



## Childcare, Early Years and After School Care

### Current Shortcomings in Irish ECCE, Childcare and After School Care

#### Introduction

Research from a rich variety of sources shows that good quality Early Childhood Care and Education (ECCE) has a positive influence on children’s long term development and achievement. Despite strong international evidence illustrating how beneficial quality care is, childcare in Ireland is very expensive, poorly resourced and is variable in quality. Until recent years, investment in the sector has not been a priority for Government.

This paper shows how the lack of affordable, quality ECCE, childcare and after school care impacts on low income families, contributes to Ireland’s current high levels of child poverty in these households and stops lone parents from accessing training and work.

#### Irish Childcare – A Market Model

Until 2010, the Irish State made no investment in a child’s education until they went to primary school. In Ireland some children have been going to school at the age of four years, younger than in other European countries, where children remain in play based settings until much older.

2010 saw the introduction of the limited and very partial ECCE free pre-school programme for children in the 4 year old cohort. Prior to this the only attempt to support parents of young children, aside from the targeted schemes, was the short lived Early Childcare Supplement, a costly direct cash payment from the Exchequer (€500 million a year) to all parents of pre-school children to help defray the high costs of pre-school care. This payment did nothing to either develop capacity or quality in the early years sector. Instead, private childcare fees rose to be among the most expensive in the EU and OECD with no guarantee of quality provision and outcomes.

The dominant model of childcare in Ireland is a market one, with expensive fees, variable quality and a regulatory system which focuses on health and safety issues and not children’s development.

#### Current Government Provision

In recent years Government devised contingency based programmes, in a piecemeal and unintegrated way, offering targeted support to specific groups unable to afford the market rates charged by the private sector.

Table 1 Current Government Early Years and School-age Care and Education Programmes

##### ECCE free pre-school programme

In 2015 over 95% of the eligible age cohort, or 68,000 children, aged between 3 years and 2 months and 4 years and 7 months, participated in the programme. Capitation of €62.50 per week per child is paid to providers, with a higher rate of €73 a week if staff have level NFQ 7 qualifications. Currently children can only avail of five 3 hour sessions a week for 38 weeks, this will change to the period between a child’s third birthday and when they attend primary school from September 2016.

##### Community Childcare Subvention Scheme (CCSS)

The CCSS programme provides funding to community childcare services to provide childcare at reduced rates to disadvantaged and low-income working parents. About 25,000 children are catered for under the CCSS each year in almost 900 community childcare services. Parents qualify as disadvantaged or low-income on the basis of means-tested entitlements. Parents can receive a reduction of up to €95 per week from the cost of childcare. The annual budget has been about €45 million.

##### Childcare Education & Training Support (CETS)

Approximately 2,500 children receive care under this scheme which provides childcare places for students on qualifying SOLAS or Education and Training Board courses for the duration of the course. €145 per week is given towards the cost of a full day childcare place and the service can charge the parent up to a further €25 per week towards the cost of the place. Part time and after-school places are provided. The budget is €17 million per year.

##### Community Employment Childcare (CEC)

This programme provides childcare for participants in Community Employment (CE) schemes. There is an annual budget of €7.5 million with 2,000 places provided.

##### After-School Childcare (ASCC)

ASCC provides after-school care for primary school children of eligible parents for a period of 52 weeks. The programme gives €40 per week for an after-school place or €80 per week where a pick-up service is needed. The budget for 2015 was €1.32 million, providing between 300 to 500 places. This does not meet demand for after school care.

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### Shortcomings in Government Provision

Apart from the universal, but partial, ECCE free pre-school provision of 38 weeks, the targeted childcare and afterschool care programmes offer a confusing array of schemes, with different eligibility criteria, catering for slightly different target groups. The targeted schemes have different policy objectives, with parents sometimes finding themselves eligible for more than one scheme, which may or may not be available in their vicinity, as places are not always available where they are needed.

As a provider of the current government childcare programmes to low income families, SVP sees the administrative barriers inherent in how these schemes are configured. The design flaws pose problems for both providers and service users. The targeted schemes are rigid, with inflexible entry points and eligibility criteria and are neither family nor provider friendly. Parents are very dependent on local supply which varies greatly across the country. The issue of supply is a serious barrier to these schemes as they are simply not available countrywide.

