

Innocenti Working Paper

**EARLY CHILDHOOD SERVICES
IN THE OECD COUNTRIES:
Review of the Literature and Current
Policy in the Early Childhood Field**

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Early Childhood Services in OECD Countries: Review of the Literature and Current Policy in the Early Childhood Field

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Summary: The aim of this text is to provide a review of the literature and current policies of early childhood education and care in the economically most advanced countries of the world. The introductory chapter 1 provides some basic definitions: what is meant by ‘early childhood services’ both in the narrow sense of care and education services for young children (family day care, childcare centres, pre-primary educational services, integrated services, etc.) and in the wider sense of services supporting the holistic development of young children. Beyond early care and education, other services that support the broad development of young children are policies that sustain parents and parenting, parental leave, family-friendly policies, infant health services and policies that reduce child and family poverty. Explanations are also provided about the age notation used in this paper, and the meaning of the term ‘rich countries’. The section ends with five charts that provide the reader with a rapid overview of key elements of early childhood systems in the rich countries: investment by the countries of the Organisation for Economic Co-operation and Development (OECD) in early childhood services; maternity, paternity and parental leave entitlements; effective parental leave provision across OECD countries; the main institutional forms of early childhood services in the participating countries, and entitlements by age to early childhood services across selected OECD countries.

Chapter 2 addresses the question of the rights and well-being of young children. Information is drawn from five main texts: the United Nations Convention on the Rights of the Child (1989); General Comment No. 7 issued by the Committee on the Rights of the Child (2006); Innocenti Report Card 4, ‘A League Table of Educational Disadvantage in Rich Nations (2002); Innocenti Report Card 6, ‘Child Poverty in Rich Countries’ (2005); and Innocenti Report Card 7, ‘Child Poverty in Perspective: An Overview of Child Well-being in Rich Countries’ (2007). A strong message coming from these reports is how greatly government social policies and income transfers can alleviate family poverty and lessen its impact on the health, well-being and educational outcomes of young children.

Chapter 3 explores the economic and social context of children’s services, and seek to explain the contemporary focus on the upbringing and education of young children. Three profound changes are challenging traditional views of childhood and child-rearing: the changing socio-economic role of women; the changing demography and population diversity of rich countries; and third, the new education ideology with its focus on social equity and preparation for school. The chapter discusses different approaches adopted by countries towards the new challenges posed by these changes, and outlines some of the impacts of upstream socio-economic policies on families and young children. It points also to a certain ‘path dependency’ adopted by different groups of countries in their manner of conceptualizing and organizing early childhood services, stemming from their traditional politico-economic structures.

Chapter 4 provides a rationale for substantial state investment in early childhood services. It lists and briefly describes some 16 research analyses from 10 different countries showing the benefits generated by early childhood programmes. The research studies are grouped under two headings: analyses showing economic and labour market returns from investment and analyses showing educational returns from investment. The section summary concludes that strong social, economic and education rationales exist in favour of establishing and maintaining national networks of early childhood services, on the condition that these systems aim for and achieve high quality. Some doubts remain, however, concerning the appropriate age at which young children should begin day-long, out-of-home care, and for how long children should stay in out-of-home care during the day.

Chapter 5 recalls briefly the promise that participation in high-quality early childhood services holds for the individual child and at a wider level, for society as a whole. Such high-quality services provide significant support to education systems, social policy, gender equality and economies as a whole. The ability to boost the female employment rate from a level of 61.5 per cent (the OECD average) to a participation rate of 76.2 per cent (the case of Denmark) is a powerful stimulus both to the economy and to household budgets. In parallel, the contribution of early childhood services to later achievement in education is of major importance.

The chapter goes on to summarize how countries have responded to this promise. In particular, the following themes are examined: the greatly improved access to services for children 3-6 years in almost all countries; the steadily improving regulation and support for quality, and the merits and demerits of establishing targeted programmes for children at risk. Finally, a discussion on the funding of early childhood services is engaged; it evaluates the level of the financial commitments made by countries to early childhood services and the modes of financing that they employ.

