

The Challenge of Supporting Children in All Environments: A Proposal for Universal Funding

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Introduction

The support and subsidisation of early childhood care and education should have positive impacts on outcomes for children and educational outcomes more generally. Do current initiatives do the most effective job of supporting children in educational, social and behavioural objectives? This paper:

- Outlines current funding arrangements and other supports, including direct and indirect investment in early childhood care and education;
- Assesses the effectiveness of subsidies in early childhood education (i.e. do subsidies reach their intended targets?);
- Considers children's rights in Ireland under the relevant human rights machinery (especially the Convention on the Rights of the Child [United Nations (UN), 1989]) and legal, statutory and other structures (including the Irish Constitution [Government of Ireland, 1937], the Child Care Act, 1991 [Department of Health, 1991], the Ombudsman for Children, *Dáil na nÓg*);
- Suggests a universal method of funding care and education which is flexible, supports child protection, focused on quality, and is straightforward to implement while at the same time enables quality research.

Parents must balance the need to support their families economically with their caregiving responsibilities. This is not just an issue for individuals and families: supports for caregiving affect demographics, which in turn has implications both for economic and social development.

There are of course costs associated with taking up paid employment, but those in paid employment benefit from income and other supports: their work is included in the Gross Domestic Product (GDP), they have extensive legislative protection for their activities as workers; they are able to make contributions and receive benefits from social welfare systems; and they may be able to fund a private pension as well.

Those who take up caregiving responsibilities cannot also, during those hours, take up paid employment. As a result, they are classified as 'economically inactive' and they benefit from none of the protections or supports that those in paid employment enjoy. *Cúram* (which means 'care' in the Irish language) is a non-government organisation which seeks the recognition at all levels of the human, economic, social and cultural value of the unpaid work of caregivers. Although awareness is increasing, belatedly, that

the impact of policies on children and their families needs to be mainstreamed (see e.g. European Union Commission, 2006), there is relatively little relevant statistical data or research on caregiving to inform the debates and policies at European or indeed Irish level.

Recent Developments and Initiatives for Supporting Child Care and Education in Ireland

The responsibility for early years' education and care was transferred in 2005 from the Department of Justice to the Office of the Minister for Children (OMC) at the Department of Health and Children. Since then, significant funding increases for childcare providers and a new National Childcare Investment Programme (NCIP) 2006-2010 (OMC, 2006a) has been launched in the wake of the Equal Opportunities Childcare Programme (EOCP) to double the latter's provision of childcare places, which received funding of €500 million, and to subsidise staffing in disadvantaged areas and in favour of quality improvement.

To be considered for receipt of a capital grant, according to the National Childcare Investment Programme information leaflet, 2006 - 2010 (OMC, 2006b), taking a child-centred approach or providing for children with special needs are not among the criteria, but value for money is. There appears, unfortunately, to be no method of clawing back capital subsidies if the services provided are sub-standard or indeed not provided at all. The new tranche of funding does offer capital subsidies to parent and toddler groups, a welcome change from the previous scheme. The maximum award per toddler group is, however, only €400, as compared to the €1 million available per crèche.

In the Irish social security system, child benefit is paid on a universal basis and is not taxed. The 2007 rate is €150 for the first child per month. The government has also introduced a second payment for children under six of €1000 per annum.

In the Irish tax system, there is no direct tax relief for children, except arguably for lone parents, which is more favourable than that of individuals. The only other difference in the tax treatment between married couples with children and without children is the Home Carer Tax Credit. This credit, valued at a maximum of €770 per annum (just under €2.11 per day) is granted where one spouse is caring or parenting on a full-time basis. Childminders are currently able to earn €15,000 free of tax (see www.revenue.ie).

Research on Children and Families

None of the financial child care and education supports available in Ireland relate to research on the outcomes of amounts and quality of different types of early years' care and education. The first longitudinal study on children in Ireland, *Growing up in Ireland*, has just been launched (Children's Research Centre, 2006). Child care arrangements will

play some part in the study although whether the data will be collected and analysed in such a way that it will be possible to make rigorous conclusions on the links between care type and behavioural, cognitive and other outcomes remains to be seen.

The Family Support Agency (FSA) and the Centre for Early Childhood Development and Education (CECDE) both undertake research to improve the quality and targeting of care and education, but the FSA has so far completed a round of initial research to set a further research programme, while the CECDE has been focused on quality. Following effective consultation with different stakeholders, the CECDE launched the excellent early years' care and education quality framework *Síolta* (CECDE, 2006b) in 2006.

Many research reports have been published on families, children, parents and related topics in Ireland, but there is no one government department or research institution charged with overseeing a research programme or indeed disseminating the results of research. Efforts are being made, for example, to rationalise the research agenda under the CECDE, but different government, research and NGO actors work all too often in ignorance of each others' aims, actions and successes. In comparison to the amounts spent on capital funding for early childhood care and education (i.e. €500 million), the CECDE received grants of just over €2 million over most of the same period, 2001-2005 (CECDE, 2004; 2005; 2006a).