SVP is concerned at the following shortcomings in Government schemes:

- To date access to the **Community Childcare Subvention Scheme (CCSS)** has been limited to community providers which has resulted in scarce or no provision in many areas of the country. The administration of this programme is currently very inflexible and creates problems for both families and providers if their circumstances change during the year. The ongoing problem of the gap in subsidy continues to pose problems for parents and providers alike. The cost of a full week's place in a community provider averages €159 yet the maximum subsidy parents can receive in this scheme is €95. Also, from January 2017, the minimum qualification for workers will be the level 5 qualification, which will exclude unqualified Community Employment workers. This will impact on both the financial and staffing situations in many community childcare setting which have been employing staff from this scheme to keep costs down.
- There are currently just 5,000 full time places available on the **Training and Employment (TEC) Childcare programmes**, which is insufficient to meet the demands of lone parents who will transition from the One Parent Family Payment in the coming years, as they become explicitly targeted for activation.
- The 95% take up rate shows how successful the **Free Pre-School Programme** has been. However the term 'free pre-school year' is inaccurate as the scheme has only been available for 38 weeks over a year, for three hours a day and cannot be combined with other schemes to reduce costs for parents.

### Cost of Childcare a Barrier to Work and Education

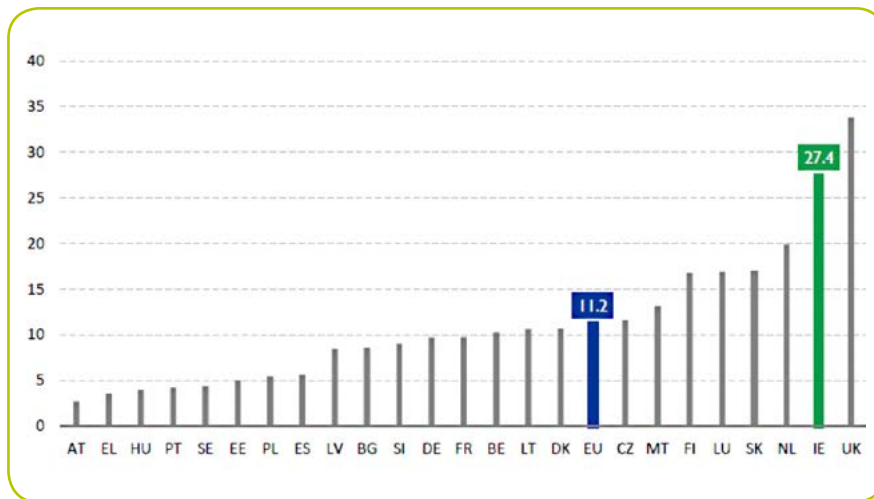
Outside the very partial ECCE free pre-school provision childcare in Ireland is extremely expensive, costing on average 35% of a low income dual earner couple, rising to 40% for a lone parent on an average wage. Elsewhere in Europe and the OECD the cost of childcare ranges between 10 to 13% of the average wage. Currently in Ireland a full week's childcare costs between €133 and €200 a week, depending on location, with the average cost around €170. OECD statistics show that in Ireland childcare fees for the under 3-s are among the most expensive in the EU. [Fig:1]

For many parents the cost of childcare puts returning to work after the birth of a child out of their reach. This has an obvious effect on gender inequality in Ireland with women falling behind in pay rates. Currently in Ireland the gender pay gap is 14.4% with many women who do return to work struggling to balance working hours and high cost childcare. This has an effect on career progression, earning potential and pension entitlements for women in the long term. The result of this gendered exclusion from work is clear from figures which show the extremely low at work rates for women with young children, as they either opt out of work altogether as they cannot afford childcare, or take up part time work.

"I have had to leave work due to high childcare costs and no lone parents payment. I am now behind with my rent and they are threatening me with eviction."

