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An Accessible Childcare Model

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an accessible childcare model

National Women's Council of Ireland

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ANTI-POVERTY Universal WORK-LIFE BALANCE AFFORDABLE FAMILY-FRIENDLY choice QUALITY child-centred

acknowledgement

On behalf of the National Women's Council of Ireland (NWCI), I welcome this report: 'An Accessible Childcare Model'. I would like to acknowledge and appreciate the work of the Centre for Social and Educational Research (CSER), in particular; Noirin Hayes, Siobhan Bradley and Carol Newmann. I would like to thank the Advisory Group members for their guidance and the NDP Gender Equality Unit at the Department of Justice, Equality and Law Reform, for their valuable financial support. I also wish to thank Ursula Barry and Aileen Cashman for their advice. Finally, I wish to express gratitude to the NWCI staff members, in particular Orla O'Connor, Head of Policy, for their contributions to this report.

Thérèse Murphy,
Chairperson of the NWCI

executive summary

Introduction

There is a growing commitment, both in EU countries and internationally, to recast family and childcare policies, in an effort to make them more supportive of, and accessible to, diverging groups of families in today's society. Recognition of the vital role of family policies, the continuing promotion of gender equality, the strengthening of social cohesion and the widening of labour market participation, have led to the development of effective childcare policies.

Despite recent progress in accessibility to early education and childcare policies, Ireland trails behind its EU counterparts, particularly in terms of accessibility and affordability of childcare. Initiatives to date have focused on improved co-ordination, (e.g.County Childcare Committees), quality improvements (part of EOCP[1] and CECDE[2] brief) and increasing supply (EOCP), to the neglect of the issues of high costs and affordability. Childcare costs are now amongst the highest in Europe and parents receive the lowest level of support in meeting these costs. The lack of statutory support and intervention has created a largely inaccessible and inequitable childcare market.

International Context

1. Most EU countries now provide free universal access to Early Childhood Care and Education (ECCE) services for children aged three to six. They usually provide subsidies for children aged less than three and children of school age. Ireland offers no such provisions.

2. A growing number of EU countries now offer paid, job-protected maternity/parental leave of at least one year to facilitate parents in caring for their child during the first year of life *'an essential component of any strategy to support working parents with very young children'* (OECD, 2004). Ireland offers eighteen weeks paid maternity leave and eight weeks unpaid maternity leave. The fourteen weeks parental leave, to be taken before a child's fifth birthday is unpaid.

3. The majority of EU countries provide subsidies to assist parents in meeting additional childcare costs (e.g. crèche costs for young children). In Sweden and Denmark, parents pay a maximum of 20% and 33% of costs respectively. Ireland offers no such provisions.

4. Most EU countries provide child benefit payments to assist parents in meeting child-rearing responsibilities in addition to the financial subsidies for childcare costs. In France, for example, a child benefit monthly payment of ¤ 160 is available until the child reaches three and becomes eligible for free pre-school education (OECD, 2004). In contrast, child benefit is the only financial support provided to Irish parents (¤ 141.60 for first and second child and ¤ 171 for each subsequent child) to assist them in meeting childrearing costs, including childcare costs.

Costs of Lack of Subsidisation

This lack of statutory intervention and financial support means that

- A higher than average proportion of Ireland's children are are living in poverty compared to their EU counterparts. Ireland has the fifth highest rate of relative child poverty (15.7%) out of 24 OECD countries and the second highest rate of relative child poverty of 20 EU countries (UNICEF, 2005).

- 23% of women are at risk of poverty in Ireland. Lone parents are consistently at high risk of poverty - 42.3% (CSO 2005).

1 Equal Opportunities Childcare Programme
2 Centre for Early Childhood Development and Education

- A lower than average number of children in Ireland participate in ECCE services. Ireland had the second lowest rate of enrolment of three to six year olds in early childhood services (56%) of 15 EU countries included in the OECD Employment Outlook Study (2001). Younger children are often denied developmental and learning supports, proven to give all children, but particularly children from disadvantaged backgrounds, a head start in life.

- Options for low-income parents who cannot afford the full costs of childcare are constrained, often forcing them to settle for care of lower quality.

- Women's labour market equality is threatened, as high childcare costs often necessitate their withdrawal from the labour market for indefinite time periods. The percentage of women in employment falls from 65.8% for women with no children to 40.8% for women with two or more children. This represents the lowest level of employment for women with two or more children out of the 23 countries included in the OECD Employment Outlook Study (2002). Lengthy periods outside the labour market can be detrimental to a woman's career progression, and earnings potential and can have a huge impact on her and her family's economic well-being. This is particularly the case for lone parents. It also threatens gender equality, as the lack of affordable childcare restricts women's choices around work/life balance and can force their withdrawal from education and/or employment.

- Women's opportunities for public participation are reduced – as the lack of child-rearing supports inhibits their ability to balance private and public responsibilities. Ireland ranks 20th out of the 25 EU countries in terms of its percentage of female TD equivalents (13.3%). Sweden, Finland and Denmark, who have a long history of gender equality focused policies and generous subsidisation policies, ranked first (45.3%), second (37.5%) and third (36.9%) respectively[3].

- Ireland's ability to meet international targets under the *Beijing Platform for Action, Lisbon Strategy* and *Barcelona Summit* is compromised.

Benefits of Subsidisation

The subsidisation and implementation of the proposed model will:

- Ensure equal access for all children, regardless of household income, to quality developmental supports, which will enhance their social, emotional and cognitive development.

- Support the development of a regulated quality accessible childcare sector.

- Provide parents with a real choice around decisions to stay at home and care for their children, or remain in the labour market while rearing children, or balance both.

- Support gender equality and female career progression by removing the current barriers to employment, education and training experienced by parents,usually mothers.

- Facilitate a reduction in child poverty and women's poverty through enabling parental employment and work/life balance.

- Facilitate greater female participation in the public and political spheres through the provision of quality supports

- Facilitate Ireland in meeting international targets under the Lisbon Strategy, Barcelona Summit and Beijing Platform for Action.

Costs of Implementation

The costs associated with implementing the model are significant, amounting to just less than 1% of GDP annually. However, the required level of government investment to implement the model is not out of line with other developed countries and would bring Ireland up to international standards. Nor is it out of line with current levels of investment at primary, second and third level education.

3 (http://www.womenandequalityunit.gov.uk/public_life/parliament.htm)

PROPOSED SUBSIDISED MODEL OF CHILDCARE

Component	Implementation Strategy
Care Provisions for Children aged 0 – 12 months:	
• Paid maternity leave to increase to 26 weeks	To be extended from its current 18 weeks to 26 weeks by 2008: 2 weeks in 2006 and 3 weeks in 2007 and 2008.
• 5 days paid paternity leave (to be taken within 1 month of birth)	To be introduced on an incremental basis: 3 days in 2006, 1 day in 2007 and 1 day in 2008.
• 26 weeks paid parental leave	To be introduced on an incremental basis, commencing in 2007 with an increase of four weeks per annum through to 2012 and two weeks in 2013.
Subsidised Early Childhood Care and Education:(ECCE)	
• Universal ECCE for all three and four year olds.	To be introduced on an incremental basis between 2006 and 2007, with places provided for all four year olds not attending primary school in 2006 and extended to all three year olds in 2007. Under the Programme, each child will be entitled to attend for 3.5 hours per day 5 days a week for 48 weeks of the year.
• Subsidised Extended Care[4] for three and four year olds.	To be introduced on an incremental basis between 2006 and 2007 with places provided for all eligible four year olds in 2006 and extended to all eligible three year olds in 2007.
• Subsidised Full Day Care for one and two year olds.	To be introduced on an incremental basis between 2009 and 2010 with places provided for all eligible two year olds in 2009 and extended to all eligible one year olds in 2010.
• Subsidised Extended Care for five to 14 year olds	To be introduced on an incremental basis between 2009 and 2015 with places provided for all eligible five and six year olds in 2009 and extended by each age group per annum up to 10 year olds in 2013. In 2014 places will be provided for all eligible 11 and 12 year olds and all eligible 13 and 14 year olds in 2015.

4 Extended Care refers to care provided outside of schooling and pre-schooling (ECCE) hours.

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chapter 1

Introduction

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chapter 1

1.0 Introduction

Childcare is a critical issue for women's equality, and increasingly, an urgent political issue for Irish society. Parenting represents a commitment to the future. It is also a domestic responsibility that has traditionally fallen to women. Combining this responsibility with paid work in the labour market is becoming increasingly problematic for many families. However, women's family and employment situations cannot be changed in isolation from each other. This research has been commissioned by the National Women's Council of Ireland (NWCI) to develop a model of ***publicly funded*** *quality childcare that is both child-centred and promotes equality for women. The implementation of the recommendations will enable women and men to share childcare responsibilities more equitably and combine parental and family responsibilities with participation in all aspects of society, including paid employment, to create a better balance in the interests of all. The implementation of the model seeks to contribute to the development of a sustainable quality childcare infrastructure in Ireland. The introduction sets out the rationale and background to the research, the research objectives, methodologies and an overview of subsequent chapters.*

1.1 Rationale and Background

The rationale for the research originates in the NWCI Strategic Plan 2002-2005, which sets out goals under four spheres of equality; (1) Affective, (2) Social and Cultural, (3) Economic and (4) Political, all four of which are seen as 'key policy objectives in the creation of an egalitarian society' (Baker et, al. 2004). To achieve economic and affective equality, the NWCI promotes women's economic independence, equity of pay and prospects in the workplace, as well as recognition of women's unpaid care work. While there has been a significant increase in women's participation in the labour market over the past decade, this has not been balanced by any increase in men's contribution to the home[5] or by an adequate state response to the need for childcare and family friendly workplace supports. As a result, the care work within the home that women have traditionally done, whether that is seen as a burden, a source of fulfillment, or a complex combination of the two, continues to be women's responsibility. There is an increasingly widespread feminist view that this 'domestic absenteeism' is a largely ignored part of the problem, and that the lack of adequate state intervention has reinforced women's disadvantaged position (Bryson, 1999). The NWCI has long held the position that good quality, affordable childcare, the creation of family friendly workplaces, and social welfare supports would lead to a better balance in the quality of life for women, men and, most importantly, for children in all families. To this end, the NWCI lobbies for measures, 'to facilitate care and paid work through increasing the range of family friendly practices' (NWCI, 2003). The development of a national childcare infrastructure is central to the NWCI's feminist goals under the Economic and Affective Equality.

Affective equality refers to relations where love, care and solidarity operate, including personal relations, work relations, community and associational relations. It is clear that overwork and inflexible hours have a detrimental impact on all these areas of our lives, as well as on individual health and on family well-being. When combined with a lack of good quality, affordable childcare, they may also contribute to the neglect of children's welfare and educational needs, and a rise in juvenile crime.

As part of its work plan towards the attainment of affective equality, the NWCI conducted a large scale consultation process with its members in 2001-2002, and developed a clear policy position on childcare, which articulates a vision of childcare where the *'rights of children and parents to affordable, accessible, quality childcare should be recognised and supported by the State'*. In exercising those rights, parents should be enabled to choose the most appropriate childcare to meet the needs of their children. The consultation highlighted the increasing importance of the issue of affordability of childcare. In Ireland, parents spend a higher proportion of earnings on childcare in comparison to the average EU parent. Enabling parents, particularly

5 CSO statistics for 2004 indicate less than 1% of men are in full-time home duties

women, reliant on social welfare and living on low incomes to access affordable childcare will assist them to move out of poverty. From the consultation, it was agreed that increasing access to quality and affordable childcare, including pre-school education, is best achieved through direct state investment and family friendly policies. While there was a consensus on the need for more public subsidisation of childcare from the consultation, it was not clear what this would look like in reality.

In December 2004, the NWCI secured funding from the National Development Plan (NDP) Gender Equality Unit of the Department of Justice, Equality and Law Reform to carry out research into the development of a publicly subsidised model of childcare infrastructure. The Unit, which is co-financed from the European Social Fund, promotes gender equality and supports measures funded under the National Development Plan 2000-2006 to address gender equality issues.

In January 2005, the Centre for Social and Educational Research, (CSER) in Dublin Institute of Technology, an independent research and policy analysis body, which carries out research into social and educational issues was contracted to conduct the research, on behalf of the NWCI. Internationally recognised for its contributions in the area of early childhood care and education, it aims to impact on social and educational policies and practices, through the provision of research data and information on policy makers and practitioners. Dr. Noirin Hayes (Director of CSER and Head of Learning Development, Faculty of Applied Arts) acted as Director of Research and Siobhan Bradley, Research Development Officer, in the CSER acted as Lead Researcher. Dr. Carol Newman, (Department of Economics, Trinity College Dublin) acted as Economic Consultant to CSER throughout the duration of the research.

1.2 Research Objectives

The research aims to:

- Review a select number of European and international models of childcare subsidisation to inform the research.
- Set out a model for a national childcare infrastructure that would be publicly subsidised and based on mixed delivery of provision.
- Set out a clear framework and strategy for the implementation of the model with short, medium and long term objectives.
- Provide financial forecasts from the cost/benefit analysis of implementation of the model in the Irish context.

The research aims to design a subsidised model of childcare that facilitates all parents to attain a work/life balance structure according to their actual choices rather than as economic means dictate, and in particular, parents from low, and increasingly middle, income households whose choices, that is whether to work or stay at home and care for children or combine both have become increasingly restricted due to high childcare costs.

1.3 A Holistic Model for Parenting and Early Childhood Care and Education

In addition to ensuring that the proposed model will facilitate parental choice around work/life balance, the design and development of the childcare model has centred around the benefits that all children can derive from participating in quality early education and childcare services. International policy and research recognise that childcare is about 'children', and any proposed model of childcare must ensure that the core of all services enable children's development in an effective and supportive manner. It is also important to state that while this model aims to provide quality childcare supports external to the home environment, the NWCI is also supportive of childcare conducted within the home. Indeed, the challenge is to strike the balance between accommodation of, and respect for, childcare conducted within the home while simultaneously ensuring affordable quality childcare services are accessible to the children of all parents requiring it outside the home. The development of a holistic model that supports real choices for parents regarding care is critical both for the needs of children and

parents. The NWCI, published 'A Woman's Model for Social Welfare Reform' in June 2003, which examined the social welfare system from a women's equality perspective, and found that at its core, the system reinforces women's economic dependence on men and does not facilitate caring or parenting. The report recommended changes to the social welfare system so that it facilitates choice, concerning parenting and participation in paid employment. It is intended that these recommendations coupled with the recommendations in this model form part of a holistic model for parenting and early childhood care and education. It is critical therefore that changes and recommendations in both reports are implemented concurrently.

1.4 Research Limitations

Childcare is a broad policy area incorporating a number of separate but intrinsically related elements. This research addresses the specific area of accessibility in relation to the affordability of childcare services for all households, especially lone parents and low income households, who are currently hugely restricted in childcare choice because of high costs and limited financial means. It assesses possible approaches to redress current affordability issues and ensure a more accessible, affordable childcare model for all households requiring such care.

In recent years, there has been an increased impetus on issues such as 'quality' (including staff qualifications and salaries, curriculum, management structures) and supporting the inclusion of diverse groups of households (for example children from ethnic minorities, and children with additional needs) within services. While the research team recognise the importance of such issues, and fully support all advancements within the childcare sector, an examination of these elements is beyond the remit of this research, and they are in themselves, areas warranting separate research to ensure the development of a comprehensive strategy to address these issues.

Due to a dearth of research data in the Irish context, it is difficult to accurately quantify current levels of provision, usage of childcare services by parents and childcare costs, particularly in relation to capacity requirements. Therefore, certain elements of the Model are based on estimates from available data and a review of international trends. Data limitations and assumptions are highlighted throughout all relevant stages of the research report.

1.5 Research Methodology

The research methodology was primarily desk based, involving extensive literature reviews in the following areas:

- An international review of early education and childcare developments with particular emphasis on international subsidisation and access policies.
- A review of childcare developments, current subsidisation structures, accessibility and affordability issues in the Irish context.
- A cost/benefit analysis of the subsidisation of childcare.
- A cost/benefit analysis of the implementation of a subsidised model of childcare in the Irish context.

The research was conducted between February and June 2005 and supplemented through three consultation focus groups with NWCI members. One of the focus groups was specifically devoted to the national childcare organisations who are members of the NWCI[6], to ensure their views on the applicability of the model to the current Irish childcare context informed the research. Issues highlighted throughout the consultation process were addressed through subsequent stages of research, and the model altered where necessary to reflect these issues.

Recommendations were discussed with an expert advisory committee. The Advisory committee included Damien McKeon (DJELR), Denise McCormilla (Border Counties Childcare Network), Fidelma Joyce (Combat Poverty Agency), Joanna McMinn (Director, NWCI), Julia Long (NDP Gender Equality Unit), Kathleen Connolly (NDP Gender

6 National Children's Nursery Association, (NCNA), Irish Pre-School Play Group Association (IPPA) and Childminding Ireland.

Equality Unit) Laurence Bond (Equality Authority), Orla O'Connor (Head of Policy, NWCI), and Therese Murphy (Chair, NWCI).

1.6 Report Structure

Chapter 2 reviews international developments in early childhood education and care services, according to the welfare state regimes operational in a select number of countries. It pays particular attention to childcare developments in the UK and Quebec, two countries whose governments have played an increasingly interventionist role in childcare provision and policy since the mid 1990s, where the primary objectives of substantial increases in expenditure have included the facilitation of universal access through increasing provision and reducing costs for parents.

Chapter 3 provides an overview of policy developments in the Irish childcare context from the 1990s. It details current levels of childcare provision, and statutory investment in childcare to date and assesses the issues of accessibility and affordability in the current childcare context.

Chapter 4 reviews the myriad of reasons for the increasingly uniform movement towards subsidised childcare services in developed countries in recent times. It assesses benefits to parents, children and the State from investment in childcare subsidisation and highlights many of the potential, and existent repercussions that can derive from a lack of investment in childcare services.

Chapter 5 presents the proposed subsidised childcare model, the rationale for the proposed model and outlines the ten-year strategy for phased implementation of the model up to 2015.

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chapter 2

International Childcare Policies: An Overview

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chapter 2

2.0 Introduction

This chapter presents an overview of international developments in early childhood education and care policy, according to the welfare state regimes operational in a select number of countries. It particularly focuses on childcare developments in the UK and Quebec, as two countries whose governments have played an increasingly interventionist role in childcare provision and policy since the mid 1990s, where the primary objectives of substantial increases in expenditure have included the facilitation of universal access through increasing provision and reducing costs for parents. The chapter demonstrates that state support for family responsibilities, along with family-friendly employment measures, are an essential starting point if women's labour market participation is to be on reasonable terms. Given the slow pace of childcare developments in the Irish context, an assessment of international childcare policies can provide a lens through which we view our own country and can also provide guidance on effective delivery and subsidisation of services, and the return on investment from such initiatives.

International Context

"Nations make choices. The policies that they choose have an impact on the financial burdens born by parents raising children"

(Bradshaw, Finch 2002:13).

Policy choices are closely connected to national welfare regimes, with their particular values and objectives, so that the criteria for judging effectiveness might vary between countries. Different approaches to policies and services are related to differences in welfare regimes (Candappa et al, 2003). The level of statutory support and intervention in childcare, varies across countries according to its public policy ethos. In other words, differences in childcare provision and policies can only be understood in light of the social, economic and political contexts in which they arise (OECD,1990). Public policies affect parents' decisions about working and care arrangements for children. These policies include maternity and parental leave policies, early childhood care and education policies, extended care policies, and welfare and tax policies (Waldfogel, 2005). There has been an increased acceptance amongst a growing number of governments about the pivotal and effective role ECCE services can play in addressing socio-economic disadvantage and assisting children in a more cost-efficient and effective manner (CECDE, 2003). Also, as family size decreases and living environments have altered, the socialisation of children outside the family circle from the age of three, and even younger is recommended by most specialists for young children (OECD,1990). The vital role of childcare in improving gender equality and facilitating female choice around work life balance is now universally recognised. Accessible childcare is now viewed as crucial to the facilitation of female labour market participation, which is increasingly seen as one of the necessary conditions for EU economic prosperity. The Lisbon Council in 2000 set an employment target of 60% of women in the age group 15-64 to be in employment by 2010 (CSO, 2004).

The widespread shift towards increased investment in childcare amongst traditionally non-interventionist countries has been encouraged by EU Directives. The EU Summit in Barcelona passed a recommendation that by 2010, Member States should provide childcare for at least 33% of children under the age of three, and for at least 90% of children between age three and mandatory school age. Only a few years earlier, the EU endorsed a directive that required Member States to implement a minimal standard of parental leave in their national legislation. In both cases, the purpose of the move was to increase female labour force participation rates in EU Member States by facilitating the reconciliation of family and work life (Neyer, 2003). This Chapter overviews early education and childcare policies according to their welfare state classifications, based on Esping Anderson's classifications, assessing the impact such policies have had on family choices and behaviour. It pays particular attention to traditionally low provision countries whose childcare systems have evolved in the past decade to promote greater accessibility and affordability. Particular attention is paid to the UK and Quebec given the traditional similarities between these countries in relation to childcare policy, where childcare services were largely allowed develop on the private market. Both countries have overhauled (and continue to do so) their childcare systems in recent years, moving from a traditionally liberal

market system applied in Ireland, to an increasingly interventionist model which promotes equality of access for *all* households to quality, affordable childcare services. Such analysis provides an opportunity to assess viable options and strategies to support greater accessibility and affordability in the Irish market.

2.1 Welfare State Classifications

The idea behind grouping nations into certain broad categories is to enable us to see qualitative differences between groups in the origins of social policies and their outcomes which helps to identify the different strategies that nations take (Misra, Mollar, 2004).

Esping Anderson, whose seminal work on common classifications of welfare state regimes distinguishes between countries according to the intention of their social policies and the principles on which they are based (Neyer, 2003), provides a useful grouping mechanism to demonstrate the various strategies and policies employed by groups of countries in addressing early education and childcare. While the model has been critiqued by feminist scholars for its focus on de-commodification[7], particularly as the model does not account for women's experience within the welfare state (Misra, Moller, 2004).

Esping Anderson argues that each welfare state model is associated with a distinct labour market trajectory for women (Gornick et al., 1997), and they are divided as follows;

1. The Social Democratic Welfare States, (the Nordic countries) are targeted at individual independence and social equality between individuals (not families).
2. The Conservative Welfare States, (continental EU countries, e.g. Belgium, France, Italy, Germany and the Netherlands) are more diverse in their organisation of public care but generally direct policies towards status maintenance and the preservation of national family forms (Neyer, 2003, Gornick, et al.,1997).
3. The Liberal Welfare States (Anglo-Saxon countries, e.g. UK, US, Ireland, Australia) encourage market based individualism through minimal social benefits and through subsidising private and marketised welfare schemes.

While it is difficult to aggregate expenditure for all forms of ECCE due to the variety in institutional and funding arrangements and parental contributions coupled with the fact that there are few comparable, reliable figures on total expenditure, available data suggests that public spending on ECCE, in terms of GDP percentage tends to be highest in the Nordic countries, in middle range in the continental EU countries, and the lowest in Australia, UK, US and Ireland (OECD, 2001).

Table 2.1 presents summary data of the various elements of parental leave, ECCE and extended care services in a select number of European and international models.

2.2 Social Democratic States – Overview of the Nordic States

The social democratic countries generally conform to a model of universalistic public services supported by high levels of statutory investment. The Nordic family policy has historically focused on child well-being, female labour force participation and gender equality[8] (Neyer, 2003, Forssen, 2000). In all countries, maternity leave has expanded quite rapidly since the 1960s. Swedish policy provides for 14 weeks maternity leave, including up to seven weeks before the birth, and two weeks paternity leave after childbirth. Parental leave follows for up to 18 months (two weeks of which must be taken by the father or lost). The first 13 months of leave is paid at 80% of wages up to a ceiling[9], another three months at a low flat rate, and the final three months are unpaid. Similarly, provisions in Norway are generous; parental leave is 52 weeks, including nine weeks of maternity leave and four weeks of paternity leave.

