12 April 2017: Dr Katherine Zappone, Minister for Children and Youth Affairs, and An Taoiseach Leo Varadkar (then Minister for Social Protection) at the announcement of ‘More Affordable Childcare’.

CHAPTER 1
EARLY CHILDHOOD
Towards the Affordable Childcare Scheme
An opportunity to improve quality of provision for our youngest children

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Amy McArdle has one big bone of contention regarding the Affordable Childcare Scheme – its total neglect of measures to support professionalisation or to improve the pay and conditions of the early childhood workforce. The current delay which has arisen in implementing the ACS should be used to redress this imbalance which is intrinsically correlated to quality of provision.

A single Affordable Childcare programme was first announced in October 2015 by the then Minister for Children and Youth Affairs, Dr James Reilly TD, as part of an extensive package of childcare measures in Budget 2016. Dr Reilly stated that a dedicated project team would be established to develop the programme. It was hoped that the scheme would be introduced in 2017. The current Minister, Dr Katherine Zappone TD, took up the baton and secured €19 million in Budget 2017 to assist parents with childcare costs from September 2017.

The Department of Children and Youth Affairs (DCYA) followed quickly with the publication of a detailed ‘Policy Paper on the Development of a new Single Affordable Childcare Scheme’ in October 2016. According to the DCYA, ‘The Affordable Childcare Scheme will be a new, national scheme of financial support towards the cost of childcare. In line with the principle of progressive universalism, it will encompass both universal and targeted elements which can be incrementally expanded over time.’ The policy paper sets out the intention of the new scheme, namely to:

- Streamline the existing targeted schemes for parents and providers and replace them with a single, more user-friendly scheme of wraparound care for preschool and school-aged children.
- Provide a fair and consistent system of progressive financial support.
- Provide a robust and flexible platform for future investment in childcare.

More Affordable Childcare
DCYA was unable to develop the necessary IT system for the Affordable Childcare Scheme in time for September 2017. Instead, More Affordable Childcare was introduced and was described by DCYA as the ‘first step toward the new Affordable Childcare Scheme.’ More Affordable Childcare comprises the originally planned universal subsidy, along with enhanced subvention rates and eligibility criteria.
for the existing targeted supports. It will continue to operate throughout 2018, and until the Affordable Childcare Scheme is fully developed.

Towards the Affordable Childcare Scheme (ACS)
The objectives set out in the DCYA’s policy paper on the ACS remain critically relevant in the ongoing developmental period. They are to promote: (i) a reduction in child poverty, (ii) positive child development outcomes, (iii) labour market activation, and (iv) improved quality. However, it does not appear that the focus of the scheme reflects the priorities in this order, or that the scheme, as currently proposed, can address all the objectives. Rather, as the name suggests, and as is abundantly clear in the policy paper, affordability for parents is the driving objective behind the ACS, with labour market activation a close second. Indeed, it is difficult to see what in the proposed ACS could be described as a quality enhancement measure. There is nothing to support professionalisation or to improve the pay and conditions of the early childhood care and education (ECE) workforce, which are intrinsically linked to quality.

Quality Early Childhood Care and Education (ECE)
Early childhood learning lasts a lifetime and yields broad dividends for children, families, communities and businesses. We know that investment in early years is investment in a public good and a cost-effective way of promoting economic growth. We also know that there is no return on investment if quality in early childhood services is not maintained. An experienced, knowledgeable, and competent ECE workforce is one of the most influential determinants of quality in early years provision, and it is the qualification of the whole staff team that is key. This poses a concern in the Irish context, and has been identified by the European Commission. The most recent review of the ECE sector found that only 18 per cent of the workforce hold a level 7 degree or higher. This is markedly lower than the EU recommendation for a 60 per cent graduate-led ECE workforce by 2025.

There are many reasons for the low level of graduate qualifications in the sector. However, it ultimately pertains to poor pay and conditions, which is the result of historic underinvestment and fragmented policy development in ECE by successive governments. At 0.5 per cent of GDP, though including expenditure for children under 6 years of age in primary school education, the level of State investment in ECE is improving. However, considering that 0.1 per cent of Ireland’s current GDP is approximately €250 million, our gap behind the OECD average of 0.8 per cent and the UNICEF international benchmark of 1 per cent of GDP is significant. Furthermore, we still do not know how much it costs to provide quality childcare in Ireland that is consistent with the principle of ongoing professionalisation. Accordingly, State funding, albeit improving, continues to miss the quality-improvement mark.