## Current Shortcomings in Irish ECCE, Childcare and After School Care

Figure 1 Net Childcare Costs as % of Average Earnings

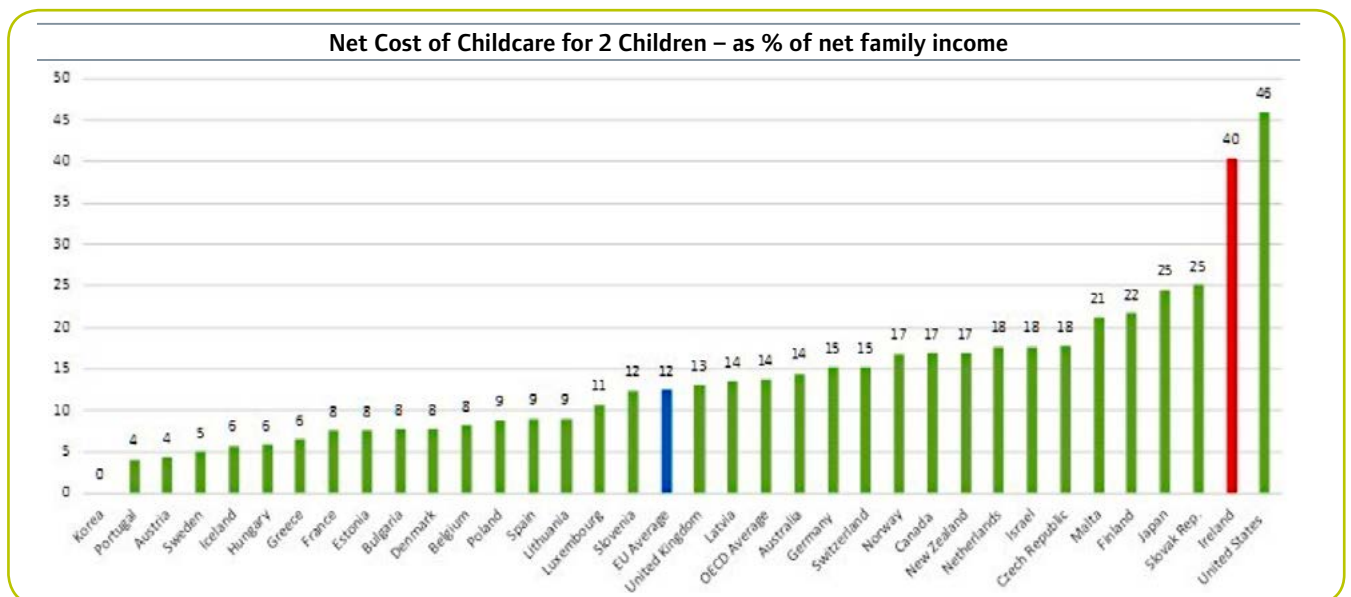


SOURCE: OECD, 2014: PF 3.4

### Access and Availability of Afterschool Care – Barriers for Lone Parents

Accessible and affordable childcare and after school care are essential supports for parents who work or who take up training or education. Through its direct work helping families in need SVP sees how the lack of these supports contributes to poverty. Our research with lone parents *It's the hardest job in the world* confirms the stress and pressure these women encounter when they try to juggle work, training and childcare. They struggle with the problems of poor pay, insecure, uncertain work contracts and the difficulty of sourcing a suitable childcare or after school care place which suits their needs, in their locality. Lone parents have told SVP that it is not viable for them to take up low paid work and pay someone else to look after their children. Not being able to access work because of the cost of childcare is a reality for many lone parents and low income families.

Figure 2 Lone Parent Family on Average Wage



SOURCE: OECD, 2014: PF 3.4

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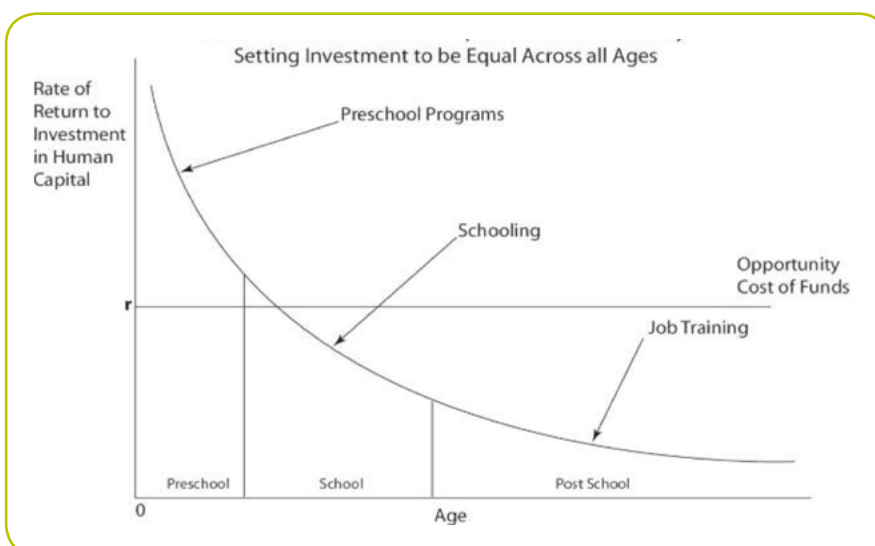
### Low Irish Investment in Early Years Care and Education

The early years is a critical time in a child's life. Neuroscience tells us that early intervention with young children yields better results and is more cost effective. Access to a high quality early years curriculum enhances emotional, social, cognitive and language development and helps ensure that young children are ready for school. It has been proven that access to high quality ECCE has a strong remedial effect for vulnerable young children and that this intervention is amplified when it happens early in their lives.

