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## Missed Opportunities for Children?:An Exploration of the Impact of New Funding Mechanisms for Early Childhood Education and Care (ECEC) in Ireland

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# Missed Opportunities for Children?

*An exploration of the impact of new funding mechanisms for Early Childhood Education and Care (ECEC) in Ireland*

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# Presentation Overview

- 3 Parts
  - **Part One:** Context: Ireland's Growth - ECEC as an Issue for the State
  - **Part Two:** Community Childcare Subvention Scheme (CCSS): Details and Analysis
    - Affordability, Access and Quality
  - **Part Three:** Stakeholder Reaction & Influence
  - **Summary**

# PART ONE

## CONTEXT OF ECEC EVOLUTION IN IRELAND



# Ireland's Celtic Tiger



IRCHSS

- Economic Growth: GDP avg. 7.9% 1994 – 2002
  - Highest GDP growth in any OECD country (Bennett, 2006)
  - Female Employment (30% 1926-1981)
    - 40% in 1994 → 58% in 2005 (Sweeney, 2006)
- Structural Influences on ECEC Policy in Ireland
  - Membership of EU
    - Equality Measures; Lisbon/Barcelona Targets;
    - Social Change: Lift marriage bar; contraception; divorce
  - Ratification of the UNCRC '92
  - National Social Partnership Process
  - OECD: Review of ECEC in Ireland

# ECEC Provision in Ireland

- OECD Assessment
  - Access, Affordability & Quality Inadequate (OECD 2004)
- Informal: Unregulated; Poorly paid
- Formal: High Cost; Regulations since 1997
  - Private Providers
  - Community Providers: Community & Voluntary (C&V)
  - Cost: Avg. Production Employee gross wage; Japan 8%; Austria 5%; Ire 20% (OECD, 2003)



# Evolution of ECEC Policy

- Multiple Agendas influencing Policy in 1990s
  - Employment; Equality; Children’s Rights; Family & Carers; Education; Social Inclusion; Health (Hayes & Bradley, 2006)
- National Partnership Agreements
  - “Towards 2016” reference UNCRC (Hayes & Bradley, 2007)
- Tools of Implementation Selected Reflect ‘Principle of Subsidiarity’ (non-state involvement)
  - Traditionally church provide services of public good (e.g., health, education) now utilising private sector and community and voluntary (C&V) sector to deliver services (Daly & Clavero, 2002)

# Funding ECEC

Community Providers	Private Providers	All Parent (cash)
EOCP/NCIP Subsidy		ECS €1100 p.a. child under 6
Active Labour Market Programmes (ALMP)		<i>Rebranded</i> Child Benefit €1992 p.a.
Low % Fee Income	100 % Fee Income	
EOCP/NCIP Capital €1m	EOCP/NCIP Capital €100,000	

- National Investment Programme €575m; 50,000 places target
- Equal Opportunities Childcare Programme 2000 – 2006
- Shift to Exchequer Funding – NCIP 2007- 2010
  - **Subsidy** changed from **Staffing Grant** (cover staff costs up to €90,000) to **Subvention** (based on parental welfare entitlement)
- *Objective*: Review new mechanism of providing **Subsidy** to assess impact on Access, Affordability and Quality
  - EU Criteria: parents work, education, training
  - €500m; 41,000 places (OMC)
  - Capital Grants (community/private); Staffing Grant (Community)



# PART TWO

## COMMUNITY CHILDCARE SUBVENTION SCHEME

(CCSS)

## DETAILS AND ANALYSIS

# The New Community Subsidy

- Community Childcare Subvention Scheme (CCSS)

Additional €30 per f/t baby – reduced pro-rata	Band A	Band B	Band C
Full Day 5hr+	€100	€70	€45
Part-time 3.5-5hr	€50	€35	€22.50
Shorter hours 2.25-3.5hr	€33	€23	€15
Half Session less 2.5hr	€16	€11	€7.50

Source: <http://www.dublin.ie/Childcare/subvention-one.htm>

- **Band A:** In receipt of most social welfare payments
- **Band B:** Family Income Supplement & some training schemes.
- **Band C:** Some discretion by Provider, e.g., holder of medical/GP visit card [but no real understanding of how much discretion can be used]



# CCSS- A Shifting Subsidy Approach

- Purcal & Fisher (Affordability Funding Model) (2006)
  - 3 Possible Approaches to increase Affordability:
    - Operational Subsidy
    - Fee Subsidy (paid to parent or service provider)
    - Tax Relief

## Shift from Operational to Fee Subsidy

- State's Expected Outcomes (OMCYA press releases)
  - **Eligibility:** more limited criteria
  - **Discretion** about access to service reduced
  - **Reduced cost** to eligible parents & increased cost to ineligible parents using service
  - **Stimulate demand** amongst parents in receipt of welfare