7 Decommodification is measured by generosity and availability of old age pensions, sickness benefits, unemployment insurance payments etc
8 Although many countries commonly use the Nordic welfare States as an 'umbrella' term, a closer look reveals huge differences in history, politics and economics. The development of welfare states differs between countries; benefit systems, time of introduction and speed of reforms.
9 Civil servants receive 100% of wages for the first thirteen months (Foressen 2000).

Parental leave either lasts 52 weeks with 80% pay or 42 weeks with 100% pay (Lund, 2004). Childcare provision and subsidisation of costs are equally generous. In Denmark, parents pay a maximum of 33% of costs (OECD, 2002). In Sweden, parents pay a maximum of 20%, in Finland parents usually pay between 10% and 15%, and in Norway, parents pay from 28% to 45% dependent on their income (OECD, 2001). It is interesting to note, that despite their now reputable childcare systems, it was not until the late 1960s and early 1970s that the Scandinavian countries started to develop their public childcare services. Thereafter they expanded their systems far faster than the rest of the European countries. This vast expansion was brought about by major changes in the perception and purpose of public childcare, day care was no longer regarded as an issue of welfare or education but as a means of supporting women's participation in the labour force and reducing labour shortage (Neyer, 2003). Female labour force participation rates and social security benefits started to increase simultaneously (Forssen, 2000).

Financial and legal provisions ensure services are inclusion focused and accessible to all requiring them. In Finland, children under 7 years have a legal right to attend publicly funded ECCE, and in Denmark, municipalities are expected by law to meet local parental demand (OECD, 2001). Sweden currently provides an entitlement for all children aged one to twelve years where both parents work or study, and a part-time entitlement to pre-school (15 hours per week) for children whose parents are unemployed or on child related leave. The childcare structures prevalent in the Nordic countries mean that between 20% and 48% of children under three are in some form of publicly supported full day care provision, and almost all children aged three to six are in some form of pre-school provision.

Early childhood services provided by the Nordic countries are now amongst the best in the world, operating under a pedagogue model with training and salary levels similar to that of teachers, and a strong emphasis on health care, socialisation, well-being and active learning of children. Work status and conditions are such that many well educated young women continue to be attracted to the profession (OECD, 2001). Policies have impacted positively on children's well-being and the situation of children appears to be comparatively bright from an international perspective – poverty is less common than in other OECD countries (OECD, 2001). In fact, from a comparative perspective, the level of child poverty of Finnish children has fallen from the level of liberal countries to almost nothing since its joining the social democratic model. Finland did not join the social democratic welfare regime (if measured by coverage and level of benefits) until the 1980s. As the income transfer system has developed, the poverty risks for one-parent and two-parent families have also settled on a low level (Frossen 2000).

2.2.1 Social Democratic Welfare State Case Study: The Danish Model

Childcare systems in Denmark are now predominantly a public service, supervised by local authorities and funded from local taxes and central government grants. The local government decides what it is prepared to spend on childcare, and funds the services directly (OECD, 2002). Fees are capped for parents at 30% to 33% of running costs, with poorer families using services at either a reduced rate, no charge, or a charge based on their income (OECD, 2001). The main forms of provision include:

1. Day care facilities for children from six months to six years composed of family day care (70% of which are operated by public, community services), centre-based care (crèches, age-integrated centres and kindergartens) and independent day-care facilities, which are supplemented by independent facilities and networks (30%) which offer parents further choice. Independent providers must work with the local authority, and meet their regulation requirements and operating guidelines to receive municipal grants.
2. Kindergarten classes for children aged five to seven, led principally by a pedagogue, which take place in the primary school and are free.
3. Leisure time centres and school based, leisure time facilities which are fee paying but nonetheless massively enrolled, with 81% of six to nine year olds attending. (OECD, 2001)

There is a high level of utilisation of services. During the first year of life, parental care dominates, but from about six months of age, just over 22% of parents use registered family day-care, and 3% of babies are in crèches. 68% of children aged one to three are enrolled in day care facilities10 and 88.5% of three to five year olds are enrolled in services.. Enrolment is equally high for five and six year olds, with 98% attending a free pre-school class, with extended care provided for them in fee-paying integrated services or leisure time activities (OECD, 2001).

The Danish model ensures that childcare is accessible, affordable and heavily utilised. It facilitates female employment and reduces the risk of child poverty. Denmark's family and childcare policies highlight the country's commitment to high standards of gender equality and its consistent efforts to create an egalitarian society. It is estimated that 2.1% of GDP is spent on provision of formal childcare services in Denmark, although benefits reaped from such investment include:

- High levels of female participation in the labour market. 78.5% of women in Denmark are in employment. Even more indicatively, 77.2% of all mothers with two or more children are in employment (OECD, 2002, 2004)
- Low levels of child poverty. Denmark had the lowest rate of child poverty (2.4%) of the 24 OECD countries in 2005 (UNICEF, 2005).
- High levels of female public participation. Denmark has the third highest percentage of TD equivalents in the EU 25 at 36.9%11.
- Single parenthood is not a poverty risk because family policy supports are targeted more towards single parents than towards families with two parents.

2.3 Conservative Welfare States

While there has been diversity in investment and provision historically, research indicates increases in investment in childcare services amongst traditionally low provision countries in recent years. France and Belgium stand out in provision of full day services for large numbers of children under three (30% and 24% respectively), and for nearly all children aged three to school-age (OECD 2001). Portugal, has rapidly expanded and increased public investment in the pre-school network – both public and private providers – over the past five years to overcome long-standing inequities in access, and the government is working toward full enrolment of 3 to 6 year olds. Between 1996 and 1999 alone, coverage increased from 57% to 72%. Moreover, to encourage full coverage in the year before compulsory schooling begins, Portugal now offers a free daily five hour session for 5 year olds in the *jardim de infancia* with over 90% coverage (Ibid.). Italy provides full day public care for nearly all children aged three to five, but for only 6% of those under three (Meyers, et al 2000). Conservative countries are now increasingly moving towards more generous leave periods for parents, universal provision for children aged three to six for example Italy, Portugal, Belgium, France, and the Netherlands, and many countries are making additional provisions for children aged less than three years and children of school age. For example; France has created a specific fund to build childcare provision for the 0 to 3 age group, while supervised, subsidised places are broadly available for children under three in Belgium.

2.4 Liberal Welfare States

The basic tenet of family policy in liberal welfare states, for example the UK, Ireland, and the US, is the free market. The aim is to keep the social aspect of the State contained, needs based and selective. In practice, this has meant that family policy benefits have been targeted only to poor families and to children at risk. Few arrangements exist in liberal regime countries to ease women's conflict between working and caring for their children, and childcare is usually paid for from parents' private means. Policies in the 'maximum private responsibility' model have three main aims:

1. To provide a 'safety net' of childcare services for the poorest families, as well as children at risk of physical abuse or neglect.

10 Family day care dominates (45%) especially in rural areas, followed by age integrated facilities (14%) and crèche (12%).
11 http://www.womenandequalityunit.gov.uk/public_life/parliament.htm.

2. To encourage the use of private or voluntary services
3. To guarantee minimum levels of quality for childcare.

(OECD 1990)

This lack of state intervention has meant that the vast majority of families in liberal welfare state regimes finance high childcare costs from their own private means, a particularly pertinent issue in the Irish context, where childcare costs, *'averaging over 30% of disposable income for the Average Production Employee* (APE)[12] are unsustainable even in the medium term (OECD, 2004:32). However, despite the lack of financial support, over one half of mothers of children under three are employed outside the home in liberal welfare state regimes, indicating the bulk of day care is arranged unofficially, mainly through social and family networks (Forssen 1998). This situation has led to much concern, as households with restricted incomes are often forced to select low quality care which may increase child or family related developmental risks (Leseman, 2002).

Governments have steered clear of direct investment in and subsidisation of childcare for families, instead often employing a universal childcare benefit, which they argue can be used by parents to subsidise childcare costs if they so desire (see Chapter Three for details of Ireland's Child Benefit).

2.5 Advancement of Childcare Policies

Historically, State intervention in childcare policy has varied according to public policy ethos, yet childcare policies have become increasingly uniform in the past decade, even in light of the differential welfare state regimes. There has been considerable advancement in and enhancement of, family and childcare policies, particularly amongst the traditional 'low provision countries', many of whom are now in the process of recasting their childcare policies and systems (Neyer, 2003). This shift in policy can at least be someway attributed to the multi-dimensional impact such policies have on society and the economy, including:

- Supporting the family and promoting gender equality
- Strengthening social cohesion and stemming social exclusion,
- Widening participation in the labour market and raising productivity.

(NESC, 2005: 215)

Childcare, particularly pre-school care and parental leave polices are now high on the policy agenda in most developed countries. Recent examples of the increasing generosity and comprehensiveness of childcare policies include a childcare guarantee for over twos in Denmark, and all three to six year olds in Germany, an extension of the guarantee of a childcare place for all children up to age seven from the children of all employees to the unemployed in Sweden, and the UK's provision of free nursery places for all three and four year olds (Bradshaw, Finch, 2002).

When making recommendations around strategies to bring Irish childcare policies in line with many of its EU counterparts, it is beneficial to examine polices in traditionally liberal welfare state regimes whose demographic and economic trends, and lack of intervention (until recently) provide a similar starting context to Ireland. An analysis of childcare in Quebec and the UK – countries who have recently overhauled their childcare systems, starting from almost as low an intervention role as Ireland[13] - assists us in identifying potential ways forward in ensuring affordable childcare in Ireland.

2.5.1 UK Developments

Similar to Ireland, childcare in the UK has historically been viewed as a private matter and, like Ireland had been characterised as a country lacking an explicit family policy. The Irish and British welfare states are founded on the same male breadwinner model. However, a wide alliance composed of non governmental organisations, business and labour representatives changed this in the 1990s when they began to challenge the non-interventionist stance of the British state in relation to childcare. Labour's return to

12 The Average Production Employee refers to the average gross wages earnings of adult, full time workers in the manufacturing sector of each country. In 2002, these were ¤ 23.963 in Austria, ¤ 25,330 in Ireland and ¤ 33,926 (OECD 2003)

13 Prior to the overhauling of the UK and Quebec childcare systems, both countries offered tax relief to working parents to assist in meeting childcare costs, a policy mechanism that has not existed in the Irish market.

power opened a window of opportunity for this childcare alliance. To tackle the gender gap in terms of female participation in the labour force became the number one priority. '*There is now a pendulum shift towards what might be termed an adult worker family, whereby it is assumed that all adults are in the labour market* (Lewis in Daguerre & Banoli 2004). The Labour government also highlighted paid employment as the key to giving lone parents a stake in society, but critics were quick to point out that this should be conditional on reasonably paid employment that is compatible with family responsibilities, as well as good quality, affordable childcare.

Efforts to reduce gender inequities within the labour market coincided with the government's commitment to the eradication of child poverty by 2020. In 1997, Britain launched its National Childcare Strategy in support of its newfound ideology. Government became the principal driver in the childcare field and promised to develop more high quality childcare services that parents with young children could afford. UK provision, which began from a very low base is now benefiting from significant public funding and a radical reform of policy, co-ordination and planning. Measures introduced in the UK since 1997 include (but are not limited to):

- **Stronger Co-ordination Structures.** Historically, the Department of Social Security had been responsible for services for children from birth to three and the Department of Education and Employment (DfEE) has governed programmes for children aged 3 to 5. The government recently consolidated 'care' and 'education' giving the DfEE primary responsibility for the early years in England. Within the DfEE, the Childcare Unit, the Early Years Division, and the Sure Start Unit collaborate in addressing early years issues and concerns (OECD, 2000).

- **The development of a plan for co-ordinated data collection has become a priority** (OECD 2000).

- **Statutory maternity and paternity leave provision.** Changes in legislation in 2003 include an entitlement to maternity leave of up to one year, with the first six weeks paid at 90% of annual salary and the next twenty weeks at a flat rate (£106, or 90% of average earnings, if less than £106 per week at time of writing it is proposed that the second six months will be paid by 2020). The remaining six months are unpaid (http://www.worksmart.org.uk). Parents from low income families who avail of parental leave are entitled to claim additional funding to supplement their income. Fathers are now entitled to two weeks paid paternity leave.

- **Increased provision in the form of nurseries, after school care and Sure Start**. Progress has been reflected in a significant increase in public expenditure on early education and childcare to a total combined budget of over £6 billion per annum in 2004/5[14] (DayCare Trust, 2004). Since the launch of the Strategy, ,childcare places have been created for over a million children. **The Sure Start Programme** was launched in 1999 and heralds a shift in strategy from remediation to prevention (OECD, 2000). Programmes aim to improve the health, social, learning and emotional development of young children, and to strengthen families and communities. There will eventually be 500 programmes serving families with children aged 0 to 4, concentrated in areas of deprivation and free to all children in the area regardless of family income.

- **Free part-time early education places for all three and four year olds**. All providers are entitled to government funding, if it can be shown through an inspection, that curricular goals are being adequately met (OECD, 2000). Over 168,000 childcare places were created in 2000-2001 alone (Daguerre & Bonoli, 2004).

- **Tax credits for working parents** (replacing the previous Family Credit), to subsidise out of home care for those who qualify. To qualify, a parent with child(ren) aged 0

14 Includes childcare tax credits and statutory maternity pay.

to 14 must work 16 or more hours per week. Children aged 0 to 8 must be in registered care and children aged 8 to 14 must be in approved care. The maximum amount per week is £94.50 for one child and £140 per week for two or more children (http://www.parentscentre.gov.uk). However, while tax credits do relieve parents of some financial costs, there has been distribution concerns around the delivery, and take up of tax credits. Tax free allowances do not provide any benefit for those whose income is exempt, and are only of partial benefit to those whose income is insufficient to use the full value of the allowance (TSG, 2000). While 124,000 families are getting help with childcare costs through the new childcare tax credit – three times the number getting help under the previous system – four out of five lone parents who could get help through the Childcare Tax Credits for childcare costs are still not claiming it (The Guardian, 03/02/01). In their UK Review, the OECD expressed concern about the efficiency of a tax credit system in targeting low income households;

'there is evidence – not just from the UK, but from several countries – that private operators are deterred from expanding provision in poorer areas. While taxation and benefit policies support poorer families seeking private childcare, without direct support or service by Government, the problem of provision in low-income areas is likely to remain'

(OECD, 2000; 43).

Despite the original preference for tax credits as a way to subsidise childcare costs, there is now a wider consensus regarding the need to expand public day care since it is more affordable and reliable, and therefore offers greater access and security to parents

(Daycare Trust 2004, OECD 2000).

Labour Party Manifesto 2005

The Government's commitment to childcare was reaffirmed in the Labour Party Manifesto which committed to ending child poverty *starting by halving it – both in terms of relative low-income and in terms of material deprivation – by 2010-11*. The Manifesto promised:

- To create 3,500 Sure Start Centres for children under five years by 2010.
- To increase free part-time nursery provision for all three and four year olds 15 hours per week by 2010 over the whole school year, and to increase this to 20 hours over the longer term.
- That Extended schools', working in partnership with the private and voluntary sectors will offer affordable out-of-school childcare from 8am to 6pm throughout the year.
- To increase paid maternity leave to nine months from 2007 with the goal of achieving a year's paid leave by the end of parliament.

In its unprecedented effort to tackle long-standing inequities in access to childcare, the UK Government has significantly increased public expenditure with further increases planned for going forward[15]. In practice, it is likely that government funding will continue to give priority to more disadvantaged areas but, in general, the long-term aims represent a clear move towards a more universal system of early years education and care (DayCare Trust, 2004). Extra public spending on childcare is expected to amount to 2% of GDP by 2020, divided as follows:

15 The SureStart budget is set to increase by ¤769m between 2004/5 and 2007/8, which inter alia will hope to fund around 2,500 Children Centres by 2008, deliver part-time education to 12,000 two year olds living in disadvantaged areas on a pilot basis and support at least 120,000 additional childcare places by 2008, including those in extended schools (Daycare Trust 2004).

Table 2.5.1: Pre-Budget Report Proposals For Higher Spending On Childcare		
Measure	**Date of introduction**	**Cost to government as % of GDP in 2020**
Increase in benefits for childcare via the Working Tax Credit	April 2005	0.1
Free education for all three and four year-old children	2006:12.5 free hours, 2010: 15 free hours	0.6
Longer paid maternity leave	2007: nine months paid leave (from six months now), 2010: twelve months paid	0.5
Childcare to be offered to all parents of children at primary school between 8am and 6pm. All secondary schools to open between 8am and 6pm	2010	0.3
Children's Centres, providing education, healthcare and childcare	By 2008, 2,500 centres (up from 600 now), By 2010, 3,500 centres	0.5
Total		**2.0**
Source: PricewaterhouseCoopers, November 2004		

Impact of UK Shift in Childcare Policies

It is very clear from developments within the UK childcare system since 1997, that government has abolished the traditional view of childcare as a private concern with every indication that a universal system, somewhat similar to those operating in the Nordic countries is its long term objective (Daycare Trust, 2004).

Through pro-active supportive family and childcare policies, the UK has made considerable accomplishments in a relatively short period of time. Bradshaw and Finch's *A Comparison of Child Benefit Packages in 22 countries* (2002), found that the UK had moved from its traditionally liberal regime policy up the scale to a more generous and supportive position in the league table[16], a reflection of the effort the government has been making since 1997 to improve family policy and benefits. Even more remarkably, the rate of child poverty in the UK fell by over 3% during the 1990s, the greatest decline of any OECD country. Despite Ireland experiencing the highest rate of economic growth of any OECD country in this same time frame, child poverty increased by 2% (UNICEF, 2005).

2.5.2 Quebec Initiatives

Quebec is Canada's second largest state, with a population of 7,542.8 million (Statistics Canada, 2004). It also has the smallest proportion of young people, aged nineteen and under, of any State in Canada accounting for only 24% of its entire population (Canadian Census, 2001). Its population of children from birth to twelve years amounts to

16 Countries included in Bradshaw and Finch's study were ranked according to the generosity of child benefit packages as follows: Leaders: Austria, Luxemburg and Finland, Second: France, Sweden, Germany, UK, Belgium, Denmark, Norway and Australia, Third: Ireland, Israel, Canada, USA, Italy and Laggards: New Zealand, Portugal, Spain, Japan, Netherlands, and Greece. The countries with the most generous overall child benefit package are not those countries that employ a substantial element of targeting, ether through tax credits, or income related benefits. They are those that deliver most, if not all, of their value as a non-income related child benefit.

17 Based on 2003 rounded estimates provided by Martha Friendly in personal communication.

1,077,000[17], only a third larger than the Irish population of that same age cohort (715,777 in the 2002 Census). Its population size (i.e. for children under twelve), coupled with the Quebec government's very recent initiatives, outlined below, to ensure accessible, affordable, quality childcare for all, make it an ideal country upon which to draw valuable experiences to inform the design of an effective Irish childcare model.

In 1996, the Quebec government announced its intention to implement a new family policy and to develop a comprehensive childhood policy for children aged 0 to 12. Prior to the introduction of the low fee policy, the main policy instruments for childcare assistance in Quebec were a fiscal deduction for day care expenses, and a refundable tax credit (more generous for low-income households) [18], making the net price for families paying for childcare services contingent on family income (Lefebvre, Merrigan, 2005). For a critique of issues arising from utilisation of tax credit mechanisms to offset childcare costs refer to UK experience: Section 2.5.1.

The three main components of the new Quebec scheme, implemented in 1997 are:

- An integrated child allowance for young children and newborns designed to gradually replace existing allowances.
- Enhanced maternity and parental leave provisions through a new parental insurance plan.
- The development of ECCE services to provide universally accessible programs to foster child development, and to gradually introduce skills that children need to succeed in school. Financial support provided directly to settings is intended to enhance the quality of the service provided to children, and the development and sustainability of childcare settings in operation under the scheme.

The new policy pursued three major objectives:

- Fight poverty.
- Enhance child development and equality of opportunity for children
- Increase mothers' participation and gender equality in the labour market (Lefebvre, Merrigan, 2005).

In the first year of the program, kindergarten for all five year olds was extended to the full school day; existing half day kindergarten programs for four year olds continued and were supplemented by a half day out of school childcare program at no cost to the parents. At the same time, space for four year olds in either regulated centre-based programs or family day care became available at a fee of $5 per day (Friendly, Beach, 2005). For each following year, the government reduced the age requirement and engaged in a plan to create new childcare facilities and pay for the cost of additional $5 per day childcare places. By September 2000, the low fee policy applied to all children aged 0 – 59 months (Lefebvre, Merrigan, 2005). Individual centres could implement policies that gave priority to employed parents, single parents, or some other target group. Families on social assistance and not in the workforce are entitled to 23 hours a week of care at no cost (Ibid). The expansion of places in for-profit-centres was frozen, while the government favoured the creation of spaces in not-for-profit centres (*Centres de les Petite Enfance – CPEs*) and in family based day care, where an adult cares for a maximum of six children, subject to some constraints on the number of very young children, which are supervised by CPEs. For-profit-centres could offer $5 a day places with government agreement (Lefebvre, 2004). Over the next five years, each CPE was to develop at least two services – typically a centre and a family childcare component. Table 2.5.2 (a) displays the implementation strategy of childcare services available as part of the low fee day care policy.

18 These provisions remain available to parents who are unable to avail of the current low fee day care, operational since 1997.

Table 2.5.2(a): Childcare Services Offered as Part of the Low-Fee Day Care Policy			
Ref:	**Service Type**	**Implementation Date**	**Entitlement**
A	Childcare	1997	Licensed and regulated childcare facilities[19] under agreement with the Department of the Family began offering spaces at the reduced contribution of $5 per day per child, for children aged 4 (who were not in kindergarten).
B	Childcare	1998	Three year olds were eligible for low-fee spaces in facilities outlined in 2.5.2(a)A.
C	Childcare	1999	Two year olds were eligible for low-fee spaces in facilities outlined in 2.5.2(a)A.
D	Childcare	2000	All children aged five or less were eligible for low fee spaces in facilities outlined in 2.5.2(a)A.
E	Kindergarten	1997	Kindergarten offered by all school boards extended from part-day to full-day. In urban centres, the Schools Boards may offer junior kindergarten spaces for four year olds on a part-day part-week basis for special needs children and children whose parent(s) is (are) welfare recipient(s) and is (are) engaged in schooling or training activities.
F	Before- and after-school care		Department of Education commenced subsidisation of this form of care. The School Boards must offer before and after school services on the school premises at the reduced contribution of $5 per day per child for the children at (pre)kindergarten and grade school. For a family to benefit from this low-fee day care service, a child must attend the school day care centre for at least 2.5 hours per day and for a minimum of three days per week.

(Lefebvre, Merrigan 2005)

Funding

There is a considerable amount and variety of financial supports available to childcare providers, aimed at increasing childcare capacity and meeting the operational costs of running childcare services. Once-off funding in support of capital and equipment costs include development grants, grants for purchase of property or construction of a facility, grants for enlarging and/or refitting facilities, compliance grants, grants to acquire assets of day care centres, and grants to purchase intangible assets of day care centres. A full list of these grants and financial supports is available in Appendix One. In parallel with the various funding initiatives to create new places, the wages provided to educators and all types of employees in childcare centres were steeply increased and regulated after negotiations with the main unions representing the employees (Friendly, Beach, 2005). Recurring funding available to childcare providers is listed in Appendix 2. For 2002/3, a not-for-profit centre (CPE)

19 This included not-for-profit centres, family based day-care and for profit day care centres

with 60 places (a typical organisation) received $60 per day for each child aged less than 18 months and $44 per day for a child aged 18 – 59 months. The value of the subsidy ranges from $11,528 to $15,720 per year depending on the age of the child.

Overall, public support for families increased only modestly from the onset of the programme, from $2.6 billion in 1995 to $3 billion in 2004 but the proportion dedicated to childcare rose rapidly. Direct childcare subsidies increased from $209 million in fiscal year 1995-1996 to $1 billion in year 2004 and total childcare benefits (i.e. direct childcare subsidises and refundable childcare tax credit) rose from 14.6% to 50.4% of the total budget (Lefebvre, 2004).