We know that investing in quality ECCE makes good economic and social sense as it increases the effectiveness of later educational investment. Cost benefit analyses from different studies clearly illustrate the return on investment in ECCE. In the US the benefits of investment in ECCE have been estimated at \$16 on every dollar invested, while in Ireland the National Economic and Social Forum report (2005) estimated the gain to be up to €7 for every euro spent.

Evidence is also robust regarding the return on investment in ECCE which is at its highest during the pre-school years. Differences in outcomes between cohorts of children who access ECCE and those who do not continue across their lives. The gains accrued through exposure to high quality ECCE persist over the life cycle resulting in better social and economic outcomes, higher literacy and numeracy skills, less spent on crime prevention and more revenue from taxation due to higher employability.

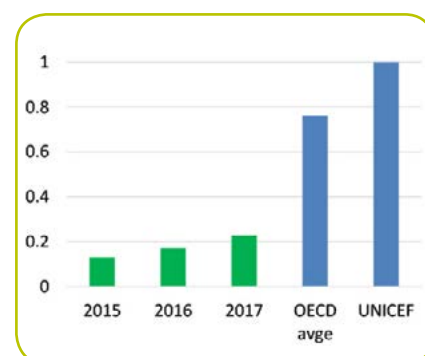
**Figure 3** Rates of Return to Human Capital Investment Initially Setting Investment to be Equal Across All Ages



SOURCE: CARNEIRO AND HECKMAN, 2003

To date Irish investment in the ECCE sector has lagged considerably behind the OECD average of 0.8% of GDP. When the expenditure on the infant classes in the primary education system is excluded, Ireland invests less than 0.2% of GDP annually in the sector. It is widely accepted that to achieve a quality ECCE system at least 1% of GDP should be invested.

**Figure 4** Irish % GDP Investment in Pre-school Services



SOURCE: BUDGET 2016 ANALYSIS, START STRONG, OCT 2015

## Current Shortcomings in Irish ECCE, Childcare and After School Care

### ECCE And After School Care – Tools to Fight Child Poverty

Not having a job is a major cause of poverty for families. The long term life chances of children are damaged by growing up in a poor household. SVP is very concerned at the high rate of child poverty which has been on an upward trajectory throughout the economic crisis. In the period 2008 to 2013, the child poverty rate increased from 6% to just under 12%. During this time the rate of jobless households with children aged under 5 years increased to 22%, double the EU average. By 2014, 11% of children aged 0 to 17 years were living in consistent poverty, despite economic recovery that year.

We are particularly aware of the high level of consistent poverty in lone parent households. SVP is most concerned at the lack of coherence in Government policy which has resulted in 59% of lone parent households, or three in five of these families, experiencing deprivation. Research clearly indicates that access to good quality ECCE can mitigate the negative effects of growing up in a poor or vulnerable household. It is therefore imperative that Government policy helps low income families access this critical support rather than rationing it through a series of poorly designed schemes which do not achieve the policy objectives of providing quality, affordable childcare and afterschool care to support these families.

### Lack Of Quality – A Barrier To Good Outcomes For Children

Factors which impact positively on child outcomes in ECCE settings are the qualifications of care givers, how well the providers adhere to national quality guidelines and good quality evaluation and monitoring processes. Unfortunately, quality has not been given the priority and resourcing to date in the Irish ECCE sector. The two quality frameworks Aistear (National Early Childhood Curriculum) and Síolta (National Quality Framework for Early Childhood Development and Education) have not yet been rolled out fully across childcare settings in Ireland. Their implementation remains piecemeal, limited and at a pilot level. The weak performance in developing a sector wide quality system has been starkly criticised in both the European Commission 2015 and 2016 Irish Country Reports and by various stakeholders.

“Because I am in my final year of college I will not be changed over (from current social welfare payment) until next year. At that point I will have NO income after paying childcare for my part-time job. It is also extremely difficult to get regular childcare at weekends. Socialising (eg. a cup of tea or a chat after a lecture) is impossible when rushing to collect a child as childcare is already too expensive. I never get a chance to be a person in my own right. It is a lonely and dark existence with little hope.”