# Analysis: Affordability Funding Model

- **Cost to Government**
  - **Open Budget:** Expensive in times of economic downturn
  - **Administration Expense:** parents & providers requirements
- **Affordability to Families**
  - **No Cap of Balance Paid by Parents:** operational costs mostly fixed as labour intensive. If number of children using service reduce, remaining children must bear additional cost between them

*Example:*

Costs of €312,000/40 children = 7,800 p.a. less subvention (€5,200) = €2,600 fee

Costs of €295,000/32 children = 9,219 p.a. less subvention (€5,200) = €4,019 fee

- **Monitoring Charges/Costs:** if scheme extended to allow parents access private providers – can costs/charges be tracked by OMCYA?



# Impact on Access & Quality

## Access

- **Neutral Impact Existing Users:** Reduced fee, continued use.
- **Demand increase/decrease?** (ineligible leaving > new eligible)
  - **YES:** Reduced Supply: As facilities may close
  - **NO:** Capacity to Incr. Supply? Waiting lists & reduced capital funds. (DCCC, 2007) Extend to Private Providers?
- **Practical Barriers to Access**
  - Admin complexity: may discourage eligible families
  - Issues of privacy: as staff gathering info from local area too

## Quality

- **No Link to Quality:** No quality criteria attached to Funds (Sjolta, 2006)
- **Segregation:** access to less diverse range of children; reduced social mix in services
- **Staff:** services remain dependent on ALMP p/t trainee staff

# PART THREE

## STAKEHOLDER REACTION & INFLUENCE



# C & V Reaction to the CCSS

- **City & County Childcare Committees (*Representative & Co-ordinating Organisation*)**
  - Role: Mediator of Scheme on behalf of OMCYA
  - Submissions to Office of Minister for Children and Youth Affairs [focus on technical elements, case-studies, potential negative fall out]
- **Irish Childcare Policy Network (*Campaign /Advocacy Org*)**
  - Submissions [Address rationale and limiting definition of disadvantage to income/welfare entitlements]
- **Planet – Nat’l Org’n rep Area Based Partnership Companies (*Campaign/Advocacy Org*)**
  - Submissions [how runs contrary to national policy & potential pitfalls]
- **Community Providers (*Resource & Service Provision Org*)**
  - Media focus on individual circumstances
  - Limited Parental/Child Focus (e.g., Special Needs)
  - Individual representation to the OMCYA re: sustainability (relationship building)

# Other Reaction to the CCSS

- Trade Union: Mobilising workers & advocating on behalf of parents for affordability
  - *“Because we were not well organised previously, major changes were made to funding without negotiation. We cannot let this happen again; for the sake of children, workers and projects.”*  
(Aug 2008, SIPTU Community Branch, Community Childcare Campaign)
- Media Headlines: Highlight potential negative impacts
  - “Childcare funding a 'banana skin’”. Irish Independent 1/11/07*
  - “Two-tier care system feared”. Irish Independent. Dublin (26/10/07).*
  - “Childcare facilities face closure unless subvention scheme changed” Sligo Champion 27/12/07)*
  - “Funding threat to childcare services Crèche funding”. Irish Times. McGreevy, R. (13/12/07)*
  - “Fianna Fail faces revolt over 'flawed' childcare plan” Irish Independent. Sheahan, F. (29/10/07)*



# Stakeholder Ability to Influence

- C&V operating in an Environment of Change

*“... a significant shift from the EU to the Exchequer as the source of much funding; the replacement or restructuring of several relevant Government Departments and agencies; the establishment of several new funding sources; the growth of philanthropy; the increasing professionalisation of fundraising; and the increased engagement of the sector with the business community.”*

(Keenan, 2008, p. 6)

- C&V supported by State to provide services

- Can you advocate against the body that funds you?
- Key Documents Advise: more formal definition of the relationship between government agencies and C&V Sector needed

- Fragmented approach to utilising the Media to advocate

- Conflict of Interest with TU as also an employer

# Summary

- Have we missed our opportunity to invest effectively in ECEC as we face into a period of fiscal constraint?
- *ECEC Support Mechanisms*
  - *Below avg. investment* in ECEC continues
  - *No State service provision*, private sector & C&V utilised
  - *Cash payments made to parents* to enable choice, can not track how much of this investment goes into ECEC
- CCSS
  - More *restricted criteria* for disadvantaged children to access services
  - ***Children's Rights, Needs or Entitlements not considered*** as parental welfare/employment status is criteria used to evaluate access of vulnerable children
  - No conditions attached to funding in relation to *Quality* of service
- Advocates for Change
  - C&V restricted in its role as *advocates*

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Thank You