Impact of the Programme

Given the relative newness of the low-fee programme, research to date has tended to document the implementation and delivery of the programme in its introductory years, while a full-scale evaluation of the social and economic impact of the programme has yet to be conducted. However, the econometric results of the first in-depth analysis of outcomes of the universal subsidisation program, (Lefebvre, Merrigan 2005) support the hypothesis that the childcare policy, simultaneously with the transformation of public kindergarten from a part-time to a full-time basis, had a large, and statistically significant impact on the labour supply of Quebec's mothers with pre-school children. The analysis observed mothers with young children in Quebec before and after the policy implementation[20] and found that from 1998, participation rates for mothers with at least one child aged 1 – 5, and mothers with at least one child aged 0 – 5 increased rapidly relative to the rest of Canada. The study also analysed participation rates of mothers with at least one child aged 6 – 11 and no child under 6 and found the rate in Quebec to increase relatively to the rest of Canada, highlighting the fact that the pattern for mothers with young children is very different from mothers with older children and no young children. The evidence shows that the policy had effects on both educated and less educated mothers, despite the fact that the reduction in costs was larger (considering fiscal policies before the low-fee programme commenced) for higher income families. Lefebvre and Merrigan (2005:20) argue that, '*this can be explained by the fact that lower income families are liquidity constrained and that the policy made childcare places more easily available*.' Results also provided some evidence that the effect on labour supply became stronger, as more subsidised spaces were created across the province for different age groups.

The number of children attending public kindergarten increased from 88% in 1997 to 98% once kindergarten became full-time. The number of children attending pre- and after- school care has increased considerably since the introduction of $5 day care (Ibid).

However, while the innovative policies operational in Quebec since 1997 have contributed positively to increases in capacity, increases in accessibility, and subsequently increases in labour market participation and developmental supports for children, implementation of the programme has not been without problems. It is common knowledge that the programme cannot satisfy the increased demand for the low-fee spaces. In 2000, at most 40% of all children aged 0 – 4 had access to a subsidised space (Lefebvre, Merrigan, 2005). This could, at least be partly attributable to the hugely ambitious implementation time strategy for the programme - it was proposed that childcare places would be available for all 0 – 6 requiring it by 2000, allowing only a four year period to build capacity to meet universal demand. The government had estimated increased demand based on a survey of parent's expressed demand. However once programme implementation commenced, it became apparent that the take-up would be much higher, which meant long waiting lists from the outset (Friendly personal communication). By 2005, childcare provision had reached its target of 200,000[21], and waiting lists had reduced considerably, yet unmet demand is still high[22].

20 Mothers with young children in the rest of Canada where no such reforms were implemented were used as the control group,
21 The low-fee policy has nonetheless led to substantial increases in childcare capacity, prior to 1997, it was estimated that childcare system for 0–5 year olds consisted of 78,000 regulated spaces (Tougas, 2002).
22 Personal communication, Martha Friendly March, 2005

A change in government in 2003 has also impacted on the programme – the Liberal government had within one month of their election announced plans to slow the development of the childcare program, however due to massive protests and petitions, changes to date have been minimised – public funding for childcare has however been cut by $25million per annum, parental fees increased to $7 per day and capital funding eliminated (with the exception of all those facilities which had been approved and had commenced building/renovation work) (Friendly, Beach 2005).

2.6 Conclusion

A review of international approaches to subsidisation of childcare highlights considerable advancements, particularly among previously low provision countries, in the past decade. Countries usually employ one or more of four main mechanisms to finance childcare costs: direct subsidisation of childcare costs so that charges are below market rates for all parents; a reduction or rebate of charges for childcare according to family type, income, number and/or age of children; higher cash benefits to mitigate against extra costs for pre-school children; and/or off-setting some or all of the costs against taxable income (Bradshaw, Finch 2002). Countries often use a variety of these measures to support parents in meeting childcare costs. What is clear from the review is that while different countries have adopted different approaches, usually based on economic and demographic structures already existent within the relevant countries, there has been a near uniform policy shift towards universal access for all children of pre-school age, improvements in maternity and parental leave provisions and improved access for children of all other age groups to extended care services. There has also been considerable investment in the 'quality' of programmes offered, and the need to ensure that education and care are intrinsically linked in childcare settings.

From the Quebec and UK models we can also see a policy shift away from tax based incentives to parents in order to pay for childcare costs. These have been replaced by a strong emphasis on increasing subsidisation to childcare providers, as the way forward to enhance quality and improve access for children and affordability for parents.

Childcare and early education services now form an integral part of government policies and are recognised as an essential component of improving gender equality and facilitating women's public participation in society, reducing child poverty, increasing female labour market participation and education and training opportunities for women, and providing developmental, educational and social opportunities for children. The indirect role they play in wider society is also acknowledged, for example, they can reduce criminal justice costs, through provision of supportive families for 'at risk' children from a young age (Lynch 2004). The considerable advances in the design and implementation of family and childcare policies are largely due to the multiplicity of benefits derived from investment in the field. It is within the context of the European and international developments in family and childcare policies outlined in Chapter Two, that Ireland's family and childcare policies are reviewed in Chapter Three.

Table 2.1 (A): Sample Maternity, Paternity and Parental Leave Policies in Select EU Countries

Country	Policy Type	Length	%Wage Replaced	Job Protected
Denmark	Maternity Leave	18 weeks (14 after birth).	100% for most mothers (or unemployment benefit)	Yes
	Parental Leave	32 weeks for family.	100% of earnings or unemployment benefit. Benefits are taxable	Yes
	Paternity	2 weeks ('use it or lose it').	100%. Benefits are taxable	Yes
France	Maternity Leave	16 weeks (compulsory six prior to birth).	85% .	
	Parental Leave	Until age three.	Can be used to work part-time. Allowance is paid at a flat rate for second and subsequent children.	Yes
	Paternity Leave	3 days.	100%	
Italy	Maternity	21 weeks (5 months)	80%.	Yes
	Parental Leave	10 months (extended to 11, if father takes three, must be taken before child is eight)	30%.	Yes
	Paternity	Leave 2 weeks.	80%.	
Norway	Parental Leave (incl. maternity and paternity leave)	52 weeks, of which 30 days for father (use or lose). 3 weeks before birth, 6 weeks after.	80% to a ceiling for 52 weeks, or 100% to a ceiling for 42 weeks.	Yes
Sweden	Maternity Leave	14 weeks (7 before/7 after birth)	80%.	Yes
	Parental Leave	18 months, 480 days with cash benefit (must be taken before child is 8)	80% to a ceiling for 13 months (minimum 60 days for each parent). Flat rate for remaining three months.	Yes
	Paternity Leave	2 weeks (to be used during first sixty days after child-birth and simultaneously with mother).	80% up to a maximum.	Yes
United Kingdom	Maternity Leave	12 months.	First 6 weeks paid at 90% of usual earnings, next 20 weeks at a flat rate and the remaining 6 months are unpaid (proposals to increase paid leave to 9 months by 2002 and 12 months by 2010).	Yes
	Paternity Leave	2 weeks (to be taken in blocks of one within eight weeks of birth.	90% of earnings or £100 per week whichever is less.	Yes

(Sources: OECD 2001, 2002, Kamerman 2000, Kamerman et. al, 2003) (Lefebvre, Merrigan 2005)

Table 2.1 (B): Publicly Funded ECCE Services For 0 – 3 and 3 – 6 Years

Country	ECCE Service	Access Policies	Cost and Length of service
Denmark	Kommunal dagpleje (Municipal Childminder)	0 – 2 years. (90% of municipalities guarantee places for all children 1 – 5) 59% of 0 – 2 year olds	Free for low-income or special needs. Max. parental fee - 33% for first child, and 16.5% for successive children. Full day, all year.
	Vuggestuer (crèche)	0 – 36 months (90% of municipalities guarantee places for all children 1 – 5) 9% of 0 – 2 year olds.	As above.
	Bornehaver	3 – 6 year olds. (90% of municipalities guarantee places for all children 1 – 5) 9% of 0 – 2 year olds , 1% of 0 – 2 year olds and 46% of 3 – 6 year olds in 2002.	Average: 21% of costs. As above.
	Age Integrated Facilities	0 – 6 year olds (90% municipality guarantee as above). 30% of 3 – 6 year olds in 2002.	Average: 22% of costs. As above.
France	Crèche	0 – 36 months (23% of 0 – 3 year olds served in publicly financed care).	Charge Fees graduate acc income. Childcare subsidy of approx. ¤ 600 pm per child up to 6yrs with at least one working parent, who is cared for in a crèche, accredited child-minder or declared employee is available. Full day, all year.
	Ecole Maternelle	2 – 5 Years (99% of all 3 – 6 year olds attend services).	Free to all parents regardless of income. 8.30 – 16.30 in term time, but often closed Wednesdays.
Italy	Scuola Materna	Legal right to place in school-based ECEC from 3 to 6 years.	Free, (except meals) for public (71%), varying fees for private (29%). 8.30 – 4.30
Norway	Barnehage	0 – 6 (48% of 1 – 4 year olds)	28 – 45%, depending on municipality, income and type of care. Usually open at least 41 hours per week.
Sweden	Forskola (Pre-school)	From age 1 children have right to ECEC if both parents work/study. If a parent is unemployed /child-related leave, entitlement to 15 hours pw (64% of one and two year olds).	Special government grant, maximum fee is 3% of household income (before tax) for first child, 2% for second child and 1% for third. Fees are capped and may not extend regulated ceiling rates. Full day, all year.
	Forskoleklass (Preschool Class)	Age 6: 93% attend, voluntary not compulsory.	Free. Fee in leisure time centre. At least 525 hours/yr, leisure centre rest of day.
United Kingdom	Nursery Education (variety of providers, incl. nursery schools, classes, independent schools, playgroups, childminders)	All three and four year olds entitled to free, part-time nursery education.	Free. Minimum 2.5 hours per day, 5 days a week, 33 weeks of year

(Sources: OECD 2001, 2002, 2004, Kamerman 2000, Kamerman et. al, 2003)

chapter 3

Ireland in Context

ANTI-POVERTY
Universal
WORK-LIFE BALANCE
AFFORDABLE
FAMILY-FRIENDLY
choice
QUALITY
child-centred

chapter 3

3.0 Introduction

The historical position of mothers as primary carers within the home meant that traditionally, childcare was largely viewed as a private family matter. Government intervention tended to be reactive rather than proactive, and largely confined to funding and/or provision of services for disadvantaged groups (CECDE, 2003; Murray, O'Doherty, 2001). The majority of services consequentially developed in an ad hoc manner on the initiative of community and commercial providers and through childminding services in the informal market. Community services have played a vital role in the development and delivery of early education and childcare services. The informal childcare market, where services are usually provided by childminders in their own homes has also featured considerably in the development of Ireland's childcare services, and they continue to play a vital role in childcare provision in Ireland today.

The laissez faire approach to childcare adopted by successive Irish governments has culminated in a largely unregulated, fragmented and costly childcare market which effectively excludes many low, and increasingly middle income households from accessing childcare services, and in turn quality developmental supports, for their children. This approach hinders parental, particularly mothers choice and ability to avail of education, training and employment opportunities and does not address child poverty in any meaningful way. Despite the changing social, economic and demographic circumstances throughout the latter half of the 1990s which moved childcare to the fore of the political agenda, policy-making in Ireland for young children outside the home environment has had a relatively short history.

Traditionally women were expected to undertake a disproportionate share of unpaid care work in the home. This stereotypical role has been reinforced through the Irish constitution and government policies. The marriage bar for example has had lasting effects on many women who are now financially dependent on spouses or on the state resulting in 41% of women 65yrs and older being at risk of living in poverty (CSO, 2005).

This chapter provides an overview of policy developments in the Irish childcare context from the 1990s. It overviews current levels of childcare provision, statutory investment in childcare to date and assesses the issues of accessibility and affordability in the current childcare context.

3.1 The Changing Context of Early Childhood Care and Education in Ireland

This section briefly outlines the key social, economic and demographic changes which have had considerable impact on the needs of households with children.

3.1.1 Changing Demographics and Family Diversity

In 2002, Ireland's population exceeded 4 million for the first time since 1871, with children from birth to fourteen accounting for 20.5% of the total population. The number of births has increased consistently since 1995, from 48,787 to 61,517 in 2003. This growth has been complemented by increases in immigration, particularly since the latter half of the 1990s, figures released in 2002 showed that there was net inward migration of 150,000 since 1996 (NESF, 2005). In addition to demographic growth, there has been a growth in the diversity of family types, primarily through increases in lone parenthood as a result of separation, divorce, widowhood, and births outside marriage.

3.1.2 Economic Growth and Employment

Between 1994 and 2002, Ireland's GDP increased by 9% annually, the highest rate of GDP growth of any OECD country in this time. Ireland is the fourth richest country in the world. Between 1993 and 2003, the total number in employment grew from 1.183 million to 1.793 million – an increase of over 51% (CSO, 2004). Increases in labour demand have been met through falling unemployment levels[23], substantial increases in female labour market participation, and labour immigration. Between 1997 and 2004, female employment increased by 48.5%, (from 539,700 to 801,700). Part-time employment amongst

23 Unemployment rates have simultaneously fallen from above EU average in 1997, to well below the EU average since then (almost 16% in 1993, compared to 8% for EU, just above 4% in Ireland in 2002, compared to slightly below 8% for EU). Of particular note is the high increase in female labour market participation rates; the employment rate for women rose by 40% between 1994 and 2003 (CSO, 2005).

women more than doubled in this time period (from 124,600 to 251,900) and the number of women in full-time employment, increased by almost a third (from 415,200 to 549,800).

3.1.3 Changing Perspectives of Childhood

Such changes have been complemented by an increased acknowledgement and awareness around the needs and rights of children, who traditionally had been '*conceived of in terms of their status within families, rather than as individuals in their own right*' (CPA, 2005:20). This awareness has led to an enhanced commitment to ensure policies and provisions directed at children are evolving, inclusive, comprehensive and appropriate to the needs of children in an ever-changing society. In 1992, Ireland ratified the *United Nation's Convention on the Rights of the Child*, which as the most widely ratified human rights treaty in history was ratified by all but two countries in the world (USA and Somalia). By becoming a State Party, Ireland made a formal commitment to safe guard the rights of children as set out in the Convention. The rights of the child outlined in the Convention can be grouped together under four themes: survival rights, development rights, protection rights and participation rights[24]. The Children's Rights Alliance (CRA) was established in 1993 to support the implementation of the Convention.

3.1.4 Gender Equality

The Irish Government has also signed up to international women's human rights instruments that strive to eliminate economic, political, social and cultural inequalities that women continue to experience. The international human rights instruments recognise that women from differing social groups often experience multiple inequalities, for example, because of their class, race or disability.

In 1985, the Irish government ratified the Convention on the Elimination of all forms of Discrimination Against Women (CEDAW), and transposed it into Irish policy. In 1995 at the 4th World Conference on Women, the Irish government signed up to the Beijing Platform for Action, and agreed to implement a National Plan for Women. In March 2005, the Irish government reaffirmed this commitment at the Commission for the Status of Women in New York. In its current Social Partnership agreement, 'Sustaining Progress 2002-2005', the Government made commitments to the development of a National Women's Strategy that aims to address persistent inequalities for women in Ireland. The National Women's Strategy will specifically address the issue of the lack of affordable and accessible childcare as a barrier to women's full participation in all areas of society.

A society that enables real choice for all women to participate in civic life, to balance paid employment and care responsibilities, is one that will contribute to the achievement of full equality between women and men. Higher levels of labour force participation among women are commonly seen as indicative of women's progress towards equality with men, both in the home and society. Over the past fifteen years, the increased feminisation of the labour force in Ireland has been in response to increased participation in education, and higher individual expectations, as well as labour market forces. There can be no doubt that many women have gained greater economic independence during this period. Nevertheless, this advancement has not been shared by all groups of women in Irish society, and many women, and consequently children, continue to experience poverty. Improvements in access to education, training and employment opportunities are accepted as primary routes out of poverty and social exclusion, investment in affordable, quality childcare is essential strategy in facilitating such access.

3.2 Policy Developments Since the 1990s

A number of policy initiatives have been introduced since the 1990s in an attempt to respond to, what has often been referred to as the Irish 'childcare crisis'. Between July 1998 and November 2000 alone, five major policy documents, all with a specific focus on childcare, albeit from different perspectives, were published. Amongst other recommendations, *Strengthening Families for Life, The National Children's Strategy, The National Forum on Early Childhood Education*, and *The White Paper on Early Childhood Education*, all make recommendations around

24 (CRA, http://www.childrensrights.ie/viewpubs.php?go=alpha).

the need to improve provision and co-ordination of services, to address 'quality' within services, to introduce financial measures to assist in meeting costs and the need to ensure services are accessible to, and inclusive of the needs of the diverse groups of children living in Ireland today.

The following sections outline initiatives introduced since the mid 1990s:

3.2.1 The Childcare (Pre-School Services) Regulations

The Regulations came into effect in January 1997 and govern the provision of pre-school services, setting out the procedures for the notification and inspection of childcare facilities. Their introduction marked a significant development in pre-school services in Ireland. Prior to this, childcare provision was unregulated by the State, beyond general regulations relating to health and safety, and food safety (Corrigan, 2004). However, the Regulations fail to encapsulate all forms of childcare provision, only childcare providers caring for three or more children (excluding their own offspring, offspring of a partner/spouse, other relatives or three children from the same family) are required to notify the Health Board, leaving a substantial section of the Irish childcare market remains unregulated. The Regulations, currently under review have been welcomed as an introductory step in setting minimum standards, but act only as a foundation upon which to build quality childcare into the future.

3.2.2 Equal Opportunities Childcare Programme (EOCP)

The EOCP was launched in 2000 and is one of the most important initiatives in the support and development of childcare in Ireland to date and is the primary source of funding available to existing childcare providers and those seeking to develop new childcare facilities (Corrigan, 2004). Financial supports made available under the Programme provide:

- Capital assistance for community/not-for-profit organisations and self-employed/private providers towards the cost of building, renovating, upgrading or equipping childcare facilities.
- Staffing grants for community/not-for-profit organizations or a not-for-profit consortium of community organizations and private providers towards the cost of staff for community-based provision in disadvantaged areas (for an initial three year period);
- Improving quality through (i) the provision of finance to support NCVOs, (ii) developing local childcare networks through County/City Childcare Committees, (iii) funding innovative projects with the capacity to be replicated and (iv) the development of a range of supports for childminders through County/City Childcare Committees.

To date, in excess of ¤ 500 million has been made available under the Programme, to improve the quality of childcare, maintain and increase the number of childcare facilities and places and to introduce a co-ordinated approach to the delivery of childcare services. This represents the largest government investment in childcare in Irish history to date. By April 2005, EOCP funding had created 24,600 new centre based childcare places and a further funding commitment has been made for an additional 12,000 places (Department of Justice, Equality & Law Reform, 2005). While the original plan was due to run until 2006, Budget 2005 provided for its extension to 2009. The overall aim is to have created an additional 48,300 places by this time, yet despite such proposed and actual increases in childcare capacity, levels of provision continue to fall below the required levels of demand (CPA 2005). One of the most overlooked requirements of the EOCP programme, and in turn one of the most pertinent issues in supporting equal opportunities is the programme's failure to address the issue of affordability to any significant degree. The EOCP can only attempt to reduce the price of childcare indirectly through increasing supply, a strategy which to date has failed as childcare costs continue to expand beyond the financial means of an increasing number of households (Section 3.5).

3.2.3 County Childcare Committees

Thirty-three County Childcare Committees have now been established to improve service co-ordination and oversee developments at local level. The Committees are

responsible for developing information strategies on childcare for parents and providers; identifying gaps in childcare provision; promoting the establishment of new childcare facilities; formulating priority objectives for the region; and supporting network initiatives at a local and county level.

3.2.4 Guidelines for Planning Authorities on Childcare Facilities

The Guidelines were published in July 2001, and give direction to local planning authorities regarding the preparation of development plans and assessment of applications for planning permission, guiding developers and childcare providers in formulating development proposals.

3.2.5 The National Children's Office

The National Children's Office (NCO), established in 2001, is the only government agency which aims to improve all aspects of children's lives by leading and supporting the implementation of the *National Children's Strategy, Our Children – Their Lives*. The NCO co-ordinates and monitors the implementation of the National Youth Homelessness Strategy and manages the implementation of the Children's Act 2001. Within the National Children's Strategy, Objective A in the Schedule of Objectives, states that '*Children's early education and developmental needs will be met through quality childcare services and family friendly measures*' (2000; 50). In this regard, the NCO is currently leading a High Level Working Group, which will report to the Cabinet Committee on Children chaired by An Taoiseach.

3.2.6 The National Childcare Co-ordinating Committee (NCCC)

The NCCC is chaired by the DJELR, and oversees the development of an integrated childcare infrastructure throughout Ireland, with the support for the County and City Childcare Committees and the National Voluntary Childcare Organisations (NVCOs). It addresses specific policy issues and through its various sub-groups develops and informs national strategic actions in the sector. Membership is comprised of representatives from the statutory and non-statutory sectors including the Social Partners and the NVCOs (DJELR, 2005).

3.2.7 The Centre for Early Childhood Development and Education (CECDE)

The CECDE was established in 2002 to develop and co-ordinate early childhood care and education in pursuance of the objectives of the White Paper 'Ready to Learn'. The Centre's brief covers children from birth to six years in all forms of early education and care. The functions of the Centre include the development of early childhood care and education quality standards in relation to all aspects of early childhood education and care, the development of a support framework to encourage compliance with quality standards; and the co-ordination and enhancement of ECCE provision.

Additional measures and initiatives introduced from the 1990s include the passing of the Children's Act in 2001; the establishment of a Children's Ombudsman in 2003; and the publication of the National Council for Curriculum and Assessment's consultative document 'Towards a Framework for Early Learning' in 2004, which discusses the development of a national framework to support all children's early learning.

3.3 Delivery of Childcare in Ireland

3.3.1 Ministerial Responsibility

Currently, seven different government departments have responsibility for various parts of early childhood and family policy. In practice however, three ministries have the main responsibility for early childhood provision (OECD 2004)[25]:

25 In addition to the three main Departments, the Department for Social and Family Affairs also has important policy responsibilities for family, parents and young children but in principal does not engage in early childhood provision (OECD, 2004)

Department of Health & Children (DHC)	Department of Justice, Equality & Law Reform (DJELR)	Department of Education & Science (DES)
Provides social services nurseries from birth to four years. It is estimated that 7,000 children (or 2% of the 0 – 6 age cohort) were covered through this provision in 2003	Responsibility for the implementation of the EOCP[26]. A Childcare Directorate has been established within the Department to implement the *National Childcare Strategy*.	Responsibility for provision (in primary schools) for pre-school children aged 3 – 6. In 2003, it was estimated that services provided by the DES covered 104,437 children, or 32% of the 0 – 6 age cohort. The DES is also responsible for all school-aged children in the Irish primary and secondary education system.

(OECD 2004)

In its Thematic Review, of Early Childhood Education and Care Policy in Ireland, the OECD critiqued this dispersion of responsibility:

> *'No one Department or Agency has been given clear responsibility to lead integrated policy or to provide coherence across the various childhood bodies and services. Part of the reason for this lack of coherency is attributed to the fact that traditionally early childhood policy has been subsumed under larger issues, such as family policy, primary schooling and general health policy, rather than a defined age group with its own specific health, developmental and cognitive traits.' (OECD 2004; 23-24)*

In its recent review of ECCE, NESF (2005: xvii) re-iterated support for this proposal:
The overall responsibility for the development of and implementation of ECCE policy should reside with one Government Department. The designation of the most appropriate department is a matter for Government.

3.3.2 Childcare Usage in Ireland

Provision in the childcare sector is diverse and fragmented. Parents typically avail of one or more of a number of forms of provision[27] including parental care[28], informal care[29], childminding (family day care)[30], workplace crèches[31], private and community nurseries and crèches[32], community and private sessional services for 3 – 5 year olds[33] and primary education[34].

