National Women's Council of Ireland

North Tipperary Childcare Committee

OMEP Ireland

One Family

OPEN

The PlayDen Montessori Pre-School, Westmeath

Preparing for Life

Prevention and Early Intervention Network

Puddleducks Pre-school

Holy Child Pre-School (Rutland Street Project)

Sligo County Childcare Committee

Society of Saint Vincent de Paul

South Dublin County Childcare Committee

Southside Partnership

SpunOut.ie

Step-by-Step Montessori Pre-school

Strategic Innovation in Education, Limerick Univ.

Tallaght West Childhood Development Initiative

Úlla Beag Pre & Afterschool Care

UNESCO Child & Family Research Centre, NUI Galway

Waterford Area Partnership

Waterford Childcare Committee

Western Area Childcare Partnership

Westmeath County Childcare Committee

Wicklow County Childcare Committee

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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.

1. European Commission (2014) *Recommendation for a Council Recommendation on Ireland’s 2014 National Reform Programme and Delivering a Council Opinion on Ireland’s 2014 Stability Programme,* p.5. [↑](#footnote-ref-1)
2. OECD (2014) Benefits and Wages: Statistics, Paris: OECD, <http://www.oecd.org/els/benefitsandwagesstatistics.htm>. [↑](#footnote-ref-2)
3. European Commission (2014) *Commission Staff Working Document: Assessment of the 2014 National Reform Programme and Stability Programme for IRELAND*, p.25. [↑](#footnote-ref-3)
4. UNICEF (2014) *Children of the Recession: The Impact of the Economic Crisis on Child Well-Being in Rich Countries*. [↑](#footnote-ref-4)
5. Pobal (2014) *Annual Early Years Sector Survey 2013*,p.42 [↑](#footnote-ref-5)
6. Department of Children and Youth Affairs (2013) *Right from the Start: Report of the Expert Advisory Group on the Early Years Strategy*, p.16. [↑](#footnote-ref-6)
7. S. Hanafin (2014) *Report on the Quality of Pre-School Services: Analysis of Pre-School Inspection Reports*, Dublin: TUSLA. [↑](#footnote-ref-7)
8. 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*. [↑](#footnote-ref-8)
9. Start Strong (2014) *‘Childcare’ – Business or Profession?* pp.76-78. [↑](#footnote-ref-9)
10. 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. [↑](#footnote-ref-10)
11. OECD Family Database 2014. [↑](#footnote-ref-11)
12. Department of Children and Youth Affairs (2013), *op. cit.*, p.7. [↑](#footnote-ref-12)
13. See, for example, UNICEF (2008) *Report Card 8: The Child Care Transition, A League Table of Early Childhood Education and Care in Economically Advanced Countries*, Florence. UNICEF Innocenti Research Centre; and European Commission Network on Childcare and Other Measures to Reconcile the Employment and Family Responsibilities of Men and Women (1996) *Quality Targets in Services for Young Children: Proposals for a Ten-Year Action Programme*. [↑](#footnote-ref-13)
14. Department of Children and Youth Affairs (2013) *op. cit.* [↑](#footnote-ref-14)
15. <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52011XG0615(04)&from=EN)> [↑](#footnote-ref-15)
16. Start Strong (2014) *The Double Dividend: Childcare that’s Affordable and High Quality* (<http://www.startstrong.ie/files/Double_Dividend_Policy_Brief_Web.pdf>); and Start Strong (2014) ‘*Childcare’ - Business or Profession?* (<http://www.startstrong.ie/files/Childcare_Business_or_Profession_Full_Report_Web_Version.pdf>). [↑](#footnote-ref-16)
17. OECD (2006) *Starting Strong II: Early Childhood Education and Care*, Paris: OECD, p.114 and 116. [↑](#footnote-ref-17)