A short conclusion proposes a dynamic social market model that brings together the dynamism and choice that market approaches can present with the strong investment, effective control and equity in access that public systems have traditionally offered in several countries. Further research is needed on how to create effective social markets, that is, networks of mixed provision in which choice and innovation exist, while maintaining equity and a sense of national and community responsibility for essential services. Widely different levels of purchasing power may be acceptable in the case of commodities or personal convenience, but in the fields of public health and education, they can undermine equity and social solidarity.

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Keywords: Basic social services, early childhood education and care, ECEC

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Abbreviations and Acronyms

CEDAW	Convention for the Elimination of Discrimination against Women
CRC	Convention on the Rights of the Child
ECE	Early childhood education
ECEC	Early childhood education and care
EHS	Early Head Start
EPPE	Effective Provision of Pre-school Education
GDP	Gross Domestic Product
IRC	Innocenti Research Centre
ISCED	International Standard Classification of Education
NCEE	National Council on Economic Education (United States)
NICHHD	National Institute of Child Health and Human Development (United States)
OECD	Organisation for Economic Co-operation and Development
OSP	Out-of-school provision
PISA	Programme for International Student Assessment
QA	Quality assurance
SES	Socio-economic status
SSLP	Sure Start Local Programmes (United Kingdom)
UN	United Nations
UNICEF	United Nations Children's Fund

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CHAPTER 1. INTRODUCTION

This paper provides a review of the literature and current policies of early childhood education and care in the economically advanced countries of the world, also referred to as the 'rich countries' of the world. The early childhood field is complex. Early childhood policy is concerned not only with providing education and care to young children but is also linked with issues of parental support and parenting; women's employment and equality of opportunity; child development and child poverty issues; labour market supply; and health, social welfare and later education for young children. There are also more fundamental questions, concerning the definition of childhood in different countries or the assumptions in government policy about the purposes of early childhood services. Such questions are touched on only very briefly in this paper.

As a preamble to an exploration of the field, this Introduction provides the reader with some basic definitions. In particular it seeks to explain what is meant by 'early childhood services' both in the limited sense of care and education services for young children (family day care, childcare centres, pre-primary educational services, integrated services, etc.) and in the broader sense of services supporting the holistic development of young children. Clarifications are also offered about the age notation used in this paper, and the meaning of the term 'rich countries'. The section ends with five charts that provide the reader with an overview of the major elements of early childhood systems in the rich countries.

Definitions and overview of tables

Early childhood services: The term 'early childhood services' is used throughout this paper to encompass all formal arrangements providing development, care and education for young children under compulsory school age, regardless of setting, funding, opening hours or programme content. Both 'education' and 'care' services are included in the term – family day care, childcare centres, pre-primary educational services, and the more integrated kindergarten services catering for the entire age range of 0-6 years.

In English-speaking countries, the terms most in use are 'childcare', generally for children under 3 years, and 'early education' for children from 3 years. These services are often considered to be separate and are generally administered apart, frequently with rather negative effects on the services for younger children. The OECD Starting Strong reviews used the term 'early childhood education and care' (ECEC) to underline the need for integrated care and education in programmes for all young children, regardless of age.

Another term in use is 'pedagogical services', as used for example in Nordic and Central European countries to denote early childhood services that combine care, nurturing and learning. The term raises some difficulties in English, as the word 'pedagogical' is understood more narrowly in the English-speaking world as referring to 'teaching' or 'teaching methods'. Another term, widely employed in the United States, is 'early childhood education' (ECE). The term is often used in an effort to promote learning in all services and as a claim on government funding for a universal educational service (White 2002).

Broad sense of early childhood services: In a broader sense – and as used in this paper – the term ‘early childhood services’ may also include parental leave, family-friendly policies and out-of-school provision (OSP) for young children up to their 12th birthday. These policies have an important impact on early childhood provision. Parental leave and family-friendly work policies not only promote gender equality but also encourage breastfeeding and greater involvement of parents with their children.