It is extremely difficult to accurately quantify current levels of provision, and usage of childcare services, due to a dearth of research data. This is particularly the case for children aged 0 – 6, and for school-age childcare). The National Childcare Census 1999-2000 represented the first comprehensive attempt to quantify actual levels of childcare provision, and the type and usage of services. A fundamental limitation of the Census is that it did not include any information on one of the most predominantly used forms of childcare in Ireland, namely formal and informal childminding, thereby excluding a substantial

26 Day to day administration of the programme, is undertaken by Area Development Management (ADM) on behalf of the DJELR.
27 For a range of definitions refer: Childcare Pre-School Regulations (1996), OECD (2004).
28 Children are looked after at home, usually by the mother or by a female, live in relative. This is the most common arrangement, particularly for children under two (ESRI, 1998).
29 Parents rely on relatives/friends/neighbours to look after children for sessional periods or longer.
30 Children are looked after on a sessional, half-day or full-day basis by a self-employed childminder in the home of the carer on freely negotiated market terms.
31 Established in the workplace of parents, and generally subsidised by employers (very low provision of this form of care in Ireland).
32 Catering for children from 0 – 14 on a fee paying basis (fees are often offered at below market rates in community facilities). These are generally full day services although some offer sessional places
33 These include playgroups, naḟionra´i, Montessori schools and community nurseries which are predominantly private operated (with the exception of the community services), and usually offer morning sessions to children aged three to five on a fee-paying basis.
34 A free universal service offered to all children from age four usually to age 12. The junior and senior infant classes operate on a half day basis for four hours forty minutes per day (usually children aged 4/5/6 attend). From first class (usually children aged 6/7 – 11/12) through to sixth class, school operate from 9.00/9.30 to 3.00/3.30.

component of childcare provision in Ireland[35]. Furthermore, no figures providing an accurate breakdown of provision have been made available since the census was carried out. The current lack of accurate data presents a major challenge, namely the need to develop reliable statistics on the care of young children (OECD, 2004). Any data on current provision/usage of services is therefore based solely on estimates from available data[36].

The National Childcare Census (2003) found that 4.8% of all children under one, 12.8% of all one to three year olds, 23.6% of all three to six year olds, and 1.2% of all six to twelve year olds attended childcare facilities. The Central Statistics Office Quarterly National Household Survey (2002) found that 42.5% of all families with pre-school children regularly rely on non-parental childcare arrangements for minding children during working hours. Over three quarters of households, where both partners were at work, had childcare arrangements for their pre-school children; and half required it for their primary school-going children. Lone parents with pre-school children used less non parental childcare than average (30% compared to 42.5% average), but relied on non parental childcare to a greater extent than average (28% compared to 25.3%) for school-going children (CSO, 2002).

In their Thematic Review, the OECD (2004) attempted to quantify the number of children attending services and estimated that between 10% and 15% of 0 – 3 year olds were in half-day or full day publicly subsidised childcare services, which falls far short of the 33% targets set by the Barcelona European Council. Total access in government financed half-day or full-day services for children aged three to six came to approximately 56%, the Barcelona target is 90% for this age group.

A recent Combat Poverty Agency Study (2005) estimated a shortfall of more than 60,000 childcare places for children aged zero to six[37]. Such childcare shortages can have grave implications for the parental choice around care services for their children, often leaving parents unable to access their preferred childcare options to meet their children's care and education needs. A CSO Study in 2002 found that 31.2% of parents with pre-school children and 46.1% of parents with children in primary school, relied on an unpaid relative to provide childcare for them, despite this being the preferred method of care for just 3.7% and 10.9% of all parents respectively. The Study also found that only 27.1% of parents with a pre-school child availed of childcare in group settings, despite this being the preferred method of childcare for 48.8% of all parents.

3.3.3 Extended Care for School Age Children

Low coverage is also an issue for school age children, with after-school provision operating on a limited capacity (only 1.2% of all 6 – 12 year olds used this form of provision in 1999-2000). Such shortages in school age childcare were very recently highlighted as a continuing concern by the NCCC (DJELR 2005). However, while Ireland may be somewhat unique in EU terms for its low levels of provision for 0 to 6 year olds, out of school provision has received limited attention in most countries until recently. Many EU countries are now making substantial efforts to advance after-school services, and there is a clear need for Ireland to implement initiatives to increase capacity in this regard. To meet similar challenges, other countries are increasingly experimenting with educare[38] and recreational programmes for children on school premises in the afternoon (OECD, 2001). The Partnership 2000 Expert Working Group made similar recommendations noting that '*there is a growing need for locally based programmes which provide children with social, recreational and development activities outside of school hours and during holiday time. Such provision could be provided on school premises or in community buildings*'.

35 In 2002, Childminding was the largest type of paid provision for children from birth to 6 years (CSO, 2002).
36 The DJELR and ADM are in the process of updating figures on childcare capacity, but figures were not available at the time of writing.
37 CPA calculated amounts based on the 2002 Census of Population which showed that there were 332,175 children aged under six, which translated into approximately 204,773 childcare places needed to meet EU Barcelona Target, despite the existence of only 143,500 places (childcare performed by relatives whether paid or unpaid is excluded in this calculation) (CPA, 2005: 35).
38 The concept of Educare has been used internationally to describe more extensively the ECEC model a Nordic welfare state, where care, education and instruction have been combined to form an integrated whole and where play is a central tool of pedagogical activities (OECD, 2000: 7).

3.4 Financial Provision for Childcare and Parenting

This section examines maternity leave, parental leave and Child Benefit provision. While Child Benefit is a universal payment for all children; maternity benefit and parental leave entitlements are linked to fulfilling criteria through employment.

3.4.1 Maternity and Parental Leave

In 2001, the period of maternity leave attracting a social welfare payment was extended from 14 to 18 weeks, and the period of unpaid leave was increased from 4 to 8 weeks. While expectant women may now avail of up to 26 weeks maternity leave, this is very much dependent on the financial resources of the individual, which is heavily influenced by the practice of employers in relation to pay.

The Parental Leave Act, 1998 entitles parents to 14 weeks (per child) unpaid parental leave from work to care for children under 5 years. Its unpaid nature has meant that take up of parental leave has been limited, and it can reasonably be expected that it has been particularly low amongst lower paid workers (OECD, 2004).

The Parental Leave Bill, 2002 is currently before the Oireachtas, and represents a review of the Parental Leave Act 1998. It seeks to raise the age of the eligible child to eight years, and extend entitlement to those acting in loco parentis as well as allowing leave to be taken in separate blocks. It does not, however, make provision for payment during parental leave, nor does it extend the period of leave (NESF 2005).

The current maternity and parental leave provisions operational in Ireland provide minimal financial assistance to parents with young children. The fact that only 18 of the 26 weeks of maternity leave are paid, and that the entirety of parental leave is unpaid, make take-up of the additional provisions implemented in 1998 and 2001 an unviable option for many households. The OECD, recommend '*paid, flexible and job-protected maternity and parental leave schemes of at least one year as an essential component of any comprehensive strategy to support working parents with very young children*' (OECD 2004: 75).

3.4.2 Child Benefit

The universal child benefit allowance is one of the primary financial supports available to all households with children in Ireland[39 40]. From 1 April, 2005, the monthly rate for the first and second child stood at ¤ 141.60 per child, and ¤ 171.30 per child for the third and subsequent children. The Government had set a minimum Child Benefit target of ¤ 149.90 and ¤ 185.40 by 2003, targets which remain unrealised (CPA 2005). In announcing the three year programme in 2001, referring to Child Benefit, the Minister for Social & Family Affairs stated that: '*This unprecedented increase will help all parents with the costs of caring for their children and will represent a major move towards achieving the goal of ending chid poverty in this country*'.

While increases in Child Benefit appear to have formed the core of Government's strategy in tackling child poverty, (and may have succeeded somewhat, albeit very marginally in reducing the rate of relative child poverty from 24.5% in 1994 to 23.9% in 2003), it represents a decrease of only 2.5% over the ten year 'Celtic Tiger' period (CPA, 2005).

3.4.3 Child Poverty

The objective of this report is not to review the effectiveness of current strategies in tackling child poverty; however, it is clear that , in addition to income support, the provision of accessible, affordable, good quality services for children is essential if it is a goal of social policy that children are not raised in poverty (CPA, 2005:68). Countries with minimal interventionist strategies in family and childcare policies have proven to contribute to higher levels of child poverty, than countries where governments' intervention is high, and access to childcare services is guaranteed (Chapter Two). At the current rate, a mother with two children will receive ¤ 283.20 per month. Even based on the 2002 NCNA childcare costs estimate for

39 Although, as and from 2004, a habitual residency test has been introduced, so the measure is arguably no longer 'universal'.
40 In addition to the universal childcare benefit, a number of targeted measures exist to support parents in meeting child rearing costs, the principal of these being Child Dependent Allowances (CDAs), Family Income Supplement (FIS) and the One Parent Family Payment. (For more detail on these schemes see CPA, 2005).

Dublin, the monthly childcare costs for two children amounts to ¤ 1,473, meaning that the increased Child Benefit, assumed by the Government to be a major strategy in tackling child poverty and assisting parents in meeting the '*costs of caring*,' does not even cover a fifth (19.2%) of the monthly childcare bill.

The OECD has criticised the strong reliance by Government on this form of benefit to support childcare needs of families, arguing that such payments act as a deterrent for lone parents in light of the high childcare costs they will be forced to meet through additional income. Child Benefit cannot be expected to contribute to the development of accessible, affordable, quality early childhood education nor assist parents in meeting these additional '*costs of caring for their children*'[41]. Childcare services require direct investment in their own right, if the guarantee of quality, affordable childcare is to be realised.

3.4.4 Meeting Childcare Costs

With the exception of a limited number of childcare places[42], parents in Ireland pay for childcare from their own private means. Funding initiatives to date have focused on increasing capacity, through targeting financial resources towards capital costs to the neglect of the issue of affordability for parents and users of services. Affordability remains an issue yet to be addressed, despite the pivotal role it plays in policy formulation in Europe and further a field. Providers set their own private rates, which can be subject to considerable variety based on type of service, location, age of child, and number of hours for which children attend services. For the purpose of this research, data has been compiled from four recent studies; Irish Congress of Trade Unions (2002), the Quarterly National Household Survey (2002), the Fingal County Childcare Census (2005) and the National Children's Nurseries Association (2002).

A weighted average for urban and rural areas was subsequently calculated to provide as accurate data as possible on current costs, given the limited research available. Based on these costs, analysis was conducted on the proportion of income consumed by childcare costs in Ireland for a range of different income groups and family circumstances (Table 3.1). According to this data, childcare costs account for approximately 20% of earnings for lone parents with one child; and between 33% and 43% of earnings for lone parents (on the average industrial wage) with two children (depending on whether the parent is in full or part-time employment). The situation is worse for parents on the minimum wage. Of particular note is the high cost borne by lone parents on the minimum wage with two children where between 61% and 78% of income is consumed by childcare costs. Such data demonstrates the infeasability of financing childcare cost, particularly those on the low salaries, to finance childcare costs from private means, creating substantial disparities in equality of access to childcare services (based on household composition and income), and in turn, the labour market, education and training opportunities.

41 Recommendations by the CPA of a two tier Child Benefit Structure, where on the one hand Child Benefit continues to be paid on a universal basis for all children with an additional Child Benefit Supplement for families whose income falls below a certain threshold regardless of whether their income comes from employment or social welfare are supported by the NWCI. (See CPA 2005).

42 In 2003, it was estimated that the Health Board subsidized 7,000 places for children. In addition, many community facilities offer reduced childcare rates to users of services, due to the often limited financial means of households in their catchment areas.

Table 3.1: Effect of Childcare Costs on Wages in Ireland

	Average Industrial Wage	Minimum Wage
Families with one child aged 2		
Lone parent family, PT employed	20.75%	38.07%
Lone parent family, FT employed	18.60%	34.13%
Two parent family, 1 FT employed, 1 PT employed	5.93%	10.88%
Two parent family, both FT employed	9.30%	17.06%
Families with two children aged 2 and 4		
Lone parent family, PT employed	42.49%	77.96%
Lone parent family, FT employed	33.41%	61.30%
Two parent family, 1 FT employed, 1 PT employed	12.14%	22.27%
Two parent family, both FT employed	16.71%	30.65%

3.4.5 Implications of Childcare Costs

Indeed, high childcare costs and their impact on equity of access have been repeatedly acknowledged as an issue of concern in successive studies (Goodbody (1998), CSO (2002), OECD (2002,2003,2004)). In its 2004 Review, the OECD warned that such costs are unsustainable, even in the medium term.

A comparative report of childcare costs in Ireland, Austria and Japan conducted by the OECD estimates the average parental expenditure for childcare in Ireland to be at least twice that of Austria and Japan. '*The average fee paid in Austria amounts to 5% of Average Production Employee, 8% of APE in Japan and 20% of APE in Ireland*[43]. *Furthermore, these costs rise to 50% of APE for two children in daycare, further reducing financial incentives to work and equity of access to childcare and early education service's* (OECD, 2003:146). The Goodbody Report (1998) found parents with two or more children needing childcare would increasingly be forced, by cost considerations, to find it within the informal childminding sector, which is often unregulated, leading to quality concerns. Parents may be forced to use childcare of lower quality, (which in turn impacts on children's development), simply because they cannot afford to pay the higher costs, usually charged by day care centres.

The OECD Employment Outlook (2002) shows that Ireland has a particularly high female drop-out rate after the birth of a first and second child, many of whom are well educated and a loss to the economy. CSO (2002) figures corroborate that remaining in work is often not an option for Irish women when a second child is born. Typically, a second earner in a couple family, with two young children in chidlcare, with earnings at two thirds of average salary, has no net return from work after childcare costs (OECD, 2003). A recent Irish Times article, reported that estimates due to be given to the Taoiseach and his Ministers show that a parent retuning to work would have to earn ¤ 16,000 just to cover the average weekly cost of childcare in Dublin of ¤ 130 (Irish Times, 15 June, 2005).

Affordability remains a critical issue, both in terms of labour market policy, and the best interest of young children. The lack of current support, hinders women's equality and participation in education, training and employment. It has particularly strong implications for vulnerable households (i.e. lone parent and low-income households) in terms of ease of access to the labour market and their ability to access developmental and learning opportunities for their children. Such high costs have negative implications for equality among children, as very often children from the most vulnerable households, who have been proven to benefit most from early intervention, are excluded. Quality ECCE has a powerful and lasting impact on child development for all children, but particularly for those

43 The Average Production Employee refers to the average gross wages earnings of adult, full time workers in the manufacturing sector of each country. In 2002, this was ¤ 25,330 in Ireland (OECD, 2003).

children at risk of educational disadvantage. Inequity to such services in Ireland, exacerbated through high costs, jeopardises equality amongst children from a very early age, and makes it more likely that inequalities will persist throughout later life. Investing in educational interventions at primary school is too late to maximize impact on the development of children and their later school success (Hayes, 2004). The benefits of ECCE for vulnerable children are discussed in detail in Chapter Four.

3.5 Addressing Accessibility and Affordability

Public investment in early education and childcare services in Ireland remains low, both by international comparative standards and by national comparisons on other areas of social policy expenditure. We estimate that Ireland spends 0.4**% of GDP on early education and childcare services**[44] **compared to the** 2.0**% spent by Sweden,** 2.4**% in Denmark and** 1.43**% in Finland (OECD,** 2001**).** In its Thematic Review of ECEC Policy in Ireland, the OECD made a number of damning conclusions relating to:

- **Gender Equity**
  It would appear that the policy implications of equality of opportunity for women are still not clearly recognised either in the labour market or family spheres. High drop-out rates from the labour market, the increasing number of women in part-time work, the low participation of older female cohorts are all signs, that traditional patterns of gender inequality still exist. **Supports for women with children are few: parental leave is meager, affordable early childhood services are scarce and fiscal support for young children in childcare does not yet exist**. (OECD, 2003: 64, added emphasis)

- Parental Leave
  Paid, flexible and job-protected maternity and parental leave schemes of at least one year are seen as an essential component of any comprehensive strategy to support working parents with young children, and a necessary element in labour market and family policy. (OECD, 2003: 70-71, added emphasis)

- **Provision**
  With the exception of the infant school for children from four to six years, **a critical volume of centre-based services has yet to be developed in Ireland. The situation can be even less promising for children born into situations of disadvantage, in which women with low educational levels tend to remain unemployed and live in poverty**. (OECD, 2004; 65).

The Report (OECD, 2004: 81) made a number of key recommendations around accessibility and affordability including:

- *Lengthening the period of parental leave to one year, with a guarantee both of salary replacement and job protection*

- *The expansion of access to all 3 – 6 year old children on the basis of a free morning education session, followed by a subsidised, fee-paying, pre-school program in the afternoon at the local school or adjoining premises, conducted by the community/voluntary sector.*

- *Providing a normative grant to accredited providers or a weighted subsidy to every child who uses an accredited childcare, educare or out of school places.*

- *Supply side financing (e.g. increased building grants and operational subsidies for communities providing services in disadvantaged areas).*

- *Removing barriers to affordability for low- and modest-income families through capping parental fees and providing operational subsidies to accredited center-based or networked providers of each eligible child present in their service.*

The Report warns that ignoring these challenges will lead to a further widening of the gap in comparison to other

44 Includes funding provided through the National Development Plan (¤449m including 170m in EU transfers), funding through the Health Boards (7.8m) and funding provided for the Early Start Programme provided in Primary Schools nationally (1.98m). The NESF Report estimates this figure at 0.2% GDP highlighting ambiguity around what the actual government spend in the area is.

European countries..... *if reaching the European targets is a real goal for Ireland, the present funding commitment must increase* (OECD, 2004: 89)

3.6 Conclusion

While early education and childcare services have moved up the agenda in the past decade or so, and a number of initiatives have been introduced at both local and national level, a substantial amount has yet to be accomplished if Ireland's early education and childcare policies are to meet the standards of its EU counterparts. It is clear that financial measures introduced to date have targeted supply side financing. The majority of funding available under the EOCP has been targeted at increasing capacity through the provision of financial incentives to providers. However, a policy that addresses affordability for users of services, has yet to be implemented. With the exception of a very small number of children[45], the vast majority of children receive no such financial supports making Ireland's childcare situation somewhat unique in European and (increasingly) international terms. This lack of subsidisation threatens gender equality, the reduction of women's and child poverty and hinders parents in meeting work-life balance choices. In addition, a lack of subsidisation will compromise the quality of early childhood care and educational services that parents can access thus compounding existing disadvantage. However, perhaps the most detrimental impact of these high childcare costs is on our very young children, who are often denied the developmental and learning supports, offered through quality ECCE, which their EU counterparts take for granted.

In light of increased international investment in the provision and subsidisation of childcare, particularly in the last decade, coupled with Ireland's exceptionally strong economic growth it is urgent that Ireland address and respond to its laggard position in relation to issues of affordability and accessibility in ECCE.

45 Children who have access to reduced rates in community crèches, or Health Board assistance in meeting costs.

chapter 4

Why subsidise? Benefits of ECCE & Extended Care Services

ANTI-POVERTY
Universal
WORK-LIFE BALANCE
AFFORDABLE
FAMILY-FRIENDLY
choice
QUALITY
child-centred

chapter 4

4.0 Introduction

Governments in developed countries have played an increasingly interventionist role in both the supply and demand side measures of childcare provision and policy in recent years. There has been an unanimous move towards improved maternity and parental leave provisions, universal access for children of pre-school age and subsidisation of costs for other forms of childcare (i.e. care outside of pre-school and school hours). Childcare has rapidly moved up the political agenda, in countries, such as the UK, which heretofore, had played only a minimal interventionist role. There has been considerable investment in childcare in Ireland since 2000, through the EOCP. However, investments to date have largely targeted supply side measures through financial provisions to reduce the capital costs of establishing and or expanding childcare facilities. Despite the high childcare costs, subsidised financing remains unavailable, meaning that parents, particularly mothers, either struggle to meet costs from their own financial means, or withdraw from the labour market for indefinite periods of time to care for their children privately. This makes Ireland somewhat unique in EU terms, given the variety of measures in place to subsidise parental costs elsewhere. So, when so many other countries are subsidising childcare costs, what are the costs to Ireland of not implementing subsidisation policies?

This chapter reviews international research dedicated to assessing the benefits of the subsidisation of childcare from this perspective. It addresses the importance of childcare policies in supporting women's empowerment and equality. It highlights the potential and existing failures from the current lack of financial supports in Ireland, and also assesses the positive outcomes from subsidisation for children, parents, government and wider society.

4.1 Links Between Quality and Benefits

Prior to discussion around the benefits of early education and childcare services, it is essential to consider the vital role of 'quality' within such services. While a review of quality requirements in childcare services is beyond the remit of this report, it is nonetheless essential to emphasise from the outset, that the only way in which the full benefits of subsidisation can be achieved is through ensuring that all subsidised services provide ECCE and extended care services of the highest quality.

There is substantial evidence that quality of childcare matters for child outcomes. Although definitions of quality are not agreed on internationally or even within a given country or community, there is general consensus among researchers that certain inputs contribute to positive short and long term outcomes for children. At the systemic level, these inputs include: adequate levels of investment; co-ordinated policy and regulatory frameworks; efficient and co-ordinated management structures in place; adequate levels of staff training, salaries and working conditions; pedagogical frameworks and other guidelines; and regular system monitoring based on reliable data collection (OECD, 2001). Indeed, the 2003 *Effective Provision of Pre-school Education (EPPE) Project: Findings from the Pre-School Period* report on effective pre-school provision in the UK found that good quality can be found across all types of early years settings but that quality was higher overall in settings, integrating care and education. The Study found that, high quality pre-schooling is related to better intellectual and social development for children, and those settings in which staff have higher qualifications have higher quality scores, and children make more progress (Sylva, K. et, al 2003).

There is substantial evidence of an inextricable link between financial resources and childcare quality within childcare service (OECD (2001), Leseman (2002), CECDE (2004)). One of the inherent dangers of leaving childcare to the private market centres around the impact such a laissez faire policy can have on the quality of service, which jeopardizes the actual benefits accruable to users of the service. When services rely primarily on revenue from families with limited budgets, they must keep the costs down, creating a tension between the financial viability of services, affordability for parents and high quality service provision for children. Repercussions can be far reaching - without adequate resources, staff often subsidise under funded systems with foregone wages and benefits, leading

to difficulties in recruiting and retaining a well qualified workforce, one of the fundamental requirements for high quality service provision. It also constrains the choices of low income parents who cannot afford the full cost of ECCE, and may force them to settle for lower quality care for their children (CQCQ Study Team, 1995).

International findings demonstrate that the most effective strategy in combating such risks requires direct investment into services. This strategy has been adopted by countries, such as Denmark and Sweden, which are now regarded by many as providing amongst the best pedagogue models in the world (Quebec and the UK have also adopted this approach – Chapter Two). Indeed, the Irish Government applies direct investment strategies into primary and secondary education, facilitating all schools in meeting certain quality standards, through a guarantee of financial resources - a strategy which has not been mirrored in ECCE and extended care services. Direct investment into services can also contribute to sustainability in the sector.

It is therefore essential that all childcare services are developed, and operated, to the highest standards of quality. There are a number of ongoing initiatives in Ireland aiming to advance, and enhance quality measures in the childcare arena, in light of its universally accepted intricate impact on positive child outcomes. The CECDE has conducted a considerable amount of work in this regard including its two reports; '*Insights on Quality; An Audit of Policy, Practice and Research (1999 – 2004,) and Making Connections; A Review of International Policies, Practices and Research*' and is currently finalising the design of the National Quality Framework for all early education and childcare services for children aged 0-6 years in Ireland.

4.2 The Benefits of Investment in ECCE and Extended Care

The UNICEF document 'Why Invest in Young Children' (2005), succinctly encapsulates the various arguments for, and benefits of, subsidisation:

1. A human rights argument: children have a right to live and to develop to their full potential.
2. A moral and social argument: through children humanity transmits its values. That transmission begins with infants. To preserve desirable moral and social values in the future, one must begin with children.
3. An economic argument; society can benefit economically from investing in child development, through increased productivity and cost savings.
4. A programme efficacy argument; the efficacy of other programmes (health, nutrition, education etc) can be improved through their combination with programmes of child development.
5. A social equity argument: by providing a 'fair start' (or at least the best possible start) it is possible to modify distressing socio-economic and gender related inequities.
6. A political argument: children provide a rallying point for social and political actions and build consensus and solidarity.
7. A scientific argument: research evidence demonstrates that the early years are critical in the development of intelligence, personality and social behaviour and that there are long term effects associated with a variety of early education programmes.
8. Changing social and demographic circumstances; the increasing survival of vulnerable children, changing family structures, country to city migration, women in the labour force and other changes require attention to early care and development.

