

Child Care

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Adapted from The Case for Universal Basic Services (2020), Polity Books, p. 60-66

Factors that contribute to quality in childcare include training and qualifications of staff, ratios of children to staff (lower is generally better), a good mix between children with different social and ethnic backgrounds, suitably warm, consistent relationships between children and staff, parental involvement in managing childcare centres, and opening times to suit parents' working lives.

In most countries childcare is provided by a mix of for-profit, public and voluntary organisations. The role of for-profit providers has a bearing on both cost and quality, because resources are likely to be 'siphoned off for shareholders rather than invested in staff wages and other quality inputs'¹. Where for-profit provision is combined with a demand-led, fee-paying system, the observed effects are 'a rise in the fees charged by providers, a drop in standards in poorer areas, and an increase in inequalities of access'².

To make sure children from disadvantaged backgrounds participate, research suggests that 'the most effective strategy is universal access plus outreach to vulnerable groups, not one or the other'³.

In Denmark, which is typical of more generous state funders, local authorities are expected to cover no less than 75% of costs, while parents pay no more than 25%. For a lone parent in the US, childcare costs are over half of net income and in Ireland that figure is 42%. Couples in the UK and New Zealand spend around a third of their income on childcare⁴.

Total public spending on childcare (including care, pre-school education and related in-kind benefits) as a percentage of gross domestic product (GDP) ranges from 1.66% in France, 1.45% in Norway and 1.39% in the Netherlands,

to 1.13% in the UK, 0.75% in Germany and 0.65% in Australia, leaving the US at the lower end with spending worth 0.55% of GDP⁵.

New Zealand (between 1999 and 2008) developed policy on early childhood education which was recognised as ‘investing in infrastructure, just like building roads’⁶. Assessed as an investment, the benefits of childcare far outweigh the costs. Accessible, affordable, high-quality childcare enables parents – especially women and lone parents – to enter and stay in paid employment. Childcare helps children do better at school and to flourish long after they have left school.

Children with experience of preschool education and care are less likely to be unemployed or get in trouble with the law. The OECD has identified a range of social benefits that can be derived from ‘high quality early childhood education and care’, including better health, reduced likelihood of individuals engaging in risky behaviour and stronger ‘civic and social engagement’, with positive ‘spill-over effects’ for society as a whole⁷.

End Notes

¹Stewart, K. et al, (2014). ‘Common challenges, lessons for policy’. In Gambero, L., Stewart, K. and Waldfogel, J. (eds) *An Equal Start? Providing Quality Early Childhood Education and Care*, Bristol: Policy Press., p. 209-226.

²Penn, H. (2014). ‘The business of childcare in Europe’. *European Early Childhood Education Research Journal*, 22 (4): 453.

³Op cit, Stewart, K., p.223

⁴OECD. (2016). ‘Society at a Glance 2016: OECD Social Indicators 2016’. Paris: OECD.

⁵Stewart, K. (2013). ‘Labour’s Record on the Under 5s: Policy spending and outcomes 1997-2010’. Centre for Analysis of Social Exclusion. London: LSE.

⁶May, H. (2014). ‘New Zealand: a narrative of shifting policy directions for early childhood education and care’, in Gambero, L. et al. 147-148.

⁷OECD. (2011). ‘Investing in high-quality childhood education and care (ECEC)’, p.4.