Doing the sums
The fundamental problem with the ACS, as presented in the DCYA’s policy paper, is the cost model used to calculate the ‘hourly’ unit cost of childcare and thereafter the various subsidy rates. The model was conceived on the inaccurate premise that the current financial models operating in the ECE sector are working. Research commissioned by Early Childhood Development Agency (DCYA) was unable to develop the necessary IT system for the Affordable Childcare Scheme in time for September 2017.
Ireland (ECI) in September 2016 examined these models and found to the contrary. Among the findings were:

- The average childcare service in Ireland, whether private or community, urban or rural, operates on a breakeven basis.
- The professional workforce responsible for delivering quality ECE services for children is low-paid and employed increasingly on a part-time/38-week basis.\(^{18}\)

If the ACS is to succeed in improving quality and positive child development outcomes, it is essential that its cost model does not perpetuate the status quo of a breakeven and badly paid sector, in which the highly qualified personnel necessary to ensure quality of provision to children are increasingly difficult to find.\(^{19}\)

**Opportunity**

The delay that has arisen with the ACS provides an opportunity to redress some of the imbalances and to think creatively about how the scheme can improve the quality of early childhood care and education in Ireland. The following are three examples of how the ACS can be strengthened to improve the quality of care and education for our youngest children.

**Recognition that quality costs**

In August 2017, Minister Zappone announced that an independent review of the cost of delivering quality childcare would be completed in time to inform the 2019 Budget.\(^{20}\) This is very welcome. It is essential that future budget considerations and the cost models underpinning future developments in childcare policy, not least ACS, be informed by an evidence base which takes account of the financial realities facing a very diverse sector. The review must look at the variations that impact the cost of quality childcare provision. These include whether the service is community or private; its location, including whether it is based in a socio-economically disadvantaged community; and future cost pressures such as wages. It must also be consistent with the principle of ongoing professionalisation of the sector.

**Early Years Policy**

There is a proposal under ACS to reduce the means-tested subsidy to a maximum of 15 hours of childcare per week, inclusive of time spent in school or preschool, for children where one or both parents are not engaged in formal work or study.\(^{21}\) This appears to be motivated by labour market activation without proper consideration of the many and complex reasons that keep parents, particularly woman parenting alone, distant from the labour market. Such reasons include poverty, domestic violence, homelessness, drug addiction, mental health difficulties, and disability.

To ensure a quality ECE experience for children, early years policy must be driven by the best interests of the child and by recognition that not all children receive the same start in life. While the best interests of the child depend on multiple factors, in the context of ECE and our youngest children, their physical, emotional, psychological, intellectual, educational, and social well-being should be the paramount consideration in policy development.\(^{22}\)
ECE plays a specific and vital role in addressing the effects of poverty on children as well as on their families and wider communities. Access to quality subsidised childcare must be viewed as part of holistic support for low-income, disadvantaged families. Early years policy in Ireland must ensure that the most vulnerable and disadvantaged children and families are not penalised by a disproportionate focus on parental labour market activation. The 15-hour subsidy proposal should be removed in the further development of ACS.

**Inspections**

A new universal subsidy for under-threes was introduced as part of More Affordable Childcare in September 2017. This is the first time the State has subsidised the care and education of our youngest children. The introduction of ACS and the legislation that will accompany it presents an ideal opportunity to extend the remit of the Department of Education and Skills’ Early-Years Education-focused Inspection (EYEI), to inspect the quality of education to this cohort. The quality of education for under-threes is paramount to outcomes in later life and yields higher returns on investment in education and training than at any other life stage.

Such a move would be in keeping with the position of the Expert Advisory Group on the Early Years Strategy (2013), which stressed the importance of standards across the entire early years age range:

> Quality matters for young children of all ages, equally for under-3s and for over-3s. It is essential, therefore, that quality standards apply equally to all age groups and that quality-raising supports are available equally to services working with all age groups.

There is scope to do this under Head 6(1)(c) of the Heads of Bill and General Scheme of the Affordable Childcare Scheme, which states that the written agreement for approved providers of ACS shall:

> Specify requirements that must be met by the provider in order to participate in the Scheme, which shall include requirements in relation to the quality of the childcare services which are subject to a subsidy under the Scheme.

**Conclusion**

Enhancing the quality of early childhood care and education is clearly not the priority in the planned Affordable Childcare Scheme. However, it provides a significant opportunity to redress some of the imbalances in favour of improving quality of provision, and with it the quality of children’s experiences. ECI will be working constructively on behalf of our members with other stakeholders, the DCYA, and the legislature to ensure that the rights and best interests of our youngest children are front and centre of the legislation that will underpin this new scheme. The Scheme will need to be implemented as part of a wider Early Years strategy which sees quality, sustainability, and affordability as interdependent priorities for future government investment in our vital sector.
FOOTNOTES


3. Put simply, progressive universalism means something for everyone but more for those most in need.

4. DCYA (October 2016), p. 4.

5. The Affordable Childcare Scheme plans to amalgamate the following targeted childcare programmes: Community Childcare Subvention (CCS); Community Childcare Subvention Private (CCSP); After-School Childcare Scheme (ASCC); Childcare Education and Training Support (CETS) Programme; and Community Employment Childcare (CEC) programme.

6. DCYA (October 2016), p. 4.


8. DCYA (October 2016), p. 4.


15. DCYA (October 2016), p. 10.


17. This was calculated to be €4.67 per child per hour. DCYA (October 2016), p. 109.