It is within this context that the many benefits of investment in ECCE, and extended care, are analysed; and the arguments not only justifying, but also demonstrating, the essential need for investment, are presented.

4.2.1 Benefits to Children

'It is easy to make a strong case that it is better to direct resources at younger children to give an equal start in life than to fund older children once patters of behaviour have been established'. (Duncan, Giles, 1996: 51)

One of the most pertinent points of argument around the need for, and benefits of, subsidisation, is that supportive family policies that is those that assist parents in making work/life choices, and ECCE services, are good for children. The best evidence that is available strongly suggests, that good childcare is beneficial for children's development, both for the cognitive, language, and academic skills of children, and for the social behaviour of children in the family, and classroom (Cleveland, Krashinsky, 1998**). There is an abundance of research which shows, that supporting children's development in their early years, can help prevent the emergence of the social and educational inequalities which will become evident as children progress through school and into work (Currie, Thomas (**1995**), Cleveland, Krashinsky (**1998**)). There is also a potential link, backed up by many empirical studies, between cognitive and non-cognitive skill development in the early years, and subsequent earnings potential in adulthood (Daycare Trust,** 2005**).**

Policy makers have recognised that equitable access to quality ECCE can strengthen the foundations of lifelong learning for all children, and support the broad educational and social needs of families (OECD, 2001). Assessments of quality Early Childhood Development (ECD) programmes have found that they contribute importantly to the pre-school development of cognitive and language skills; to provide disadvantaged children with a head start in primary school when formal instruction starts; reduce grade retention; reduce the need for special education and other remedial coursework; lower dropout rates; increase high school graduation rates, and higher levels of schooling (Lynch, 2004, Leseman, 2002).

Universal access to ECCE is sought, as a means of promoting equality of educational opportunity, and ensuring that all children, especially those in need of special support or 'at risk' of school failure, experience the necessary conditions, so that they are ready to learn when they start primary school. Indeed, it is universally accepted that participation in ECCE programmes provides an opportunity to identify children with special needs, or 'at risk' and intervene as early as possible, in order to prevent, or minimise, difficulties and disadvantage.

There is an array of longitudinal studies and evaluations on the benefits of ECCE programs, many conducted in the US, partly because of their long history of targeting statutory funding on early education programmes for 'at risk groups'. Fewer comprehensive studies on the benefits of ECEC have been completed in Europe, partly because of the universal element of many, which eradicates a control group to assess impact. The EPPE study in the UK, the first European Study of child development, between the ages of three and seven, and does provide valuable data. Reputable studies on the benefits of ECCE include;

A recent RAND Assessment of nine early intervention programmes found, that all were successful at, raising children's cognitive test scores or school achievement, as measured by higher IQ scores; raising school achievement test scores; reducing time in special education; raising grades; reducing grade repetition, and raising rates of graduation from high school[46]. In general, it was found that programs that intervened earlier, and more intensively, had stronger outcomes than those that intervened later, and less intensively and programmes that included a follow through element were found to be more successful at sustaining gains than those which did not (Waldfogel, 2002).

The Headstart Programme (US), born in the 1960's and now provides early childhood services (parent support and health monitoring) for over 800,000 children per year[47]. In their assessment on the impact of the programme on participants[48], Currie and Thomas (1995) reported that, '*Head Start closes over one third of the gap between children attending the program and their more advantaged peers*'. The study found a 6% increase in language ability and a 47% decline in grade retention for programme participants

46 The one exception to this finding was the Elmira PEIP, which was a parental support program that used a home visiting model designed to reduce abuse and neglect.

47 Head Start and Early Head Start are comprehensive child development programs which serve children from birth to age 5, pregnant women, and their families. They are child-focused programs and have the overall goal of increasing the school readiness of young children in low-income families.

by age 10, results which they estimate would lead to an on average increase of 4% in expected future earnings. These results continue for at least 20 years, as children grow up affecting high school completion, and enrolment in college and university (Cleveland & Krashinsky, 1998). Head Start continues to enjoy broad public and bipartisan success in the US with the program now expanding; Early Head Start now delivers services to children in the first three years of life, and Head Start Follow Through is now following Head Start children into the school years, to see whether Head Start gains can be better maintained if follow-through services are provided (Waldfogel, 2003).

The Perry Preschool Project[49] also demonstrates the gains of ECCE and found that by age ten, 17% of programme participants had been held back a grade or placed in special education, compared to 38% of children who not attended the pre-school programme. By age 27, 71% of participants had graduated from high school compared to 54% of non-participants. Fewer participants had ever been arrested, 57% versus 69% of control group, and the average number of arrests was about half that of the control group, 2.3 versus 4.6. Participants were more likely to have significantly better lifetime earnings opportunities – a 71% employment rate (with average monthly earnings 59% higher), compared to 59% for non-preschoolers. 59% of preschoolers had received welfare, (or other social services), in the past ten years, compared to 80% of non pre-schoolers and 57% of female participants were single mothers compared to 83% of non preschoolers (Lynch, 2004).

The Osborn and Milbank Study (1987), the first major evaluation of British preschool education, assessed a wide range of service types, and found similar types of effects for nearly all. The study assessed children using cognitive and educational tests at five and ten years, and found that children who had no preschool placement, achieved the lowest mean test scores in four out of the seven tests, and had the second lowest score in the other three. Children in different types of preschool arrangement, from full-day, full-week day nurseries, to part-day, part-week playgroups with parental participation, scored about one-third of a standard deviation higher, on school performance tests at age ten, than their counterparts with no preschool experience, even after controlling for a wide variety of potential alternative explanations. Since school performance at age ten is positively correlated with the decision to take post-secondary education and with future family income, this is strong evidence of the long-term effects of early care and education (Cleveland & Krashinsky, 1998).

The EPPE Project, an ongoing UK longitudinal evaluation on effective provision of pre-school education, has found that pre-school education enhances children's all round development, compared to children who had no pre-school education. From the analysis of children's development during pre-school compared with 'home' children, EPPE found that pre-school attendance improves *all* children's cognitive development, and aspects of social behaviour, such as independence, concentration, co-operation, and peer sociability. Children with no, or limited pre-school experience had poorer cognitive attainment, sociability, and concentration when they started school. The Study has also found, that disadvantaged children can benefit significantly from good quality pre-school experiences, especially if they attend centres that cater for a mixture of children from different backgrounds. EPPE found that one in three children were 'at risk' of developing learning difficulties at the start of pre-school, but the proportion had fallen to one in five by the time they started primary school (Sylva et al., 2003).

Ireland embarked on its ambitious national early intervention programme, called Early Start, in 1994. **The 1969 Rutland Street Project**, which served disadvantaged children, was found to produce short term gains in children's test scores and long term gains in the rates at which children stay in school and take exams for higher education (Waldfogel 2002).

48 Curry and Thomas (1995) conducted their assessment on the impact of the programme using data on siblings, one of whom had participated in the programme, the other of whom (the control group) had not. They compared the later effects of the programme, holding constant many family type factors.

49 The High/Scope Perry Preschool Project, began in 1962 and is the focus of an ongoing longitudinal study 0f 123 high risk African American children. Participants were of low socioeconomic status, had low IQ scores with no organic deficiencies (i.e. biologically based mental impairment), and were at high risk of failing school.

4.2.2 Benefits to Women's Empowerment

The lack of affordable childcare in Ireland has a direct negative impact on women's participation in all aspects of social, cultural and political life. Whilst quality childcare provision is only one of a number of factors which impact on women's empowerment, it is nonetheless a critical one and the provision of accessible, affordable childcare is subsequently strongly supported by the NWCI, in addition to a wider range of supports to enhance women's empowerment.

In endorsing the Beijing Platform for Action, at the Fourth World Conference on Women in 1995, the Irish Government expressed their determination to '*take all necessary measures to eliminate all forms of discrimination against women and the girl child and remove all obstacles to gender equality and the advancement and empowerment of women*' (BPfA,1995: Pg 9). The UN Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) also commits State parties to, '*take in all fields, in particular in the political, social, economic and cultural fields, all appropriate measures, including legislation, to ensure the full development and advancement of women , for the purpose of guaranteeing them the exercise and enjoyment of human rights and fundamental freedoms on a basis of equality with men*' (CEDAW,1979:7). Given the primary caring responsibilities which women still hold, in a largely unsupportive social and political environment, it is clear that the goal of true gender equality, that is, '*where women and men have equal conditions for realising their full human potential, enjoying civil rights and for contributing to and benefiting from social, cultural and political development*' (DJELR, 2004:6), cannot be met, until a real commitment to ensuring that every child has access to quality and affordable ECCE is given, and realised.

Key elements of promoting gender equality include a focus on building women's participation, addressing poverty amongst women and children and meeting the needs of lone parents.

Building Women's Participation

'*If women remain on the margins of the state we only have marginal opportunities for making marginal change*' Rosa Maria Torres, Director of Literacy Campaign, Ecuador.

> *'Lack of suitable and affordable childcare and social care provision is an obvious yet still significant problem for women who wish to be involved, this is particularly the case for women living in areas where provision is poor and for women parenting independently...women's participation remains hampered by a lack of choice and options when seeking care for their children.*
>
> (CWC, 2003: 19)

As a signatory of the CEDAW, the Irish Government agreed to "*...take all appropriate measures to eliminate discrimination against women in the political and public life of the country*" (CEDAW, 1979: Pg 8). Family friendly policies are a pre-requisite for the facilitation of active participation by women in all aspects of society. While it is acknowledged that a number of barriers to female participation exist, it is accepted that the lack of affordable quality childcare often constrains women's participation in the decision-making processes of public life. The unwillingness of successive governments to address the urgent childcare crisis has aided the marginalisation of women from the public sphere. Equal participation and representation of women and men in decision-making, is one of the five objectives of an EU Council Decision, adopted in 2000, for a Community Framework Strategy on Gender Equality. The democratic deficit, which persists in Irish society, is vividly reflected in female participation rates across all sectors of public life:

- In 2004, Ireland had the sixth lowest proportion of women in parliament of the twenty-five EU member states. In 2004 women represented only 13.3% of TDs in Dáil Eireann. This reflects a growth rate of 1% over the past ten years. At this rate it will take 370 years for the percentage of women in the Dáil to reach 50%.

- In 2004 approximately only 17% of local authority members and 14% of regional authority members were women.

- Women accounted for 64.5% of staff in the general Civil Service in 2004. Of which just 11.8% were at Secretary General level. (CSO, 2004; 26-27)

The restrictive and often prohibitive cost of quality childcare coupled with structural and attitudinal barriers to the participation of women in power and decision-making has resulted in the under-representation of women and a culture of exclusion.

"Women's equal participation in decision-making is not only a demand for simple justice or democracy but can also be seen as a necessary condition for women's interests to be taken into account"

(BPfA,1995:109)

4.2.3 Addressing Poverty Amongst Women and Children

The promotion of gender equality involves the development of strategies to tackle women's poverty and the persistence of child poverty. The recognition of the continued feminisation of poverty by the United Nations is reflected in the Beijing Platform for Action, which states that "*In the past decade the number of women living in poverty has increased disproportionately to the number of men....Women's poverty is directly related to the absence of economic opportunities and autonomy, lack of access to economic resources...lack of access to education and support services and their minimal participation in the decision-making process*" (BPfA, 1995: 38-39)

Statistical analysis of current poverty trends reveals the high proportion of women living in poverty and at risk in Ireland;

- More than half of those earning below minimum wage are women
- 23% of women are at risk of falling below the poverty line (CSO, 2005)
- Between 1994 and 2000 the risk of poverty for households headed by a person over 65 rose significantly, from 6% in 1994 to 43% in 2000 and 36.4% in 2005. This group is largely women (Ibid)
- Lone parents are consistently at high risk of poverty; in 1994 32%, in 2000 46.7%, and in 2005 42.3% were at risk of relative poverty (Ibid)
- The gender pay gap persists with women currently earning 17.5% less than men (CSO 2004).

Not only does a gender differential exist with regard to rates of poverty, it also exists in the causes of poverty. 'If gender relations structure the experience of women and men in different ways, then consequently, the risk and duration of poverty for women may differ, the incidence of poverty may vary between the sexes, the trigger events which spark of a spell of poverty may be substantially different' (Conroy, 1997:36). Women's life chances are conditioned by their relations and status within the family. Women's dependent economic status, whether in the home, the welfare system or the work force contributes to a differing experience of poverty between the sexes. The NWCI in its submission to Government on the Review of the National Anti-Poverty Strategy, highlighted the direct relationship between the responsibility for caring and women's poverty. It argued that the lack of childcare supports for parents reinforces women's poverty in Irish society, as it perpetuates women's economic dependence and prevents women's from taking the necessary steps to move out of poverty (NWCI 2001). The Combat Poverty Agency also highlighted the urgent need to address the issue of childcare to combat women's poverty in its submission to the Government on the National Plan for Women.(CPA, 2002).

Child Poverty

On average, government interventions reduce by 40 per cent the rates of child poverty that would theoretically result from market forces being left to themselves. ...There is nothing inevitable or immutable about child poverty levels; they reflect different national policies interacting with social changes and market forces.(UNICEF, 2005: 2-3)

Table 4.2.3: Level of Statutory Intervention and Child Poverty Rates	
Countries with high intervention strategies	**Child Poverty Rates**
Denmark Sweden Nordic Countries	2.4% 4.2% 3.2% (Average)
Countries with low intervention strategies	
UK Ireland USA	15.4% 15.7% 21.9%

In the Nordic countries, where gender neutral policies operate, and in France where pro-natalist policies operate, the number of children living in poverty is much lower. Table 4.2.3 illustrates the impact of such strategies on rates of child poverty.

A principal objective of the UK's increasingly interventionist role in family and childcare policy is that of the elimination of child poverty by 2020. Child poverty in the UK fell by 3.1% during the 1990s, the highest reduction of any OECD country. Child poverty in Ireland, simultaneously increased by 2.4%, despite having the highest record levels of economic growth of any OECD country in the same time period.

Concern about child poverty and its impact on child development suggest a need for a multi-faceted approach to: reduce poverty among lone-parent families; reduce the proportion of children in workless households; reduce severe wage inequalities at the bottom end of the income scale; and prevent too wide a gap from opening up between state benefit payments and average wages. It is essential that in addition to income support, the provision of affordable, accessible, good quality services for children (including ECCE and extended care services) is essential to reach the social policy goal of lifting all children from poverty (CPA, 2005).

4.2.4 Women's Participation in the Labour Market

One of the primary driving factors for increased statutory investment in childcare in recent times has been its increasingly important role in facilitating and maintaining high levels of female employment. Women's employment has increased from 40.1% in 1994 to 55.8% in 2004[50] (CSO, 2004). However, while the participation of women in the paid labour force has risen dramatically, and brought greater economic independence to many women, economic segregation between women and men remains a structural inequality throughout the wage economy. Despite equal opportunities policies in education and employment, and despite some positive changes, such as the entry of both women and men into some non-traditional areas, patterns of segregation along gender lines persist. Women are concentrated in caring, service and clerical work and in the public sector, and men in industry, the (declining) manufacturing sector, and the private sector. Men continue hold the majority of most senior positions across employment sectors (including areas like teaching, traditionally dominated by women). Women are still massively over-represented in low-paid, low-status jobs and under-represented in higher posts. The gender pay gap persists at 17.5%.

Table 4.2 presents the employment rates of females with children in OECD countries in 2000. Irish female employment fell from a high of 65.8% for women with no children, to 51.0% for women with one child to only 40.8%

50 This compares to 75.2% for Irish men in 2004.

Table 4.2: Employment Rates of Females with Children in 2000

	No Children	One Child	Two or More Children
Austria	76.0	75.6	65.7
Belgium	65.6	71.8	69.3
Denmark (1998)	78.5	88.1	77.2
Finland (1997)	79.2	78.5	73.5
France	73.5	74.1	58.8
Germany	77.3	70.4	56.3
Greece	53.1	53.9	50.3
Ireland	65.8	51.0	40.8
Italy	52.8	52.1	42.4
Netherlands	75.3	69.9	63.3
Norway	82.9	83.3	78.0
Portugal	72.6	78.5	70.3
Spain	54.6	47.6	43.3
Sweden	81.9	80.6	81.8
UK	79.9	72.9	62.3
OECD 23	73.7	70.6	61.9

Source: OECD (2004) Early Education and Care Policy: A Country Note for Ireland. OECD Directorate

for women with two or more children in 2001 (OECD, 2004). The implications of this can be far-reaching: there is substantial evidence, to suggest that lengthy periods outside the labour market can be detrimental to women's career progression, earnings potential and can have huge impacts on her and her family's economic well-being (OECD 2001). This is particularly pertinent for lone parents (discussed in Section 4.3), but impacts on the economic independence of all mothers (a key requirement for reducing poverty) and in turn their career and life opportunities.

Since the 1960s, a key issue of family related gender policies has been the extent to which family policies increase women's economic independence (Neyer, 2003). Growing concern around the feminisation of poverty has been a key reason for the policy shift towards facilitation of female labour market participation through a range of family and employment policies. Childcare subsidies enable a faster return to work, and hence any skill loss of women after childbirth can be mitigated (Duncan, Giles, 1996). Indeed, this can be verified by the high employment rates of women with two or more children in countries with family friendly childcare policies; 78% in Norway, 77.2% in Denmark and 73.5% in Finland (OECD, 2004). Ireland had the lowest employment rate for mothers with two or more children of 20 OECD countries in 2000 (Ibid).

The **expense of childcare** can lessen the financial benefits of working, especially if the financial burden is placed wholly upon the parent(s). Public investment by national, regional or local government is therefore necessary to make a childcare system affordable. The impact of childcare costs on women's decision to remain in or withdraw from the labour market can be illustrated through econometric studies which attempt to quantify the negative impact childcare costs exert on female labour supply. Powell (1997) and Cleveland, Gunderson and Hyatt (1996) both found that a 10% increase in the expected price of childcare correlates with reductions in the probability that a mother

will engage in paid employment of 3.8% and 3.9% respectively. Powell further suggests that a 10% increase of childcare costs corresponds with a 3.2% decrease in the number of paid hours that mothers work.

Affordability issues are particularly pertinent for low income and lone parent households – meaning employment gains are not always shared equally. International experience has found that mothers with lower levels of education, who have worked in less skilled occupations, are most likely to be offered (and take) low paid leave. Women with children who have completed higher levels of educational attainment usually have at least twice the level of labour market participation than their counterparts with lower qualifications, and they are also more likely to work full time. This has led to a simultaneous increase in both workless and fully employed households in many countries and a growing gap between work rich and work-poor households (OECD, 2003).

Family and childcare policies are vital in promoting gender equality and in enhancing economic independence and security for women with children. The extent to which women with children have institutional supports that enable them to choose the option of employment facilitates both gender equality and economic well-being amongst families. Income support measures to improve parent employability and targeted early interventions can improve children's life course chances and promote social cohesion.

4.2.5 Lone Parents

Accessibility issues are particularly relevant for low income and one parent households, the vast majority of whom are women[51]. Lone parents face particular challenges; they carry the dual responsibility of being the main breadwinner and the main carer in a labour market where caring responsibilities may not be recognised (Bradshaw, Finch 2002). They also have a high poverty risk, particularly in Ireland where 42.3% of lone parents are at risk of poverty. Their situation makes them especially vulnerable as their participation in education, training and the labour market depends to a greater extent than for married women on social policy provisions.

Ireland has one of the lowest rates of lone parent labour market activity at 45%, compared to 76% in France, 81% in Austria, 84% in Japan (OECD 2003). In many countries, additional financial supports are provided or rights of access to services for lone parent households to support their education, labour market participation, their children's development and to reduce their risk of poverty . Irish policy has consistently done the opposite - a disregard of small earnings for temporary jobs, plus a lack of quality childcare ensures that it is not advantageous for lone mothers to seek regular half or fullday employment. In addition to direct benefits to children's development, the subsidisation of ECCE services can play a pivotal role in reducing poverty rates amongst lone parents and their children. Measures to address such poverty will only be successful and sustainable if accompanied by such subsidised services.

4.3 Statutory Return on Investment

Investing in ECCE delivers significant return to the state. Increasing women's labour supply could potentially reduce the exchequer costs of a scheme through lower social security expenditure and higher income tax and National Insurance revenue. Distributional effects will also be changed if women alter the number of hours a week they work – more women tend to work part-time hours, possibly due to the difficulties of balancing work and family life[52].

Good childcare allows more parents to work, which in turn benefits society through taxes paid by those parents. It also allows more parents to participate in education and training, increasing the skills base of a society. This is especially true for parents on welfare because the reduction in public expenditures when poor parents are employed is

51 The proportion of women heading lone parent families with children under 20 has gradually increased from around 87% in 1994 to 91% in 2004 (CSO, 2004)

52 While high female labour force participation is becoming more common across OECD countries, the work patterns of men and women continue to differ. Part-time employment has increased in the last decade in most OECD countries, and typically accounts for over 20% of total female employment and 10% or less of males. A high level of part-time work among women may be a sign of difficulties in combining family life and a career.

significant (Cleveland, Krashinsky, 2003). The NAPS establishes the importance of paid employment as a primary route out of poverty; it is through paid employment that most social insurance contributions are paid and most income is earned. It is through paid employment that occupational pensions are ensured. These will be increasingly important elements of total pensions income in the future. Increased female employment is important not only to support future welfare state's finances as the population ages, but also as a remedy for child poverty.

Many of the long-term benefits of the subsidisation of childcare accrue to the State through the positive developmental benefits quality ECCE programmes have on young children which continue right through to adulthood. The return to society of the Perry Preschool programme[53] , was $258,888 per participant on an investment of $15,166 per participant – a rate of $17.02 per dollar invested. Of that return, $195,621 went to the general public - $12.90 per dollar invested – and, $63,267 went to each participant - $4.17per dollar invested. Of the public return:

- 88% ($171,473) came from crime savings (e.g. male programme participants cost the public 41% less in crime costs per person).
- 4% ($7,303) came from education savings
- 7% ($14,078) came from increased taxes due to higher earnings (e.g. pre-school programme participants earned 14% more per person than they would have otherwise).
- 1% ($2,768) came from welfare savings (Schweinhart, 2000).

The Chicago CPC programme[54] also yielded significant returns to the state. The preschool programme provided a return to society of $7.14 per dollar invested by increasing economic well-being and tax revenues, and by reducing public expenditures for remedial education, criminal justice treatment and crime victims. The extended intervention programme (4 to 6 years of participation) provided a return to society of $6.11 per dollar invested while the school-age programme yielded a return of $1.66 per dollar invested. The overall cost per participant was $7,417 while the estimated benefit was $52,936 (estimated Benefit-Cost ratio 7.14) (Reynolds et al., 2002).

4.4 Conclusion

The benefits of generous maternity and parental leave and quality early education and childcare services are multiple. Children have a right to live and to develop to their full potential. The provision of accessible early education has proven to provide children from disadvantaged backgrounds with a more equal start in life. The benefits of early childhood education and care continue right through to adult lives, through greater success in the education system, improved employment opportunities and reduced social problems (e.g. crime). Accessible ECCE and extended care facilitates women's equal participation in all areas of society. It enhances women's economic independence, which in turn leads to greater female employment, career continuity, career progression and economic security for households with children. Employment reduces the poverty risks faced by women and children. Family friendly policies can impact positively on work/life balance as well as providing the State with a mechanism for mitigating the pensions crisis. The provision of accessible childcare also enhances women's social and political rights, by ensuring strong supports are available to facilitate their engagement in all aspects of social, political, civil and economic society.