SVP notes a range of challenges regarding quality provision:

- There is currently no formal minimum qualification required to work in early years settings in Ireland. Plans to introduce the minimum requirement of a level 5 NFQ for centre based staff working with young children have been postponed, again, until December 2016. At the end of 2014 13% of staff working in the sector had not yet achieved this basic qualification. Progress in this area is very slow and must be prioritised if quality is to be guaranteed.
- Ireland is currently out of step with the rest of Europe regarding qualification levels of workers in the sector. The current benchmark in Europe is for a 60% graduate led workforce. In Ireland the proportion of graduates in the sector is 15%, with just 28% of the services delivering the ECCE free pre-school programme led by a graduate with a level 7 NFQ and in receipt of the higher capitation grant.
- The high dependency in community provider settings on staff in Department of Social Protection work programmes, such as the Community Employment scheme, to supply staff to work in childcare settings continues to be a cause for concern. The 2014 Pobal survey found that 21% of staff in community child care services were on employment schemes with many of these having no qualifications at all in early years care and education.

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### Insufficient Family Leave Support For New Parents

International literature strongly states that the best place for a small infant is with its parents in the first year of life. It also tells us that paid parental leave is associated with better maternal and child health outcomes. To date Irish policy has not invested in this critical area of familial support. In the EU the average paid parental leave for parents is eighteen months. Ireland, however, has the fifth shortest paid parental leave arrangement for new parents in the EU. Currently in Ireland new parents can only avail of 28 weeks paid leave, including the just announced two weeks paid paternity leave which will be introduced in September 2016.

### EU concerns at poor Irish ECCE and afterschool provision

It is clear that the level of child poverty in Ireland is also causing concern within the European Commission. For three years running, the European Commission's Country Reports, which informs the Country Specific Recommendations<sup>1</sup>, have been strongly critical of Ireland's childcare infrastructure and also its lack of quality. The EU Commission has classified Ireland as having a high rate at risk of poverty and social exclusion for children and in both 2014 and 2015, it issued Ireland a Country Specific Recommendation on childcare. The Commission has explicitly cited childcare as an area in need of reform in order to combat child poverty and to improve women's participation in the labour market. The Commission stresses the high cost and lack of access to childcare as strong work disincentives for low income families.

"I get penalised for working, trying to make a better life. I was told to get more hours and claim Family Income Supplement. But I work in retail on a twelve hour fully flexible contract. There are no more hours in work so I'm stuck. I'm 31 and feel like I'm going backwards. I can't work full time because of childcare costs. It's a vicious circle."

"The changes made to one parent family mean that I'm now on Job Seekers Transitional. I'm looking for work but anything I've a chance of getting is not going to pay the childcare. A lot of jobs are under the hours for Family Income Supplement so basically it feels like I'm been forced into a low paid job for the convenience of our government. Who's worried about my child? No one only me."

"I always wanted more for myself education and job-wise, to show my kids how it is to work hard for what you have. I no longer have this option as I can't afford childcare to even give me a head start."

"Low work intensity was especially prevalent for single parent households (50.6 % in Ireland in 2014 compared with 28.8 % in the EU).....

The limited availability and high cost of childcare remain significant barriers to increased female labour market participation and hinders efforts to reduce child poverty.....

The Irish authorities have also taken steps to address the issue of access and affordability of childcare but capacity constraints are likely to remain widespread. ...concerns remain regarding the quality of childcare provision"

*Irish Country Report European Commission, 2016*

<sup>1</sup> Since exiting the bailout Ireland has been part of the Eurozone framework for monitoring, review and correction called the European Semester where countries work together towards agreed social, economic and environmental goals. Each year the European Commission issues Country Reports which analyse each country's progress towards these goals. Country Specific Recommendations are then given by the Commission which signal where Eurozone countries should focus their reform priorities.

## Conclusion

Despite the acknowledgement in the national policy framework for Children and Young People *Better Outcomes, Brighter Futures* that all aspects of public policy impacts on parenting, it is clearly the case that the lack of policy coherence in the early years, childcare and after school care sector is leading to unintended consequences, especially for lone parents with low earnings potential. This paper has outlined how low income families, particularly lone parents, are not benefitting from the supports they need to ensure access for their children to quality early years care and education, childcare, after school care.

In the next publication in this series, PolicyLinks Issue 5, SVP considers recent Government progress on ECCE, childcare and after school care and offers its perspective on the priorities and challenges facing the sector. It is clearly the case that while the *Inter Departmental Group Report on Investment in Childcare* has provided options on how to enhance the sector's quality and capacity, that sustained investment is needed. The new Irish Government must honour, embrace and deliver on these important commitments to achieve a fit for purpose sector which delivers outcomes for children, parents and society.

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### FURTHER INFORMATION:

The Society of St. Vincent de Paul (SVP) was founded in Ireland in 1844. It is the largest voluntary charitable organisation in Ireland. Our focus is on approaches to dealing with poverty, alleviating its effects on individuals and families through working primarily in person-to-person contact by a unique system of family visitation, and seeking to achieve social justice and equality of opportunity for all in Ireland.

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