

Rising to the Challenge Investing in Our Future

Budget 2021 Submission



Substantially increased investment for early years and school-age childcare must be an immediate and sustained focus for the new government. Budget 2021 will be the first test of how well they meet this challenge. Early Childhood Ireland is seeking a plan to increase spending on childcare to 0.5% of GDP/GNI* by 2023 and to 1% by 2025. In 2021, as a result of Covid-19, we are calling for initial investment to be targeted to retain the EWSS (Employment Wage Support Scheme) for the sector until the report of the Expert Group on the Future Funding model is actioned. This can act as a bridging measure and to help to stabilise early years and school-age provision as settings need to adjust to working with the public health issues arising from the Covid-19 pandemic. It is unrealistic for the Government to expect the sector to resume a broken "business as usual" model of operation on January 1st, 2021 and additional Covid-19 specific supports will be necessary until a vaccine or treatment is widely available.

Levels of Investment

Ireland has consistently remained at the bottom of the class when it comes to investment in childcare. As you can see from this graph, according to the OECD, we invest the least amount in early years of any developed country as a percentage of GDP.

Policy Context

Both the Programme for Government and the First5 strategy commit to higher levels of investment in childcare. The Programme for Government commits to:

- Increased investment in the National Childcare Scheme
- An examination of fee-caps
- Expanding the scope of ECCE
- Fully implement AIM

In addition, First5 has committed to a range of actions that will require higher levels of funding to implement, such as the plan for a graduate led workforce by 2028. All of these measures will require substantial investment and the time for delivering this investment is from Budget 2021.

COUNTRY		PUBLIC SPENDING
Sweden		1.8%
Norway		1.5%
Iceland		1.4%
Finland		1.1%
Estonia		1.0%
UNICEF Recommended		1.0%
Slovenia		0.8%
Latvia		0.8%
Hungary		0.8%
Lithuania		0.8%
Germany		0.7%
France		0.7%
OECD average		0.7%
Poland		0.6%
Austria		0.6%
Spain		0.6%
Slovakia		0.5%
Czech Republic		0.5%
Luxemburg		0.5%
Italy		0.4%
Switzerland		0.4%
Netherlands		0.3%
UK		0.2%
Ireland		0.1%*

(*OECD Figures do not match Irish Government data, see below for more information)

The Solution

In Budget 2021, as well as increasing funding for childcare, the government must also state how it plans to increase investment to 1% of GDP/GNI* over the next four years. If the government is serious about their commitments in the Programme for Government, then a multi-annual plan is needed.

As noted on the chart overleaf, confusion over levels of investment mean it is impossible to know exactly how much is being invested in comparative terms. The Government and First5 claim that 0.2% of GDP is being invested, but the OECD and recent calculations by Early Childhood Ireland put the figure at 0.1%.

We are asking the government to explicitly set out and explain the most appropriate metric to track early years investment going forward. This could be as a % of GDP or GNI*. This is essential so stakeholders can monitor investments and policy developments effectively and so that families can know that the government is making good on their promises to increase spending on babies and children.

Low Levels of investment:

Low-levels of investment in childcare benefits no-one and costs families, staff and providers more in the long-run.