Despite such widespread acceptance of the benefits of ECCE and extended care services, international developments (in the developed world) have continued to supercede developments in the Irish context. The lack of progress moves Ireland further out of line with our European neighbours and further away from creating a society which promotes women's equality through ensuring appropriate supports to guarantee their

53 At the dollar rate for 2000, discounted at 3%
54 The Chicago Child Parent Centre (Illinois, 1997 to present) is located in public schools and provides comprehensive educational and family support services to low-income children from ages 3 to 9.

participation in all aspects of society. However, perhaps the most pertinent and culpable risk of the lack of investment in childcare is that of the stolen opportunities to provide all children, but particularly our most vulnerable children a better start in life through quality educational and developmental supports. This neglect means that children born into vulnerable households in Ireland will from the earliest stages be at a disadvantage to their wealthier peers, a disadvantage which usually persists throughout the life cycle (Section 4.2.1). It is in this context that we present our proposed model for the subsidisation of childcare, in the hope that adoption of the model will bring Ireland in line with its EU counterparts and more importantly provide children with the best possible start in life.

chapter 5

The Proposed Model

ANTI-POVERTY
Universal
WORK-LIFE BALANCE
AFFORDABLE
FAMILY-FRIENDLY
choice
QUALITY
child-centred

chapter 5

5.0 Introduction

*Ireland's strong economic performance is a new context within which to seek major improvements in social protection. The challenge is both to facilitate as many people as possible in playing a role in the economy **and** provide tangible proof – in the form of improvements in the quality of life for everyone – that good economic performance is leveraging the creation of a more just and attractive society.*

(NESC, 2005: 1)

Ireland's welfare state currently uses a moderate to low proportion of national resources in providing services. This is despite Ireland having a level of wealth – whether measured in GDP, GNP or GNI per capita – that compares favourably with other EU Member States (Ibid). Research to date has highlighted Ireland's laggard position in relation to government intervention and expenditure on family and childcare policies. This lack of intervention has negative consequences for the equality of women (and particularly women as mothers) in relation to public participation and labour market participation precipitated through inaccessible childcare services which hinders holistic female participation in society. This lack of intervention also contributes to higher than average levels of child poverty and often means that children growing up in vulnerable households are excluded from ECCE services which have been internationally proven to support children's social, emotional and cognitive development, providing them with a more equal start in life to their advantaged peers. A poor start for any child is an ethical challenge and undermines Ireland's economic and social aspirations (NESC, 2005)

The growing body of evidence highlights the necessary statutory intervention in making childcare services accessible to *all* households. Irish social policies must evolve and adapt to the changing needs of households, and the growing body of evidence suggests that childcare policies to date have been ineffective in meeting the needs of *all* women and children. As childcare costs continue to rise, it is likely that the number of children excluded from services and women subsequently from education/training/ labour market and public participation will increase further. The need for greater statutory intervention in family and childcare policies is corroborated through the very recent NESC Report *The Developmental Welfare State* (2005) and the NESF Report on *Early Childhood Care and Education*, which includes a series of proposals for addressing the current gaps within ECCE.

Chapter Five presents the proposed subsidised Model of childcare, outlining the various components necessary to ensure accessible childcare structures for all children and a ten year implementation strategy for the Model. The Chapter also includes a preliminary economic cost benefit analysis on Childcare subsidisation in the Irish context.

5.1 Rationale for a Subsidised Childcare Model

An accessible model of quality childcare facilitates parents in making choices around their child rearing and labour market behaviour, facilitates female participation in public spheres and supports women wishing to avail of education and training opportunities. Equally the model aims to ensure that *all* children regardless of household income are entitled to and can access quality developmental supports from an early age. In order to redress the current accessibility and affordability issues in childcare, perpetuated by high costs and negligible levels of subsidisation, it is necessary to ensure the design of an inclusive model where no child is excluded from early education and childcare services because of household income. The implementation of the proposed model will:

- ensure equity of access for *all* children, regardless of household income to quality developmental supports which will enhance their social,

emotional and cognitive development, thus providing all children with an equal start in life.

- Support the development of a regulated quality accessible childcare sector.
- Support gender equity and parental choice by promoting a greater sharing of care between mothers and fathers and provide parents with a real choice to either stay at home and care for their children, remain in the labour market while rearing children, or balance both.
- Support women's equality by removing the current barriers to employment, education and training experienced by women whose choices are currently restricted by high childcare costs.
- Facilitate reductions in child poverty and women's poverty through facilitating parental employment (and subsequently higher household incomes) and through ECCE services for all those requiring it.
- Facilitate greater female participation in the public and political spheres through the provision of quality supports for their children which support their more active role in society

The proposed model provides a ten year period for full implementation of all components, commencing in 2006 to 2015. Given current childcare capacity shortages and projected increased demand on implementation of the model, it is necessary to phase in components of the model on a gradual basis to facilitate the sector in growing to meet demand (e.g. capacity requirements, staff recruitment, administrative structures etc.). International experience has proved that phasing in elements of the model facilitate time to build capacity. A lack of long-term strategy in building capacity can lead to long waiting lists, and parents being forced to find alternative early education and childcare services in the interim, particularly in the early years of newly subsidised programme (e.g. the Quebec Model phase in period was somewhat shorter and led to high demand, insufficient capacity and long waiting lists. Evidence available from the Irish review has found that current childcare supply is already very limited, indicating a requirement to implement the model on a phased basis to allow appropriate time to build capacity to the required levels.

Children's Eligibility to Early Education and Childcare Under Proposed Model

- All three year olds and all four year olds (who are not in primary school education) will be entitled to 3.5 hours free early education per day for 48 weeks of the year, regardless of parental income. This proposal is corroborated through NESF's recent proposal recommending universal access to ECCE services for all three year old children.
- Where parents are engaged in full-time employment, education and/or training thereby requiring extended care, their children will be entitled to a subsidised place in a quality service, at one of three levels of subsidisation based on a parental income test, outlined in 5.2.D.

Delivery of the Model

5.2.a The Subsidised Childcare Model will be based upon mixed delivery of provision. It will utilise the existent diverse range of early education and childcare services and recommends that any further services to be developed, to meet increases in demand should build upon and complement the existing provision.

There are a diverse range of early education and childcare services in Ireland, a supply which has been boosted significantly through the EOCP programme, operational since 2000 (See Chapter Three). The Model will utilise these existing services and recommends that any additional services developed to meet demand should build upon and complement the existing provision of early education and childcare services for children from birth to fourteen. The proposed Model of mixed delivery of provision includes services provided by childminders, private and community full day care services, crèches, sessional and full day early education services, playgroups and

5.2 Model Components and Implementation Strategy

Component	Implementation Strategy
Care Provisions for Children aged 0 – 12 months:	
● Paid maternity leave to increase to 26 weeks	To be extended from its current 18 weeks to 26 weeks by year 2 2008: 2 weeks in year 1 etc. 2006 and 3 weeks in 2007 and 2008.
● 5 days paid paternity leave (to be taken within one month of birth)	To be introduced on an incremental basis: 3 days in 2006, 4 days in 2007 and 5 days and 5 days in 2008.
● 26 weeks paid parental leave	To be introduced on an incremental basis, commencing in 2007 with an increase of four weeks per annum through to 2012 and two weeks in 2013.
Subsidised Early Childhood Care and Education (ECCE):	
● Universal ECCE for all three and four year olds.	To be introduced on an incremental basis between 2006 and 2007 with places provided for all four year olds not attending primary school in 2006 and extended to all three year olds in 2007. Under the Programme, each child will be entitled to attend for 3.5 hours per day five days a week for 48 weeks of the year.
● Subsidised Extended Care[55] for three and four year olds.	To be introduced on an incremental basis between 2006 and 2007 with places provided for all eligible four year olds in 2006 and extended to all eligible three year olds in 2007.
● Subsidised Full Day Care for one and two year olds.	To be introduced on an incremental basis between 2009 and 2010 with places provided for all eligible two year olds in 2009 and extended to all eligible one year olds in 2010.
● Subsidised Extended Care for five to fourteen year olds.	To be introduced on an incremental basis between 2009 and 2015 with places provided for all eligible five and six year olds in 2009 and extended by each age group per annum up to 10 year olds in 2013. In 2014 places will be provided for all eligible 11 and 12 year olds and all eligible 13 and 14 year olds in 2015.

55 Extended Care refers to additional care provided outside pre-school and formal schooling hours, such as 'after-school' care.

after-school care. This will provide parents with a diverse range of options from which to choose the most appropriate option according to their children's needs. It is expected that the proportion of services delivered by the different types of providers will evolve over time.

Capital Funding
The Model assumes the continuation and expansion of the current EOCP capital programme to support increases in childcare capacity to meet the required demands from the model. Capital costs in relation to increased capacity have therefore not been costed into the Model, but the assumption is made that statutory investment will be made to cover the additional capital costs of the proposed model. It is worth reviewing the once-off funding schemes available under the Quebec low-fee day care system as an indication of the variety and level of funding implemented by the Quebec government to increase service supply to meet the needs of the low-fee programme (Appendix One). Similar to the DayCare Trust Proposal (2004; 11): *'The hope would be that increased funding levels* (though capital programmes and subsidisation) *would attract significant numbers of new providers into the market, as well as providing a secure basis for existing providers to expand'.*

5.2.b It is proposed that the subsidy will be paid directly to the provider, as is the practice in many countries where subsidisation policies exist, including the Nordic States, Quebec and the UK.

International practice demonstrates that the most effective strategy in facilitating the development and delivery of quality sustainable services is through direct investment into services, an approach adopted the Irish government for primary and secondary education. Financial support provided directly to settings is intended to enhance the quality of the service provided to children and its development and sustainability.

5.2.c All services must be approved as meeting the required quality standards prior to eligibility for subsidy entitlements. Once a service has been approved as meeting quality requirements, it will then be awarded a quality mark and will be free to advertise as a subsidy approved service[56].

Approval as meeting certain quality standards is a requirement of all statutory subsidised models of childcare in Europe and internationally. In Australia, for example, families must send their children to an approved Quality Improvement and Accreditation System (QIAS) centre, to be eligible for fee subsidies through the Child Care Benefit (CCB) system (OECD, 2001). While a study of the proposed quality requirements is beyond the remit of this study, the research team are aware of the ongoing work of the CECDE in relation to the design of a National Quality Framework, and recommend this Framework as a potential strategy against which services could be assessed for approval to subsidy entitlements.

Quality Early Education and Child Care
It is through quality care that the full benefits of subsidised childcare are maximised for all key stakeholders (i.e. children, parents and the State – see Chapter Four). A potential model against which to assess and ensure quality is the National Quality Framework (NQF). The Quality Standards within the Framework refer to all aspects of early childhood education including equipment and materials, staff qualifications and training, learning objectives,

56 The White Paper on Early Education (1999) also proposed the introduction of a Quality in Education mark (QE).

teaching methodologies and related areas. A second aspect of the NQF involves the provision of a range of supports for ECCE practitioners towards enhancement and implementation of quality (e.g. mechanisms for providing advice, mentoring, information, resources and communication networks). Similar quality measurements must also be outlined for school-age children (six years plus, who are not incorporated under the NQF), prior to approval for subsidisation.

Ensuring high quality within services is costly. It will require additional workforce training, support and guidance, continuing professional development, adherence to various regulatory requirements, appropriate pay and conditions for staff, linked to a nationally agreed pay scale, good management practices and the promotion of professionalism throughout the entire sector (IPN, 2005). However, while costing for 'quality' requirements is beyond the remit of this study, it is assumed, given its fundamental role in effective ECCE and extended care services, that additional funds will be made available to meet the implementation costs of the National Quality Framework, and such costs are consequentially not included in the NWCI model.

5.2.d Parents will be entitled to select approved childcare services of their choice and subject to an income test, will be allocated one of three rates of subsidisation to meet childcare costs. Once a parent has selected a service, the agreed subsidised rate will then be paid directly to the provider, and the parent will, where appropriate, pay the remainder of costs.

Overall to make good quality education and care affordable for all families who want it, the OECD (2001) recommend that parental contributions average no more than around 30% of total costs. The rate can vary however, according to income. The proposed level of subsidy within the Model correlates with OECD recommendations (with a reduced subsidy for those on higher incomes, whose financial means are greater).

The Model proposes three different levels of subsidisation for those in employment, training and/or education[57];

- All families, regardless of income will be entitled to a 50% subsidisation of childcare costs;
- Those families who pay income in the 20% tax band will be entitled to 75% subsidisation of costs; and
- Parents whose income is set at the minimum wage will receive full subsidisation of childcare costs.

Income Test

The universal element of the Model for children 3 and 4 years will be free for all children. An income test will apply for the remaining features of the model.

5.2.e The subsidisation programme should be managed by one Government department designated with the responsibility for childcare policy (see Section 3.2.1.) Local administration and co-ordination of the programme could be managed on a countywide basis, perhaps using the County Childcare Committees.

International practice in several countries has a two tier management structure for childcare policies where the programme is managed

57 In order to guarantee that the subsidization of childcare will improve the well-being of households and reduce the number of households living in poverty in Ireland, it is recommended that in-depth testing be conducted to ensure it is proofed against poverty traps. This will also involve testing for poverty trap risks as an individual moves from a higher to a lower level of subsidization as income increases.

centrally by the appointed government department, and managed locally by either local authorities or local government. For example, in Denmark, the Ministry of Education has policy responsibility for pre-school classes and SFO (school based leisure facilities). The local authorities then determine the objectives and the framework for work carried out in day-care facilities and schools, and they are responsible for funding and supervision. Independent providers must then work with the local authority, and meet their regulation requirements and operating guidelines to receive municipal grants (OECD, 2001).

5.2.f As is the case in the majority of countries where the State subsidises childcare, the rates charged by services will be capped, regulated and reviewed.

In order to guarantee that parents pay fees at the agreed capped rates of either 50%, 25% or 0%. (5.2.d), childcare fees will need to be set and regulated by the appointed government department in consultation with the County Childcare Committees. The current lack of regulation means that fees are set by the provider and can vary significantly from service to service. Setting maximum fees in approved quality services will facilitate parents in choosing services that meet their children's choice. Such practice is applied in a number of countries. For example, the Quebec and Manitoba government sets specific maximum fees that can be charged by regulated childcare settings that receive provincial funding (OECD, 2003(a)). Similarly, municipalities in Norway, which provide financial support to private *barnehager* have the right to set rules governing parent's costs. Every half year, a review is conducted of parent's fees operated by municipalities and in *barnehager* with municipal economic supports (OECD, 1998).

5.3 Implementing the Model

5.3.a Care Provisions for Children aged 0 – 12 Months

1. To increase paid maternity leave to 26 weeks by 2008[58].
2. To introduce 5 days paid paternity leave (to be taken within one month of birth) by 2008.
3. To introduce 26 weeks paid parental leave by 2013. Either parent can avail of paid parental leave up to a combined six month maximum period (i.e. a father or mother could take the six month leave in its entirety or parents could divide the six month period between them).

Rationale

Benefits around the impact of parental leave on children's development are less well documented than the repercussions of such policies on maternal labour market behaviour. There are nonetheless a considerable number of studies, which highlight the rationale for investment in parental leave policies in terms of the benefits to children, including improved social and cognitive development and stronger parent-child relationships.

Indeed the OECD (2004) regard paid, flexible, and job-protected maternity and parental leave schemes of at least one year, as essential components of any comprehensive strategy to support working parents with very young children. The proposal to extend the period of paid parental leave, is intended to extend the choice to all parents to look after their children at home during their first year of life. Generous parental leave policies are recognised as having an important role in attracting women into the labour force, and maintaining their attachment to the labour force (Kamerman, 2000). The proposed period of paid parental leave is in addition to existent (albeit unpaid) parental leave provisions. The phased introduction of paid parental leave for 26 weeks is to ensure sufficient

58 In addition to 18 weeks paid maternity leave, there is currently an additional provision for eight weeks unpaid maternity leave.

provisions are in place to facilitate parents in spending the first year of life with their child.

Although the immediate consequence of this extended leave may be that employment rates for parents with children aged up to twelve months fall, in the longer term it could boost employment by helping parents (particularly, but not only, mothers on lower incomes) to remain attached to the workforce, rather than not returning to their jobs because they feel that 4.5 months (or 6 if they can afford to take up unpaid maternity leave) is too early an age to be leaving their child in formal care (Daycare Trust, 2005). Such a proposal would also bring Ireland more in line with EU standards.

Note on Paternity Leave Provision

While parental leave is designed for both parents, in the majority of countries, fathers do not generally take advantage of this. In Germany, 1.6% of parents on parental leave were fathers in 1999, and in Japan, this figure is lower at just 0.4% (Bradshaw, Finch 2002). There has been an increasing move amongst a growing number of countries to encourage fathers to take leave, and care for their children, either through the implementation of a 'daddy quota', where a certain proportion of parental leave must be taken by fathers or lost, (e.g. Austria, Germany, Norway) or through the implementation of paternity leave policies specifically designed for fathers. The length of leave varies between countries. Norway is most generous in terms of provision, providing four paid weeks and a job guarantee on return (which forms part of 52 weeks parental leave, but can only be taken by the father). France offers eleven days paternity leave or 18 days in the case of multiple births, which must be taken on consecutive days within four months of the birth, and can be combined with three days additional leave given for the birth of the child. Sweden offers ten days which must be used simultaneously with maternity leave (Bradshaw, Finch, 2002). Spain and Belgium offer two and three days paid leave respectively. Portuguese fathers are entitle to two weeks paid paternity leave, five weekdays of leave that must be taken in the first month upon childbirth, and 15 calendar days of paid leave which must be taken upon use of the five day period or the 'shared maternity' leave period. Fathers are entitled to two weeks of unpaid paternity leave in New Zealand, while such leave is not legislated for in Switzerland and is rarely provided voluntarily, even among large enterprises (OECD, 2004). The recommendation of five days paid parental leave falls somewhat centrally in terms of international provisions, but does however represent a timely policy move, in yet another area of family and childcare policies which is currently in a state of recasting. It will be necessary to review and possibly increase the duration of paternity leave over time.

Cost of Implementation

In 2003, the Government paid ¤107.33 million in maternity benefit to 30,211 mothers, constituting an investment of approximately 0.1 per cent of GDP annually.[59] This accounted for approximately 49% of all births in that year.[60]

The assumptions underlying the costing for each component of the proposed model of 12 months parental leave are outlined in Appendix Three. Table 5.3(a) presents the total annual cost of implementing these measures (See Tables A1 to A3 in Appendix Four for a more detailed breakdown of these costs). Parental leave is costed under the same strategy as currently applies for maternity benefit through the Social Insurance system.

Implementing extended maternity benefit, and introducing paternity and parental leave, over the course of the first three years is estimated to cost the state just under ¤151 million by 2008, approximately

59 Figures provided by the Department of Social and Family Affairs.
60 The CSO (2004) estimate that there were on average 62,000 births per annum between 2002-2006.
61 GDP is estimated to grow at a rate of 2 % per annum and is based on the 2004 level of GDP at current market prices (Department of Finance, 2005). Total Government Expenditure is expected to grow in line with GNP remaining a constant 40% of total GNP which in turn is also predicted to grow at a rate of 2% per annum. Baseline figures for Total Government Expenditure are for 2005 (Department of Finance, 2005)

Table 5.3(a): Total Cost of Proposed Model of Parental Leave (™)

Year	Incremental Cost of Extending Maternity Benefit(a) ('000)	Cost of Paternity Leave Proposal (b) ('000)	Cost of Paternal Leave Proposal (c) ('000)	Total Annual Costs (d) ('000)	% GDP(e)	% Total Government Expenditure (f)
2006	17,271	5,181	-	22,452	0.01%	0.04%
2007	44,040	7,046	35,232	86,318	0.06%	0.15%
2008	71,873	7,187	71,873	150,933	0.10%	0.25%
2009	73,311	7,331	109,968	190,610	0.12%	0.31%
2010	74,777	7,478	149,556	231,811	0.14%	0.37%
2011	79,638	7,964	199,091	286,693	0.17%	0.45%
2012	81,230	8,123	243,689	333,042	0.19%	0.51%
2013	82,855	8,285	269,276	360,416	0.21%	0.54%
2014	84,512	8,451	274,666	367,629	0.21%	0.54%
2015	86,202	8,620	280,158	374,980	0.21%	0.54%

Notes:

(a) Additional annual cost of extending maternity benefit from 18 weeks to 26 weeks on a phased basis.

(b) Annual cost of introducing 5 days paid paternity leave on a phased basis.

(c)Annual cost of introducing 26 weeks paid parental leave on a phased basis.

(d) Total annual cost of proposed model.

(e) Total annual cost as a percentage of GDP (current prices).

(f) Total annual cost as a percentage of total government expenditure (current prices).

0.10% of GDP, or 0.25% of total Government expenditure[61].

When Maternity Benefit is full phased in, a 67% increase in the current level of state investment in the provision of maternity benefit (18 weeks), would cover the cost of this measure. Introducing the proposed parental leave model from 2007 onwards is more costly, estimated to cost just over ¤35 million in 2007 rising to over ¤280 million by 2013 upon full implementation (¤217 million in 2005 value terms, respectively). This assumes a high level of uptake of paid leave and as such can be considered an upper bound to the potential cost of the initiative[62]. Overall, when fully operational, the proposed Model is estimated to cost the state approximately 0.21% of GDP per annum. Full implementation of the proposed model would require a 2.7-fold increase in the current level of state investment in this area.

Benefits

The potential social benefits of the proposed model of parental leave are summarized in Chapter 4. Many of the benefits, such as children's social, emotional and cognitive development, and improved parent-child relationships are difficult to quantify and beyond the remit of this study. However, it is worth noting that several researchers have suggested that generous periods of leave following childbirth improve (or have the potential for improving) child health (Kamerman et al., 2003). Ruhm (2000) suggests potential benefits to children's cognitive development from longer paid and job-protected parental leave (perhaps 6-9-12 months) or other 'family friendly' policies that facilitate time at home with infants. Parental leave also leads to longer periods of breast feeding and less maternal stress (Galtry, 2000). Parental leave also provides an alternative to, expensive and/or inadequate quality, out-of-home care for infants (in Kamerman et al,

62 Uptake by women of paid parental leave tends to be high in Nordic countries, for example 90 per cent in Sweden and low in other countries such as the Netherlands where around 40 per cent of women avail of paid parental leave (Wilkinson *et al.*, 1997).

2003). The evidence from abroad identifies that subsidisation programmes of this kind can also have significant economic effects on society and highlights a significant gap in the provision of measures of this kind within the Irish system compared with international standards.

As outlined in the rationale for introducing a model of paid parental leave, there is much evidence to suggest that there are economic benefits, as well as social and parent-child benefits, to be gained from facilitating parents in caring for their children in the home until their first birthday. In particular, a model of the kind proposed here allows parents to maintain a connection to the workforce otherwise lost if they decide to formally withdraw from the labour force (Kershaw, 2004). The fact that such provisions are available in the Nordic countries, where the rate of employment of mothers with two children is at least 30% higher than in the Irish context demonstrates the potential long-term financial gains to the exchequer from implementing generous parental leave provisions in the child's first year. In tandem with the model for universally subsidised childcare presented in the next section, which will provide parents with a real choice about a return to the workforce after the first year of parenthood, the paid parental leave model presented here has the potential to significantly impact on continued labour force participation, future earnings and productivity levels, while simultaneously providing parents with real choices and opportunities to balance work and family life.

5.3.b Subsidised Early Childhood Care and Education

As outlined in Section 5.1, the following four elements comprise the proposed Model of subsidised early childhood and education:

1. Universal early education for all 3 and 4 year olds: Phased implementation between 2006 and 2007 with places provided for all four year olds not attending primary school in 2006 and extended to all three year olds in 2007.
2. Subsidised extended care for 3 and 4 year olds: Phased implementation between 2006 and 2007 (as before).
3. Subsidised full day care for 1 and 2 year olds: Phased implementation between 2009 and 2010 with places provided for all two year olds in 2009 and extended to all one year olds in 2010.
4. Subsidised extended care for 5 to 14 year olds: Phased implementation between 2009 and 2015 with places provided for all eligible five and six year olds in 2009 and extended by each age group per annum up to 10 year olds in 2013. In 2014 places will be provided for all eligible 11 and 12 year olds and all eligible 13 and 14 year olds in 2015.