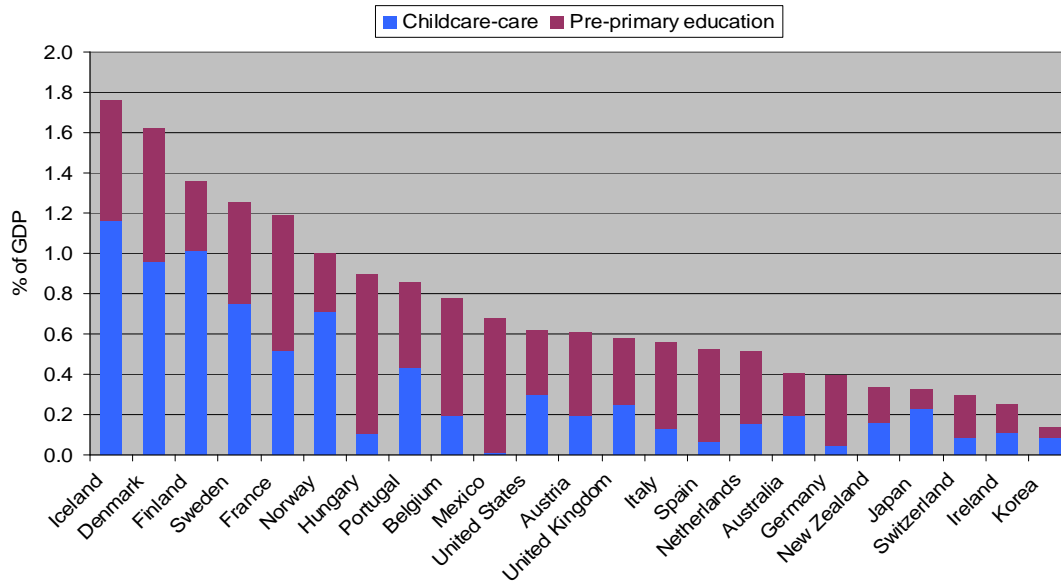
Age notation: The notation of age in this paper follows the convention used originally by the European Commission Childcare Network and followed by the OECD Starting Strong reviews. ‘Services for young children aged 0-6’ cover birth to the sixth birthday; they do not include 6-year-old children. ‘Services for children 0-3 years’ cover birth to the third birthday; they do not include 3-year-old children. Services for 3-6 years cover the third birthday to the sixth birthday; they include 3-year-olds, 4-year-olds and 5-year-olds, but do not include 6-year-olds.

Country coverage: The rich countries of the world include the member States of the Organisation of Economic Co-operation and Development (OECD), based in Paris. This group of countries, 30 in all, is comprised of: Australia, Austria, Belgium, Canada, the Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, the Republic of Korea, Slovakia, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States. Many of these countries will be referenced in this paper, but it is not possible to include all because comparable data, particularly in the ‘childcare’ sector, are not available across all countries.

This introduction presents five charts to provide readers with a rapid overview of key elements of early childhood systems in the rich countries:

- Figure 1: Public expenditure on early childhood services (0-6 years) as a percentage of GDP in selected OECD countries
- Figure 2: Estimates of public expenditure on early childhood services as a percentage of GDP, 2004
- Table 1: Maternity, paternity and parental leave entitlements in selected OECD countries and Slovenia
- Table 2: Main institutional forms of early childhood education and care in selected OECD countries
- Table 3: Entitlements by age to formal early childhood services across OECD countries (20 countries).