Is Public Policy Informed by Research?

Pressure to provide support for non-family childcare in Ireland has been driven by *economic factors*, such as the increase in the price of housing and the individualisation of the tax system, and *social factors*, such as women's higher levels of education and engagement with the labour market.

What is clear from studies in other countries, such as the United States-based National Institute of Child Health and Human Development longitudinal study on children (NICHD, 2006) or the United Kingdom-based Families, Early Learning and Literacy (FELL, 2006) study is that social and psychological outcomes for children are good where they are able to establish a secure bond with parents; and outcomes tend to be improved where the parents are sensitive to their children's perspective, level of development and needs. Maternal care comes out highly on social and behavioural as well as cognitive outcomes from various studies, which may be partially due to biological factors related to bonding. The effect of, for example, the hormone oxytocin on mothers, and the connection that babies and small children have to their mothers, may play a strong part in these processes, but this has yet to be adequately explored (Dahlström, 2006).

Quality early years' education results in better cognitive outcomes. Quality education can be delivered in a variety of environments and by a variety of actors, from teacher to

childminder to parent or other relative. When parents are involved in their children's education, the children tend to have better educational outcomes (Department of Education and Skills, 2003).

Family, especially maternal care and education can be of as good or better quality than other options. But family care is not included in the GDP and the parent who delivers care and education is considered 'economically inactive'. Furthermore, this activity entails not just a loss of income, but of pension and social welfare rights as well. The actual and opportunity costs can be enormous for those who are caring on a full- or part-time basis.

Educational Rights of Children and Responsibilities of Parents and States

Children have a right to care and education. This right is enumerated in the Convention on the Rights of the Child (United Nations, 1989), which states in Article 18 that:

"Parents or, as the case may be, legal guardians, have the primary responsibility for the upbringing and development of the child."

The role of the parent in the child's education is also recognised explicitly in Article 42.1 of Bunreacht na hÉireann, the Irish constitution (Government of Ireland, 1937).

Linking child care and education subsidies to the workforce participation of parents therefore runs counter to the rights of children and the legal responsibilities of parents. The State's role is to support parents in acting in the best interests of their children, but in practice it may be limiting parents' ability to fulfil their obligations. When a child is not thriving in its care situation and/or expresses dissatisfaction with existing arrangements, there may be little scope for parents to respond in a meaningful way due to the lack of support or availability for alternative care options.

Recognising Caregiving

Several methods have been advanced to recognise the caregiver either as part of a system of basic income, through income splitting or social welfare payments, such as homemakers' allowances or universalised maternity benefits.

All of these methods would give some recognition and income, either directly or indirectly to the caregiver. But the central difficulty with both the current and other proposed methods of funding is that the key stakeholder is not at the centre of the process. Cúram proposes a 'backpack' method of funding supports, where funding follows the child to quality care and education environments.

Child Care and Education Credits

Cúram's proposed system of Care and Education Credits is child-centred, supports quality of provision, is capable of responding to children's and families' preferences and needs and incentivises provision. Additionally, it is fully flexible, straightforward to implement, better supports child protection, and would simplify and target supports for children. The system would allow social scientists and policy makers to better track children and their progress, and would enable outcomes to be objectively linked to different types and mixes of care and education in the shorter and longer term.

Each child would be awarded Care and Educational Credits, hourly credits based on the age and needs of the child. The parent(s) or guardian(s) can then decide on the mix of care and education best suited to their child's needs. The credits follow the child and would be encashed by the end-provider of the care and education for the child. The end-provider could be a parent or other relative, a childminder, or a worker in a creche.

The encashment value of the credit would be a percentage of the face value, with the balance going towards tax and social welfare contributions. On encashment, the end-provider would declare that quality care and/or education was provided for that particular child.

It is envisaged to run this system in parallel to current tax arrangements. The system would ensure that all those who provide caregiving work would have that work recognised in the GDP and other relevant statistics, and could be protected by the social welfare system and pay into a pension. This would better support those who require flexible or part-time care options.

Funding for this proposal could derive from the National Childcare Investment Programme, exchequer funding, and parent contributions. Part of the Health Levy (an income tax) is being ring-fenced for eldercare. Why not do the same for early years' education? After all, not every person needs or indeed receives eldercare, but everyone needs, and should receive, appropriate care and education when young.

This system would improve life-long learning and training for end-providers. It would also support child protection and safety, since it would be possible to set up a database of national insurance numbers to cross-reference between end-providers and the children for whom they care, so that there could be effective monitoring and other interventions by child safety authorities. Researchers would also be able to track care patterns and link them to outcomes with very high levels of internal reliability.

The Irish government should implement a properly-funded early-years' research programme, centred on the recognition that the child, not the labour market or the

parent, is the key stakeholder in early years' education. It should support parents in their roles as primary carers and educators. It should implement its international commitments and recognise unpaid care and caregivers. Finally, government must take its own advice and review current and proposed supports for care and consider whether the systems in place are responding to needs in a way that supports the rights of children, recognises parent responsibilities, and provides value for money.

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