Rationale

The case for investing in care and education in the early years has been outlined in Chapters 2 to 4. From an economic perspective, the rationale for government investment of the kind proposed in this model is clear: investment directed at developing social, emotional and cognitive skills of the young yields a significantly greater return than similar investments made at a later stage in life (Heckman & Cunha, 2005). There are two logical reasons for this. Firstly, social skills developed at an early age provide children with the ability to learn and acquire skills throughout their lifetime. Secondly, the young have a longer time horizon from which to yield returns to such an investment. As such, programmes of this kind can be considered as a prevention mechanism, as contributing to a more equitable society, and a more efficient use of government funding due to the potential for greater returns from similar levels of investment in programmes aimed at education in the later years. It is for such reasons that the universal access to early education for *all* children regardless of financial means has been endorsed within the Model. Ireland is now in a unique position in EU and increasingly international terms, because of its laggard position in this regard. It is now one of the very few countries in Europe that does not provide universal access to early education for at least two years prior to the commencement of statutory schooling.

Cost of Implementation
The assumptions underlying the costing for each component of 5.3(B) are outlined in Appendix Three. Table 5.3(b) presents the total annual cost of implementing these measures. See Tables A4 to A7 in Appendix Four for a more detailed breakdown of these costs.

Universal Early Childhood Care and Education for All Three and Four Year Olds

It is estimated that the total cost of the programme in the first implementation phase will be ¤1,551 million (¤1,482 million in 2005 value terms). Spread over the first three years this will require an investment of 0.15% of GDP in 2006 and 0.4% in 2007 and 2008. By 2008, just under 95,000 children aged three and four will receive subsidised early education services and just over 56,000 will also receive some form of subsidised extended childcare depending on the needs of the parents.

Upon full implementation of the measures proposed for three and four year olds the required level of government investment is expected to be in the region of ¤636 million annually, ¤537 million of which will be spent on universal pre-school education at a cost of ¤5,673 per child (2005 values). To place this per child cost in context, consider the current level of government expenditure spent on children at other levels within the education system. For example, government expenditure on primary level education for the state is approximately ¤4,537 per child (2003 estimate expressed in 2005 value terms). For third level, expenditure per student is substantially higher at ¤8,943 per student (2003 estimate expressed in 2005 value terms). Extending the same level of expenditure to early years education and care of three and four year olds in Ireland would cost approximately ¤870 million, more than covering the full costs of implementing the model.

Subsidised Full Day Care For One and Two Year Olds
It is proposed that the model is gradually extended to children in other age groups. Between 2009 and 2010, it is proposed that subsidised childcare places be made available for all one and two year old children according to need. It is estimated that this will cost the exchequer an additional ¤139 million in 2009 (¤123 million in 2005 value terms) and ¤293 million in 2010 (¤253 million in 2005 value terms). Upon full implementation beyond 2010, the strategy is estimated to cost approximately 0.2% of GDP annually benefiting more than 60,000 children every year.

Subsidised Extended Care for Five to Fourteen Year Olds
The final phase of the strategy involves gradually extending the subsidised care model to all children aged five to 14 years. The average cost per child is estimated at approximately ¤1,921 per annum or ¤1,576 in 2005 value terms and once fully operational it is estimated that the programme will require an investment of approximately 0.3% of GDP annually.

Overview of Combined Costs of 5.3.B
By 2015, the fully operational subsidised early years education and childcare model will cost the state just under ¤1,720 million per annum, 0.95% of GDP.[63] In 2005 value terms, this constitutes an annual investment of ¤1,411 million once the model is fully implemented. This will cover the operational costs of early years education and childcare places for approximately half a million children between the ages of one and 14. This does not include maternity, paternity and parental leave provision outlined in Table 5.3(a). As outlined in Section 5.2 (see Appendix Three), this cost does not take into account the capital cost of establishing these childcare places, nor the investment in the training of early years education and childcare workers necessary to improve and maintain quality standards in the sector or any additional financial costs to support 'quality' within services. An on-going commitment from Government in both of these areas through existing, or new, funding arrangements is essential to the success of the proposed model.

63 Currently the government invests 4.5% of GDP in total on education, 7.2% on health and 7.7.% on social and family affairs. In the case of the latter, approximately 1.7% of GDP is invested in social welfare measures aimed at supporting the elderly.

Table 5.3(b): Costs of Provision of Subsidised Childcare Model (e)

Year	1: Early Yrs Education (3-4 Year Olds)(a)		2: Extended Care (3-4 Year Olds)(b)		3: Full Day Care (2 Year Olds)(c)		4: Extended Care (5-14 Year Olds)(d)		Total Annual Costs ('000)	% GDP (f)	% Total Government Expenditure (g)
	Number of Places Provided	Annual Costs ('000)	Number of Places Provided	Annual Costs ('000)	Number of Places Provided	Annual Costs ('000)	Number of Places Provided	Annual Costs ('000)			
2006	30,800	178,226	25,043	46,412	-	-	-	-	224,638	0.15%	0.41%
2007	93,564	552,242	52,428	99,109	-	-	-	-	651,351	0.42%	1.16%
2008	94,728	570,294	54,369	104,836	-	-	-	-	675,130	0.43%	1.17%
2009	95,892	588,848	56,311	110,752	28,156	138,776	52,258	96,323	934,698	0.58%	1.57%
2010	97,056	607,916	58,253	116,862	58,253	292,864	79,799	145,800	1,163,443	0.71%	1.90%
2011	98,220	627,511	59,224	121,186	59,224	303,700	107,307	197,006	1,249,403	0.74%	1.98%
2012	97,992	638,575	60,195	125,636	60,195	314,853	135,683	251,748	1,330,812	0.78%	2.05%
2013	97,764	649,831	61,166	130,216	61,166	326,329	164,927	310,178	1,416,554	0.81%	2.12%
2014	97,536	661,282	62,136	134,928	62,136	338,139	222,861	424,117	1,558,467	0.87%	2.26%
2015	97,308	672,931	63,107	139,777	63,107	350,291	289,973	557,163	1,720,163	0.95%	2.42%

Notes:
(a) Total number of places and annual cost of providing early years education to three and four year olds on a phased basis.
(b) Total number of places and annual cost of providing extended care to three and four year olds on a phased basis.
(c) Total number of places and annual cost of providing full day care to two year olds on a phased basis.
(d) Total number of places and annual cost of providing extended care to five to fourteen year olds on a phased basis.
(e) Total annual cost of proposed model of early years education and childcare.
(f) Total annual cost as a percentage of GDP (current prices).
(g) Total annual cost as a percentage of total government expenditure (current prices).

64 Includes funding provided through the National Development Plan (449m including 170m in EU transfers), funding through the Health Boards (7.8m) and funding provided for the Early Start Programme provided in Primary Schools nationally (1.98m).

Currently, Government funding for childcare is estimated at approximately 0.4% of GDP.[64] An increase in the capital component of this level of funding will undoubtedly be required to meet the needs of establishing the range of facilities that will be necessary to meet the model requirements. While the level and extent of funding required to fulfil the capital requirements of this Model are not considered here, it should be noted that Ireland lags behind internationally in terms of the proportion of GDP invested in early years education and care. As far back as 1995, the *European Commission on Childcare* recommended that countries should spend 1% of GDP annually on early childhood education and care, a target that Ireland still falls significantly short of, with recommendations from the OECD to increase expenditure beyond this level into the future (UNESCO, 2004; OECD, 2004). Scandinavian countries such as Sweden and Denmark spend approximately 2% to 2.5% of GDP on early education and care. For the proposed Model to work, it is recommended that in excess of the 0.95% of GDP investment required to cover the operational costs of this Model should be provided to meet the potentially significant capital and other sunk costs associated with implementing the Model.

5.4 Economic Benefits

As discussed in Chapter 4, substantial benefits to children, women, parents and wider society are expected to result from the measures proposed in this model. The following outlines the expected economic benefits and returns from implementing the model.

5.4.1 Short Term Economic Benefits

In the Irish case, the returns to the state of facilitating employment creation and education participation through the proposed model of subsidised early childhood education and care are quantified by predicting the future contributions to the exchequer in the form of tax revenue.[65] The assumptions underlying this computation are presented in Appendix Three.[66]

Table 5.4(a): Total Short-Term Contributions/Savings to Exchequer (e)

Year	Additional Numbers in Employment(a)	Additional Contributions to Tax Revenue (b) ('000)	Savings in Health Board Current Funding (c) ('000)	Total Benefits (d) ('000)	Benefit per Child (e)	% GDP (f)
2006	-	-	8,035	8,035	261	0.01%
2007	8,086	37,697	8,196	45,893	490	0.03%
2008	14,790	70,324	8,360	78,684	831	0.05%
2009	21,493	104,242	8,527	112,769	640	0.07%
2010	28,196	139,489	8,698	148,186	630	0.09%
2011	31,548	159,191	8,871	168,062	635	0.10%
2012	34,899	179,625	9,049	188,674	642	0.11%
2013	38,251	200,813	9,230	210,043	649	0.12%
2014	41,602	222,777	9,414	232,192	607	0.13%
2015	44,954	245,539	9,603	255,142	566	0.14%

Notes:
(a) Number of additional women with children in employment each year as a result of proposed model.
(b) Annual contribution to exchequer in the form of tax revenue as a result of increased numbers employed.
(c) Annual reduction in Health Board spending on subsidising childcare places.
(d) Total annual benefits to the exchequer (column (b) plus column (c).
(e) Total annual benefit per child availing of subsidised place (see Table 5.3(b)).
(f) Total annual benefit as a percentage of GDP (current prices).

65 While it is also anticipated that many lone parents will enter employment as a result of the measures proposed in this model it is assumed that welfare payments such as the one-parent family payment, family income supplements, and rent allowances. will continue upon entering employment to ease the transition phase (NWCI, 2004).

The proposed measures are assumed to affect labour force participation rates of women with children in the following way: [67]

a) Participation rate to increase to 60% by 2010 (2% per annum from 2007 to 2010)
b) Participation rate to increase to 65% by 2015 (1% per annum from 2011 to 2015)

Five per cent of the increase in participation rates is assumed to account for mothers entering into education and training instead of employment, thereby not contributing to increases in tax receipts in the short term.

Total short-term benefits to the exchequer are detailed in Table 5.4 (a). Since the measures proposed in this model will provide places previously subsidised by the Health Board, this funding will no longer be required and as such will constitute an additional saving to the State.

The increase in employment alone, as a result of the measures proposed in this model are estimated to lead to a saving of 0.14% of GDP annually in the form of income tax receipts by the time the model is fully operational in 2015. These estimated savings are significantly less than the proposed costs of the model, estimated at 0.95% of GDP. The net short-term economic cost is therefore estimated at 0.81% per cent of GDP annually.[68] However, the short-term returns to the exchequer in the form of increased tax revenues are only a fraction of the potentially substantial returns that could be yielded over the longer term.

5.4.2 Long Term Economic Benefits

Over the longer term, there is strong evidence, experimental and otherwise, to suggest that the state will make substantial savings as a result of the social, cognitive and developmental effects ECCE can have on children. Chapter Four provided an overview of the extent of such benefits. Here we consider the impact that such outcomes can have on tangible factors that offer financial returns and savings to the state, for example, increased tax revenues as a result of higher levels of earnings and employment among programme participants, consequential reductions in welfare payouts, reduced criminal justice costs and reduced education costs due to lower levels of grade repetition.

Based on more general econometric evidence linking education to employment and earnings, it could safely be concluded that programmes of the kind considered here have the potential to significantly impact on the job prospects and future potential earnings of the children involved, through the direct effect that these programmes have on educational attainment. A wealth of literature exists documenting the return to educational attainment. For example, Harmon and Walker (1995) found that controlling for other factors, each additional year of schooling yielded a return of 15 per cent on earnings in the UK[69]. The earnings return to education has also been well documented in the Irish context. The evidence suggests a positive relationship between earnings and educational attainment with the earnings advantage increasing with the length of time spent in the labour market (Barrett *et al*., 2002; OECD, 2002). In addition, higher levels of education participation are associated with higher levels of labour force participation and lower unemployment risk. It therefore can reasonably be concluded that the strong positive link between early childhood intervention programmes and cognitive development and educational attainment, particularly for children

66 Since only short-term benefits are considered in this analysis, education participation will present an extra cost to the state in the form of lower tax receipts than if these individuals joined the workforce and higher levels of government expenditure on education and training. However, since over the long term the benefits are expected to far outweigh these costs, the net effect is not considered in this analysis.

67 Other direct employment effects not included here include the increase in employment within the childcare sector as the number of services provided increases or higher earnings within the sector due to better training yielding an increased return to the exchequer in the form of tax revenues.

68 These costs are not out of line with Daycare Trust (2005) model for early years education and care proposed for the UK which found a net economic cost ranging between 0.7 and 1.3 per cent of GDP.

69 Similar results were found by Ashenfelter and Krueger (1994) and Ashenfelter and Zimmerman (1993) for the US.

from disadvantaged backgrounds, will lead to better labour market prospects in terms of employment and earnings, for participants in such programmes.

ECCE programmes have also been found to have significant effects on crime and delinquency among programme participants, which can yield substantial savings to the state in the form of reduced government spending on criminal justice. For example, the High/Scope Perry Preschool Programme, the Chicago Child-Parent Centre Programme, and the Syracuse Family Development Research Programme all found evidence of significantly reduced criminal activity by programme participants compared with control groups. Cleveland and Krashinsky (1998) provide further support for the link between early childhood education and reduced criminal behaviour. In particular they cite a report conducted by RAND (see Greenwood *et al*., 1996), which found that when combined with perinatal and infant home visits early childhood education can significantly reduce criminal behaviour of 'at-risk' groups in society.

While it is possible to place a monetary value on many of these benefits arising from the model, it is difficult to specifically quantify what the return might be prior to the implementation of the model. The evidence, however, of the potential for substantial long-term savings to the state as a result of investing in early childhood education and care intervention programmes is clear.

5.4.3 Net Returns

International evidence suggests that over the longer term the economic benefits will substantially outweigh the costs involved. Evidence from three programmes of early childhood education and care implemented in the US suggests that the net economic returns from government investment of this kind are significant. They are, the High/Scope

Table 5.4(b): Returns to Early Childhood Care and Education Programmes: ($US) Experimental Evidence from Abroad

Programme	High/Scope Perry Pre-school	Chicago Child Parent Centre	Carolina Abecedarian
Investment per participant(a)	15,895	7,428	35,864
Return per participant(b)	138,486	52,711	143,674
Total return per $ invested(c)	8.74	7.1	4.01
Public return per $ invested(d)	2.51	2.91	1.57
of which:			
Increased tax revenue	29%	37%	52%
Reduced criminal justice costs	41%	37%	-
Reduced education costs	20%	24%	16%
Reduced welfare payments	10%	2%	32%*

Source: Bruner, C. (2004) *Many Happy Returns: Three Economic Models that Make the Case for School Readiness*. State Early Childhood Policy Network Resource Brief December 2004. Available at www.finebynine.org.

Notes:
(a) Total investment per programme participant in 2002 real $.
(b) Total return per programme participant in 2002 real $.
(c) Total return per $ invested including private returns in the form of higher net earnings for programme participants and reduced crime victim expenses in 2002 real $.
(d) Public return per $ invested included increased tax revenue, reduced criminal justice costs, reduced education costs due to fewer grade repetitions and reduced welfare payments in 2002 real $.
* This includes returns to the state in the form of reduced smoking-related and other health care costs.

Perry Preschool Project, the Chicago Child-Parent Centers and the Carolina Abecedarian Early Childhood Intervention Programme. Table 5.4(b) summarizes the public returns to each of these programmes under each category considered above.

Each programme yielded a significant net public return of between $1.57 and $2.91 per dollar invested (2002 $ values). Of this return the most significant savings were in reduced criminal justice costs (41% in the case of the High/Scope Perry Pre-school Project) and in increased tax revenue (52% in the case of the Carolina Abecedarian Programme).

5.5 Conclusion

The Model outlined in this chapter aims to support parental choice around child-rearing and labour market activity while simultaneously providing equity of access to early education for all children regardless of parental means. Such a strategy will assist in ensuring that all young children in Ireland are eligible for and have access to quality early education and care to support their developmental needs. The proposed Model also provides a variety of care options for all children from birth to fourteen years, to facilitate parents wishing to avail of work and training opportunities. The costs associated with implementing the Model are significant, amounting to just less than 1% of GDP annually. However, the required level of Government investment to implement the Model is not out of line with other developed countries and would bring Ireland up to international standards. Nor is it out of line with current levels of investment at primary, second and third level education. The Government's current low level of investment in early childhood education and care of approximately 0.4% of GDP, highlights the inadequacies in the extent of current Government support for early years education and care and out of school care for those requiring it. The argument to address this deficiency is significantly strengthened by the international evidence of the proven long-term benefits, economic and social, that investments of this kind can yield to children, parents and society. The long term returns to the state can contribute significantly to government social policy objectives by facilitating the redistribution of income, reducing poverty, increasing equality of opportunity and access, and promoting social inclusion. The emergence of a clear message from the academic literature, that investment in early years education and childcare, is far more productive than investments made later in life, further supports the need for a model of the kind proposed to be given serious consideration by policymakers interested in improving long-term social and economic outcomes for society as a whole.[70]

70 See Heckman and Cunha (2005) for example.

appendices

ANTI-POVERTY
Universal
WORK-LIFE BALANCE
AFFORDABLE
FAMILY-FRIENDLY
choice
QUALITY
child-centred

appendix 1

Once-off Funding in Support of Capital and Equipment Grants Under the Quebec Low-Fee Day Care Programme (Converted to Euro for Comparative Purposes)

Grant Type	Objective
One Time Funding	
Development grants	For professional services incurred by the project manager in setting up a facility ($8,000 [¤ *5,730*]).
Grants for purchase of property or construction of a facility	- the lesser of 40% of the actual cost, or $3,650 [¤ *2,614*] per space for the first 29 spaces, plus $2,000 [¤ *1,432*] per additional space, plus $80 [¤ *57*] per space for the family childcare component - for a tenant childcare centre wishing to purchase the building to avoid eviction from the premises, the grant is limited to 40% of the actual costs or $73,000 [¤ *52,281*]
Grants for enlarging facilities (to increase maximum number of children, if it involves increasing ground area of building or surface of existing facility)	The lesser of the actual costs, or $2,300 [¤ *1,647*] per new space, plus $80 [¤ *57*] per space for the family day care component when administrative premises are housed in facility.
Grants for refitting facilities (to help increase maximum number of spaces or add admin premises)	The lesser of the actual costs of $1,250 [¤ *895*] per new space, plus $80 [¤ *57*] per space for the family childcare component when administrative premises are housed in facility.
Compliance Grants (to help renovate leased/owned facility to comply with legal and/or regulation requirements)	The lesser of the actual costs, or $10,000 [¤ *7,162*] for the first seven spaces, plus $275 [¤ *197*] per additional space, and $80 [¤ *57*] per space for the family childcare component ($40 [¤ *29*] per space in lease facility) when administrative premises are housed in facility.
Grants to acquire assets of day care centre	An owned day care centre: 40% of certified actual costs or $3,650 [¤ *2,614*] per space for first 29 spaces, plus $2,000 [¤ *1,432*] per additional space A tenant day care centre: the lesser of certified actual costs or $34,000 [¤ *24,350*] for first seven spaces plus $1,200 [¤ *859*] per additional space
To purchase intangible assets	$750 [¤ *537*] per space

(Source: Friendly, Beach, 2005)

appendix 2

Recurring Public Funding for Regulated Childcare (2003/2004)[71]

Childcare Centres: Basic Allowance[72] (CAN$)	
Expenses related to the premises	The lesser of the actual expenses established by MESSF or an amount equal to $36,000 for the first 30 annualised spaces, plus $1,200 for each of the next 30 annualised spaces, and $1,000 for each annualised space beyond 60.
Overhead costs	$2,079.35 for each of the first 60 annualised spaces, and $1,351.60 for each annualised space beyond 60.
Performance	With the exception of brand new or expanded facilities, a deduction is made from the grant if the annual occupancy falls below 85% in some parts of the province and 80% in others
Childcare and educational expenses	$50.20 a day for children of 17 months and younger $32.70 a day for children aged 18 – 59 months
Family Childcare: Basic allowance (private home)	
Expenses related to premises	The lesser of the actual expenses by MESSF or an amount equal to $250 for each of the 50 annualised spaces, and $140 for each additional space
Overhead costs	$1,595.70 for each of the 50 spaces, plus $945.70 for each of the next 100 spaces and $868 for each additional space beyond 150
Performance	With the exception of brand new or expanded facilities, a deduction is made from the grant if the annual occupancy falls below 85% in some parts of the province and 80% in others
Childcare and Educational Expenses	A maximum $24 per day for children aged 59 months and younger and an infant supplement of $9.35 for children aged 17 months and younger

Source: Friendly, Beach (2005)

71 MESSF provides funding to CPEs through several basic and supplementary mechanisms that are calculated according to three financial parameters: annualised spaces on the license, annual occupancy and the annual occupancy rate.

72 Conversions to Euro are calculated by assuming inflation in costs of 2 per cent between 2004 and 2005 and is based on an exchange rate of E0.67 per CAN$.

appendix 3

Assumptions – Maternity Leave

- Costs are based on the current maximum payment of ¤249 per week with inflation of 2 % assumed per annum.[73]
- The number of births in each year is based on the Central Statistics Office (2004) *Population and Labour Force Projections 2006-2036*.[74]
- It is assumed that a total of 50% of mothers will be eligible for payments in each year. This is based on the fact that in 2002, 52% of mothers were in employment (CSO, 2002) and as such were potentially eligible for maternity benefit (assuming that they paid the required amount of PRSI).[75] However, based on 2003 statistics, the numbers of mothers availing of maternity benefit amounted to only 49% of births in that year.
- It is proposed that maternity benefit is extended to 20 weeks in Year 1 (2006), 23 weeks in Year 2 (2007), and 26 weeks in Year 3 (2008) with projected total and incremental costs presented through to 2015.

Assumptions - 5 Days Paid Paternity Leave

- Costs are based on the same rate as maternity benefit (¤249 per week or ¤49.80 per day) with inflation of 2% assumed per annum.
- The number of fathers of newborn babies in each year is based on the total number of births (as before).
- Costs are presented for the total estimated numbers of fathers and an assumed 50% uptake in line with the assumptions made for maternity benefit.
- It is proposed that 3 days paid paternity leave is granted in Year 1 (2006), 4 days Year 2 (2007) and 5 days in Year 3 (2008), with projected total costs presented through to 2015.

Assumptions – Parental Leave

- Costs are based on the same rate as maternity benefit (¤249 per week) with inflation of 2% assumed per annum.
- Previous assumptions made on numbers of eligible parents and uptake of places are also applied in the case of parental leave.
- It is proposed that 4 weeks paid parental leave is granted in Year 4 (2007), with an increase of 4 weeks per annum through to 2012, with the final two weeks introduced in 2013, with projected total costs presented through to 2015.

Assumptions – Early Childhood Education and Care

- Costs are based on the actual weekly cost that families currently pay for childcare places. This cost takes no account of the sunk costs[76] of expanding the childcare services sector, for example capital requirements, staff training, all of which are not covered by the rate that parents currently pay for childcare services. It is assumed that the cost of expanding and setting up new facilities to provide these places will be covered under the Government's continued commitment to the development of early education and childcare in Ireland under the auspices of the EOCP. Furthermore, it is assumed that the provision of new high quality childcare places does not impact on the cost of the service.
- Given that childcare costs in Ireland are not regulated, there is a significant lack of accurate data available on the operational costs of childcare services. A number of studies, have however, been conducted assessing childcare costs according to region (FCCC Census), costs by groups of parents (ICTU members) and random samples of the population (CSO). This research uses data

73 Not all mothers will be eligible for this amount. As such, this can be considered an upper bound to the level of payments that the government can expect to make under the programme.
74 Projections are based on the Fertility 1 (an increase in the fertility rate to 2.0 by 2011 to remain constant thereafter) and Migration 1 (immigration continuing at a high level to 2016 at and moderating thereafter) assumptions as defined by the CSO. As such, they represent upper bounds to the potential cost of implementation of the programme.
75 In addition, mothers already receiving certain welfare payments (for example, one-parent family payment) are entitled to a half rate maternity benefit. Statistics on this are not currently available and as such are not included in the model.
76 Sunk costs refer to irrecoverable expenditures that most often accrue at the start-up stage of a new enterprise.

