

## Key messages of Report Card 8

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Peter Adamson, July 8, 2008

### The Childcare Transition

A change is coming over childhood in the world's richest countries. For the first time, a majority of the rising generation is spending a significant part of childhood in some form of out-of-home childcare.

In the OECD countries, more than three quarters of three-to-six year-olds are now in some form of early childhood education and care. For the under threes, the proportion is 25%, rising to more than 50% in individual countries. In the last decade many countries have also begun to see sharp increases in the numbers of infants being cared for outside the home.

#### **Driving the change**

In part, this change reflects progress new opportunities for women.

More than two thirds of all women of working age in the OECD countries are today employed outside the home.

But in part, also, the childcare transition reflects new necessities. The poorer the family, the greater the pressure to return to work as soon as possible after a birth - often to unskilled, low-paid jobs.

Most OECD governments actively promote childcare because more women in the workforce means higher GDP, higher tax revenues, and reduced welfare bills.

#### **Potential good**

This trend to early childhood education and care has great positive potential.

- It can enhance children's cognitive, linguistic, emotional and social development.
- It can advance progress for women.

- It can help boost educational achievement.
- It can be an investment in good citizenship.
- It can limit the early establishment of disadvantage.

### **Potential harm**

As the childcare transition progresses, neuroscientific research is confirming that loving, stable, secure, stimulating and rewarding relationships with family and caregivers in the earliest months and years of life are critical for almost all aspects of a child's development.

Poor quality care, therefore, has an obvious potential for both immediate and long-term harm. In particular, childcare that is 'too early and for too long' can be damaging.

In practice, there is a clear danger that the benefits of childcare will accrue to children from more privileged families while the potential for harm will be suffered mainly by children from disadvantaged homes.

In the absence of specific and large-scale action to give special emphasis to high quality early childhood services for at-risk children, 'double disadvantage' is therefore likely to become the norm. If this is allowed to happen, then the childcare transition will become a new and potent source of inequality.

All this presents the OECD countries with an question. Will the childcare transition will represent an advance or a set-back – for today's children and tomorrow's world?

The response must begin with greater concern for, and closer monitoring of, the transition to childcare.

### **Monitoring**

*Report Card 8* therefore advances a set of internationally applicable minimum standards for early childhood education and care – a set of ten benchmarks drawn up in consultation with government officials and academic experts from the OECD countries.

The benchmarks proposed should be regarded as a first step towards establishing a common core of minimum standards for early childhood services.

The benchmarks are:-

1. Paid parental leave of at least 12 months at 50% of salary.
2. A national childcare plan with priority for disadvantaged children.

3. Subsidized and regulated child care services for at least 25% of under-threes.
4. Publicly subsidized early education for at least 80 per cent of four-year-olds (for a minimum of 15 hours per week).
5. At least 80 per cent of childcare staff, including neighbourhood and home-based child carers, to have relevant training.
6. At least 50 per cent of staff in early education centres to have a minimum of three years tertiary education with a recognized qualification in early childhood studies.
7. A ratio of pre-school children (four-to-five year-olds) to trained staff of not more than 15 to 1; group size not to exceed 24.
8. At least 1 per cent of GDP to be spent on early childhood education and care (for children aged 0 to 6 years)..
9. A child poverty rate of less than 10 per cent (as measured by the percentage of children growing up in families in which income, adjusted for family size, is less than 50 per cent of median income).
10. A strong national commitment to reaching out to all children including the most marginalised (as measured by the near-universal outreach of basic children's health services).

At present, only Sweden meets all 10 of the suggested benchmarks, followed closely by Iceland which meets 9, and by Denmark, Finland, France, and Norway which meet 8. Only three countries – Australia, Canada, and Ireland – meet fewer than three.

### **Parental leave**

The *Report* argues that the interests of very young children are best served by policies that make it easier for at least one parent to care for the child during the first twelve months of life.

The report also recommends universal childcare services with flexible financing systems that can give priority to disadvantaged children by increasing per capita expenditures where the need is greatest.

Whether targeted or universal, state run or privately provided, the *Report* argues that significant public subsidy, supervision, and support is needed if services of the right quality are to be made available to all.

### **Quality**

The quality of early childhood education and care depends above all else on the ability of the care-giver to build relationships with children, and to help provide a secure, consistent, sensitive, stimulating, and rewarding environment.

Higher levels of staff training, improved staff ratios, and smaller group sizes are therefore critical – especially in centres serving at-risk children and children with special educational needs.

Approximately three-quarters of the costs of providing early childhood services are accounted for by salaries.

### **Childcare and poverty**

However good childcare services may be, they cannot alone break the grip of poverty and social exclusion. The *Report* therefore proposes that national child poverty rates should be below 10% if childcare is to fulfil its positive potential.

Of the 25 countries for which data are available, only 10 currently meet this standard.

### **Financing childcare**

The six OECD countries that meet 8 or more of the 10 benchmarks (the top six countries in the *Report's* 'childcare league table') are the same six countries that top the table of government expenditures on early childhood services (Iceland, Denmark, Finland, Sweden, France, and Norway).

Many OECD countries need to double current levels of expenditure on early childhood services if minimum acceptable standards are to be met.

A strong case can be made for such significant increases in funding:-

- There is already strong public demand for high quality, subsidised early childhood education and care.
- High quality childcare offers increased productivity and higher returns on investments in education.
- Many social, educational and behavioural problems have their origins in poor parenting and disadvantaged backgrounds – which good childcare can help to mitigate.
- All countries spend massively on the education of older children because the public benefits clearly justify the public costs. Yet in the light of today's knowledge it is clear that the same case can be made even more convincingly for investments in younger children.

The returns on early childhood education and care can be as high as \$8 for every \$1 invested.

## **Conclusion**

Some OECD countries have engaged closely with the childcare issue, pursuing policies designed to realize the potential benefits. In others, the mass movement towards out-of-home child care is proceeding in an ad hoc way with minimal assurances of quality. In such cases, it is the potential for harm that is more likely to be realized.

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