Average Cost of Childcare Provision in Ireland (¤)			
	Dublin City	Other	Weighted Average
12-35 months			
Weekly Cost (Full Day Care)	164.34	88.61	108.79
Hourly Cost (Full Day Care)	4.11	2.22	2.72
3 -4 years			
Weekly Cost (Montessori)	51.4	51.4	51.4
Hourly Cost (Montessori)	2.57	2.57	2.57
3-14 years			
Weekly Cost (After School)	90.15	51.4	61.71
Hourly Cost (After School)	2.25	1.29	1.54

from four recent studies: the Quarterly National Household Survey (2002), the Irish Congress of Trade Union (2002) report, the National Children's Nurseries Association (2002) report and the Fingal County Childcare Committee (2005) report, and bases costs on a weighted average for urban and rural areas to provide as accurate data as possible on current costs (given the limited research available). The above table presents a summary of the average weekly costs assumed for each service in 2002. An annual increase of 2% per annum is assumed to account for inflation in costs. Due to the substantial difference in the costs of childcare services in Dublin compared with other areas, costs are disaggregated to capture this disparity.[77]

- Due to the limited amount of information available on the current costs and levels of usage of childminding services in Ireland, the costs associated with providing these services are not explicitly included in the model. While, childminding tends to have fewer operating costs compared with centre-based childcare, in this model it is assumed that the government's quality investment in the childcare sector will extend to childminders. As a result, it is assumed that the cost of childminding will be the same as other services. It is assumed that childminding accounts for 50% of total childcare provision in Ireland.
- The total number of children in each age-group is calculated based on projections from the Central Statistics Office (2004) *Population and Labour Force Projections 2006-2036*. The age groups defined by the CSO are 0-4 years, 5-9 years and 10-14 years. It is assumed that the numbers of children are evenly spread across each individual age. Divisions between Dublin and other regions are based on the Central Statistics Office (2001) *Regional Population Projections 2001-2031*.
- The number of required childcare places each year will be based on the assumed level of uptake of these places. This will be dependent on projected female labour force participation rates. Based on statistics from *Quarterly National Household Survey* (2003) childcare supplement it is estimated that 182,000 or 52% of mothers with children are at work. It is projected that this will increase to 60% by 2010 in line with the targets set out in the Lisbon Strategy, 2% per annum from 2007 to 2010. Between 2011 and 2015 it is projected that this rate will increase to 65%, the current rate of female participation for women without children, 1% per annum from 2011 to 2015. Due to a lack of information on the projected increase in the number of new families each year, annual increments in the required number of childcare places will build on the 2002 baseline numbers

77 These studies produce a wide range of costs, for example, weekly cost estimates for full day care services range from ¤ 120 to ¤ 208 in Dublin and from ¤ 80 to ¤ 98 for rural areas. The CSO produces the lowest estimates in all cases with each of the other studies producing estimates that are substantially higher. A more comprehensive estimate of costs is used here combining data gathered from all studies.

and thereby assume that the number of families with children remains constant over time. Should the number of families with children increase over time, to achieve a model that provides childcare places for all mothers targeted to enter into employment or education and training, a greater number of childcare places would be required.

- In computing the potential requirement of mothers entering into the labour force a number of demographic assumptions have to be made.
  - In 2002, 45% of families had one child, 36% had two children, 14% had three children and 5% had four or more children (CSO, 2003). These proportions are assumed to remain constant over time.
  - The model assumes that 65% of parents place their children in full-time care (50 hours per week) while 35% of parents place their children in part-time care (30 hours per week). This division is based on the proportion of mothers in part and full time employment in Ireland in the third quarter of 2004 (CSO, 2004). These proportions are assumed to remain constant over time.
  - In 2002, 17% of families with children were lone parents (CSO, 2003). This proportion is also assumed to remain constant over time.
- 50% of the total cost of childcare services will be universally subsidised. An extra subsidy will be granted based on parents income level ascertained through the use of a carefully designed income test. The additional subsidy will be granted on a sliding scale for three different categories.
  - Minimum wage earners, and those participating in education and training will receive a 100% subsidy. It is estimated that such a subsidy would be granted to 8.4% of female workers. This corresponds to the proportion of working women who are at risk of poverty based on the EU-SILC survey
  - Earners on the 20% marginal rate of tax will receive a 75% subsidy. The Department of Finance estimates that 32.6% of the countries workforce pay tax at the higher marginal rate It is therefore estimated that 59% of female workers will pay tax at the standard rate.
  - Earners on the 42% marginal rate of tax will only receive the 50% subsidy. This will account for the remaining 32.6% of female workers.

Assumptions – Returns to Government Investment: impact on exchequer of increased female labour force participation

- Upon entering employment, it is assumed that females enter into one of three earnings groups:
  - Minimum wage: In 2005, the minimum wage was increased to ¤7.65 per hour. Based on a 40-hour working week for full time workers this amounts to a weekly minimum wage of ¤306. It is assumed that this increases annually at a rate of 2% per annum in line with inflation.
  - Average industrial earnings: In 2005, average industrial earnings were estimated at ¤561.41 per week (Department of Finance, 2005), or ¤14.04 per hour based on a 40-hour working week. It is assumed that this increases annually at a rate of 2% per annum in line with inflation.
  - Higher earnings group: It is assumed that a certain proportion of the numbers entering into employment as a result of the measures proposed in this model will do so at the higher rate of tax. It is assumed that average earnings of females in this category are 25%cent higher than the average industrial wage resulting in an average weekly wage of ¤701.76 for this group of workers. This amounts to an average hourly rate of ¤17.54 based on a 40 hour working week. It is assumed that this increases annually at a rate of 2% per annum in line with inflation.

In the case of couples it is assumed that the spouse is working full-time and earns the average industrial wage.

- Information relating to the appropriate tax rates,

bands and credits are taken from the website of the Irish Revenue Commissioner (see www.revenue.ie) and relate to 2005. While tax rates are assumed to remain constant over the period, tax bands and credits are assumed to increase by 2 per cent per annum in line with inflation.

- It is assumed that annual increases in the numbers employed come from the pool of females with children that are not economically active. This is in line with the assumptions made by Cleveland and Krashinsky (1998) and Daycare Trust (2005) in quantifying the employment effects of introducing similar models of childcare in Canada and the UK respectively. As a result, savings to the state in the form of reduced numbers claiming unemployment benefit are not considered.[79]
- The assumptions relating to the demography of females with children proposed within the model and outlined above are also assumed to apply here. They can be summarised as follows:
  - Lone parents constitute 17% of families with children.
  - 5% of the increase in participation rates is assumed to account for women entering into education and training thereby not contributing to tax revenue (all assumed to be minimum wage earners). 3% of the increase in participation rates is assumed to be at the minimum wage, 59% at the standard 20% rate of tax and 33% at the higher 42% tax rate.
  - 65% of the increase in employment is assumed to be full-time (40 hours per week) while 35% is assumed to be part-time (16 hours per week).

79 The extent to which the model may have the potential to entice unemployed females with children out of unemployment in to the labour force is discussed in Chapter 4. The savings to the state may therefore be understated since there would be a reduction in the numbers claiming unemployment benefit.

Table A1: Costs Associated with Extending Maternity Benefit to 26 Weeks (¤)

Year	Estimated Number of Births(a)	Weekly Rate (b)	Details (c)	Baseline(d) ('000)	Universal (e) ('000)	Incremental Cost (f) ('000)	Assumed Eligible Mothers (g)	Baseline(h)	50% Participation (i) ('000)	Incremental Cost (j) ('000)	% GDP (k)	% Total Government Expenditure (l)
2006	68,000	253.98	20 weeks	310,871	345,413	34,541	34,000	155,436	172,706	17,271	0.01%	0.03%
2007	68,000	259.06	23 weeks	317,089	405,169	88,080	34,000	158,544	202,585	44,040	0.03%	0.08%
2008	68,000	264.24	26 weeks	323,430	467,178	143,747	34,000	161,716	233,589	71,873	0.05%	0.12%
2009	68,000	269.53	26 weeks	329,899	476,521	146,622	34,000	164,950	238,261	73,311	0.05%	0.12%
2010	68,000	274.92	26 weeks	336,497	486,052	149,554	34,000	168,249	243,026	74,777	0.05%	0.12%
2011	71,000	280.41	26 weeks	358,370	517,645	159,275	35,500	179,185	258,822	79,638	0.05%	0.13%
2012	71,000	286.02	26 weeks	365,537	527,998	162,461	35,500	182,768	263,999	81,230	0.05%	0.13%
2013	71,000	291.74	26 weeks	372,848	538,558	165,710	35,500	186,424	269,279	82,855	0.05%	0.12%
2014	71,000	297.58	26 weeks	380,305	549,329	169,024	35,500	190,152	274,664	84,512	0.05%	0.12%
2015	71,000	303.53	26 weeks	387,911	560,316	172,405	35,500	193,955	280,158	86,202	0.05%	0.12%

Notes:
(a) Estimated number of births in each year based on the Central Statistics Office (2004) *Population and Labour Force Projections 2006-2036* (See Appendix Three).
(b) Current maximum weekly contribution with inflation of 2% assumed per annum (see Appendix Three).
(c) Details of implementation strategy in each year.
(d) Costs based on current provision of 18 weeks maternity benefit for all births in each year.
(e) Cost of extending maternity benefit in accordance with details presented in column (c) for all births in each year.
(f) Additional cost of implementing proposal universally (column (e) minus column (d)).
(g) Total number of eligible mothers in each year (50% of column (a))
(h) Costs based on current provision of 18 weeks maternity benefit for mothers assumed to be eligible for payment.
(i) Cost of extending maternity benefit in accordance with details presented in column (c) for mothers assumed to be eligible for payment.
(j) Additional cost of implementing proposal to eligible mothers (column (i) minus column (h)).
(k) Total incremental cost of implementing proposal to eligible mothers (column (j)) as a percentage of GDP (current prices).
(l) Total incremental cost of implementing proposal to eligible mothers (column (j)) as a percentage of total government expenditure (current prices).

Table A2: Costs Associated with Introducing 5 Days Paid Paternity Leave (¤)

Year	Estimated Number of Births (a)	Daily Rate(b)	Details(c)	Universal(d) ('000)	50% Participation(e) ('000)	% GDP(f)	% Total Government Expenditure (g)
2006	68,000	50.80	3 days	10,362	5,181	0.00%	0.01%
2007	68,000	51.81	4 days	14,093	7,046	0.00%	0.01%
2008	68,000	52.85	5 days	17,968	7,187	0.00%	0.01%
2009	68,000	53.91	5 days	18,328	7,331	0.00%	0.01%
2010	68,000	54.98	5 days	18,694	7,478	0.00%	0.01%
2011	71,000	56.08	5 days	19,909	7,964	0.00%	0.01%
2012	71,000	57.20	5 days	20,308	8,123	0.00%	0.01%
2013	71,000	58.35	5 days	20,714	8,285	0.00%	0.01%
2014	71,000	59.52	5 days	21,128	8,451	0.00%	0.01%
2015	71,000	60.71	5 days	21,551	8,620	0.00%	0.01%

Notes:
(a) Estimated number of births in each year based on the Central Statistics Office (2004) *Population and Labour Force Projections 2006-2036* (See Appendix Three).
(b) Current maximum daily contribution with inflation of 2% assumed per annum (see Appendix Three).
(c) Details of implementation strategy in each year.
(d) Cost of introducing paid paternity leave in accordance with details presented in column (c) for all new fathers in each year.
(e) Cost of introducing paid paternity leave in accordance with details presented in column (c) for eligible fathers in each year.
(f) Total cost of implementing proposal to eligible fathers (column (e)) as a percentage of GDP (current prices).
(g) Total incremental cost of implementing proposal to eligible fathers (column (e)) as a percentage of total government expenditure (current prices).

Table A3: Cost of Implementing Paid Parental Leave Model (¤)

Year	Estimated Number of Births(a)	Weekly Rate(b)	Details(c)	Universal(d) ('000)	Eligible Parents(e) (50%)	50% Participation(f)	% GDP (g)	% Total Government Expenditure(h)
2006	68,000	253.98	Not applicable	-	-	-	-	-
2007	68,000	259.06	4 weeks	70,464	34,000	35,232	0.02%	0.06%
2008	68,000	264.24	8 weeks	143,747	34,000	71,873	0.05%	0.12%
2009	68,000	269.53	12 weeks	219,936	34,000	109,968	0.07%	0.18%
2010	68,000	274.92	16 weeks	299,113	34,000	149,556	0.09%	0.24%
2011	71,000	280.41	20 weeks	398,182	35,500	199,091	0.12%	0.31%
2012	71,000	286.02	24 weeks	487,378	35,500	243,689	0.14%	0.37%
2013	71,000	291.74	26 weeks	538,552	35,500	269,276	0.15%	0.40%
2014	71,000	297.58	26 weeks	549,333	35,500	274,666	0.15%	0.40%
2015	71,000	303.53	26 weeks	560,316	35,500	280,158	0.15%	0.40%

Notes:
(a) Estimated number of births in each year based on the Central Statistics Office (2004) *Population and Labour Force Projections 2006-2036* (See Appendix Three).
(b) Current maximum weekly contribution with inflation of 2% assumed per annum (see Appendix Three).
(c) Details of implementation strategy in each year.
(d) Cost of introducing parental leave in accordance with details presented in column (c) for all births in each year.
(e) Total number of eligible parents in each year (50% of column (a))
(f) Cost of introducing parental leave in accordance with details presented in column (c) for eligible parents in each year.
(g) Total cost of implementing proposal to eligible parents (column (f)) as a percentage of GDP (current prices).
(h) Total incremental cost of implementing proposal to eligible parents (column (f)) as a percentage of total government expenditure (current prices).

Table A4: Cost of Providing Universal Early Years Education for all 3-4 Year Old Children (¤)

Year	Total Number of Places Provided(a)	Total Annual Costs(b) ('000)	Annual Cost per Child (c)	% GDP(d)	% Total Government Expenditure(e)
2006	30,800	178,226	5,787	0.12%	0.33%
2007	93,564	552,242	5,902	0.36%	0.99%
2008	94,728	570,294	6,020	0.36%	0.99%
2009	95,892	588,848	6,141	0.36%	0.99%
2010	97,056	607,916	6,264	0.37%	0.99%
2011	98,220	627,511	6,389	0.37%	1.00%
2012	97,992	638,575	6,517	0.37%	0.98%
2013	97,764	649,831	6,647	0.37%	0.97%
2014	97,536	661,282	6,780	0.37%	0.96%
2015	97,308	672,931	6,915	0.37%	0.95%

Notes:
(a) Total number of pre-school places provided annually to three and four year olds on a phased basis.
(b) Total annual cost of providing pre-school places to three and four year olds on a phased basis.
(c) Annual cost per child (column (b) divided by column (a)).
(d) Total annual cost as a percentage of GDP (current prices).
(e) Total annual cost as a percentage of total government expenditure (current prices).

Table A5: Cost of Programme of Subsidised Extended Care for 3-4 Year Old Children (¤)

Year	Total Number of Places Provided(a)	Total Cost 50% Universal Subsidy(b) ('000)	Incremental Cost Additional 25% Subsidy(c) ('000)	Incremental Cost Additional 50% Subsidy(d) ('000)	Total Annual Costs(e) ('000)	Cost per Child(f)	% GDP (g)	% Total Government Expenditure (h)
2006	25,043	33,657	9,929	2,827	46,412	1,853	0.03%	0.09%
2007	52,428	71,871	21,202	6,037	99,109	1,890	0.06%	0.18%
2008	54,369	76,023	22,427	6,386	104,836	1,928	0.07%	0.18%
2009	56,311	80,313	23,692	6,746	110,752	1,967	0.07%	0.19%
2010	58,253	84,744	24,999	7,118	116,862	2,006	0.07%	0.19%
2011	59,224	87,879	25,924	7,382	121,186	2,046	0.07%	0.19%
2012	60,195	91,107	26,876	7,653	125,636	2,087	0.07%	0.19%
2013	61,166	94,428	27,856	7,932	130,216	2,129	0.07%	0.19%
2014	62,136	97,845	28,864	8,219	134,928	2,171	0.08%	0.20%
2015	63,107	101,361	29,902	8,514	139,777	2,215	0.08%	0.20%

Notes:
(a) Total number of subsidised extended care places provided to three and four year olds.
(b) Total annual cost of universal subsidy (50% of costs of extended care places for three and four year olds).
(c) Incremental annual cost of additional 25% subsidy on extended care for three and four year olds granted to parents paying tax at the 20% rate.
(d) Incremental annual cost of additional subsidised extended care for three and four year olds granted to parents on the minimum wage.
(e) Total annual cost of proposed model of subsidised extended care for three and four year olds.
(f) Total annual cost per child of proposed model of subsidised extended care for three and four year olds (column (e) divided by column (a)).
(g) Total annual cost as a percentage of GDP (current prices).
(h) Total annual cost as a percentage of total government expenditure (current prices).

Table A6: Cost of Programme of Subsidised Full Day Care for 2 Year Old Children (¤)

Year	Total Number of Places Provided(a)	Total Cost 50% Universal Subsidy(b) ('000)	Incremental Cost Additional 25% Subsidy(c) ('000)	Incremental Cost Additional 50% Subsidy(d) ('000)	Total Annual Costs(e) ('000)	Cost per Child (f)	% GDP ('000)	% Total Government Expenditure (h)
2006	-	-	-	-	-	-	-	-
2007	-	-	-	-	-	-	-	-
2008	-	-	-	-	-	-	-	-
2009	28,156	100,635	29,687	8,453	138,776	4,929	0.09%	0.23%
2010	58,253	212,374	62,650	17,839	292,864	5,027	0.18%	0.48%
2011	59,224	220,232	64,968	18,499	303,700	5,128	0.18%	0.48%
2012	60,195	228,319	67,354	19,179	314,853	5,231	0.18%	0.48%
2013	61,166	236,642	69,809	19,878	326,329	5,335	0.19%	0.49%
2014	62,136	245,206	72,336	20,597	338,139	5,442	0.19%	0.49%
2015	63,107	254,018	74,935	21,337	350,291	5,551	0.19%	0.49%

Notes:
(a) Total number of subsidised full day care places provided to two year olds.
(b) Total annual cost of universal subsidy (50% of costs of full day care places for two year olds).
(c) Incremental annual cost of additional 25% subsidy on full day care for two year olds granted to parents paying tax at the 20% rate.
(d) Incremental annual cost of additional 50% subsidy on full day care for two year olds granted to parents on the minimum wage.
(e) Total annual cost of proposed model of subsidised full day care for two year olds.
(f) Total annual cost per child of proposed model of subsidised full day care for two year olds (column (e) divided by column (a)).
(g) Total annual cost as a percentage of GDP (current prices).
(h) Total annual cost as a percentage of total government expenditure (current prices).

Table A7: Cost of Programme of Subsidised Full Day Care for 5-14 Year Old Children (¤)

Year	Total Number of Places Provided(a)	Total Cost 50% Universal Subsidy(b) ('000)	Incremental Cost Additional 25% Subsidy(c) ('000)	Incremental Cost Additional 50% Subsidy(d) ('000)	Total Annual Costs(e) ('000)	Cost per Child (f)	% GDP (g)	% Total Government Expenditure (h)
2006	-	-	-	-	-	-	-	-
2007	-	-	-	-	-	-	-	-
2008	-	-	-	-	-	-	-	-
2009	52,258	69,850	20,606	5,867	96,323	1,843	0.06%	0.16%
2010	79,799	105,729	31,190	8,881	145,800	1,827	0.09%	0.24%
2011	107,307	142,861	42,144	12,000	197,006	1,836	0.12%	0.31%
2012	135,683	182,558	53,855	15,335	251,748	1,855	0.15%	0.39%
2013	164,927	224,930	66,354	18,894	310,178	1,881	0.18%	0.46%
2014	222,861	307,554	90,728	25,835	424,117	1,903	0.24%	0.62%
2015	289,973	404,034	119,190	33,939	557,163	1,921	0.31%	0.79%

Notes:
(a) Total number of subsidised extended care places provided to children aged five to fourteen.
(b) Total annual cost of universal subsidy (50% of costs of extended care places for children aged five to fourteen).
(c) Incremental annual cost of additional 25% subsidy on extended care for children aged five to fourteen granted to parents paying tax at the 20% rate.
(d) Incremental annual cost of additional 50% subsidy on extended care for children aged five to fourteen granted to parents on the minimum wage.
(e) Total annual cost of proposed model of subsidised extended care for children aged five to fourteen.
(f) Total annual cost per child of proposed model of subsidised extended care for children aged five to fourteen (column (e) divided by column (a)).
(g) Total annual cost as a percentage of GDP (current prices).
(h) Total annual cost as a percentage of total government expenditure (current prices).

Abbreviations

Abbreviations

ADM:	Area Development Management Ltd.
APE:	Average Production Employee
BPfA:	Beijing Platform for Action
CCB:	Child Care Benefit (Australia)
CCC:	County Childcare Committees
CDAs:	Child Dependent Allowances
CECDE:	Centre for Early Childhood Development and Education
CEDAW:	Convention for the Elimination of Discrimination Against Women
CECDE:	Centre for Early Childhood Development and Education
CPA:	Combat Poverty Agency
CPC:	Child Parent Centre (Chicago, Illinois)
CPEs:	Centres de les Petite Enfance (Canada)
CRA:	Children's Rights Alliance
CSER:	Centre for Social and Educational Research
CSO:	Central Statistics Office
CSF:	Community Support Network
CWC:	Community Worker's Cooperative
DCSFA:	Department of Community Social and Family Affairs
DES:	Department of Education and Science
DfEE:	Department for Education and Employment (UK)
DHC:	Department of Health and Children
DIT:	Dublin Institute of Technology
DJELR:	Department of Justice Equality and Law Reform
ECCE:	Early Childhood Care and Education
ECD:	Early Childhood Development
ECEC:	Early Childhood Education and Care
EOCP:	Equal Opportunities Childcare Programme
EPPE Study:	Effective Pre-School Provision Study (UK)
ESF:	European Social Fund
ESRI:	Economic and Social Research Institute
EU:	European Union
EU- SILC:	European Union – Survey on Income and Living Conditions
FCCC:	Fingal County Childcare Census
FDC:	Family Day Care
FIS:	Family Income Supplement
GNI:	Gross National Income
GDP:	Gross Domestic Product
GNP:	Gross National Product
ICTU:	Irish Congress of Trade Unions
IPPA:	Irish Pre-School Play Group Association
IPN:	International Policy Network

MESSF:	Ministère de l'Emploi, de la Solidarité sociale et de la Famille (Canada)
NAPS:	National Anti-Poverty Strategy
NCCC:	National Childcare Co-ordinating Committee
NCNA:	National Children's Nurseries Association
NCO:	National Children's Office
NDP:	National Development Plan
NESC:	National Economic and Social Council
NESF:	National Economic and Social Forum
NVCOs:	National Voluntary Childcare Organisation
NQF:	National Quality Framework
NRC:	National Research Council
NWCI:	National Women's Council of Ireland
OECD:	Organisation for Economic Cooperation and Development
PRSI:	Pay Related Social Insurance
PEIP:	Prenatal Early Infancy Project (US)
QE:	Quality in Education mark
QNHS:	Quarterly National Household Survey
QIAS:	Quality Improvement and Accreditation System (Australia)
SFO:	Skolefritidsordning (Denmark)
TSG:	Torkom Saraydarin Group (Denmark)
UNESCO:	United Nations Educational, Scientific, and Cultural Organisation
UNICEF:	United Nations International Children's Emergency Fund
US:	United States

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Young children playing in the playground at the Ballymun Flats in Dublin. Photographer: Eon Farrell/Photocall Ireland

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(L to R) Traveller family John (3) with sisters Mary Patricia (10), Leeane (5) and mother Winnie Mongan who are living beside Killinarden Enterprise Park, Tallaght, Dublin. Photographer: Gareth Chaney/Photocall Ireland

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