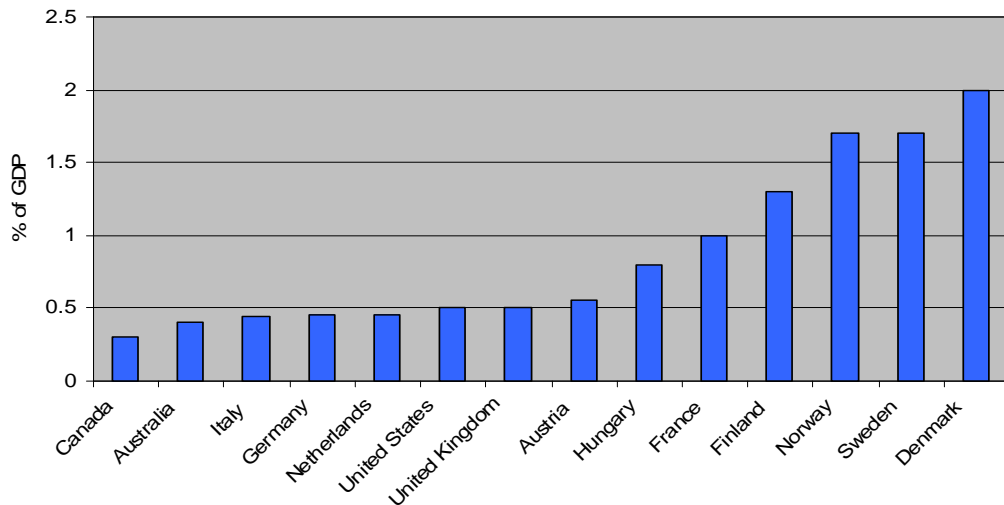
Figure 1: Public expenditure on early childhood services (0-6 years) as a percentage of GDP in selected OECD countries



Source: OECD, 2007, social expenditure database 1980-2003.

These figures, taken from the OECD social expenditure database, contrast with expenditure supplied directly in 2004 to the Starting Strong reviews conducted by the OECD 1999-2005. In particular, expenditure in the Nordic countries is much stronger in the figures supplied directly by countries.

Figure 2: Estimates of public expenditure on early childhood services as a percentage of GDP, 2004



Source: This chart is comprised of expenditure estimates for all early childhood services, based on replies provided directly by country authorities to an OECD survey in 2004. The figures provided indicate that Denmark spends 2 per cent of GDP on early childhood services for children aged 0-6 years, and Sweden 1.7 per cent. These countries and Finland also, allocate an additional 0.3 per cent (approximately) to the preschool class for children 6-7 years.

Table 1: Maternity, paternity and parental leave entitlements in selected OECD countries and Slovenia¹

Country	Maternity leave (ML)	Father's leave (FL)	Parental leave (PL)	Length of non-maternity leave	Total length of all leave	Total length of all paid leave ³	Total FTE/SR ² for all paid leave
Australia	No statutory right ^a to ML (conflated with PL). Generally, women take 6-12 weeks around a birth. c. 40 per cent receive some workplace payments..	Overlaps with parental leave	Statutory entitlement to 1 year unpaid, shared, parental leave (family-based)	52 weeks	52 weeks	0	0
Austria	16 weeks paid at 100 per cent of earnings	No statutory paternity leave	104 weeks (2 years) if both parents share in ECEC duties paid at a flat rate of €436 monthly, plus a supplement for low-income families	104 weeks	120 weeks	120 weeks	37.84
Belgium	16 weeks: 82 per cent 1 st month and 75 per cent thereafter	Paternity 2 weeks (3 days compulsory paid 100 per cent by employer; 7 days at 82 per cent paid by Health Insurance)	25 weeks (3 months each parent before child's 6 th birthday, or 6 months part-time). Full-time flat rate is about : c. 50 per cent of minimum wage	27 weeks	43 weeks	43 weeks	27.25
Canada	17 weeks, depending on province, paid at 55 per cent of earnings with upper limit	4 days	35 weeks, up to 50 weeks for eligible new parents. Paid at 55 per cent of earnings (ceiling)	35 weeks	52 weeks	52 weeks	28.6
Denmark	18 weeks paid at 100 per cent for most mothers (or unemployment benefit)	Paternity, 2 or 3 weeks (industrial workers) on a 'use it or lose it' basis at 100 per cent of earnings	32 weeks (family-based) but can be prolonged to 40 weeks (for all) and to 46 weeks for employees. Paid at 100 per cent of earnings (ceiling) for 32 weeks ^a	34 weeks	52 weeks	52 weeks	53
Finland^a	17.5 weeks (1 week = 6 calendar days). Paid differentially (9.3 weeks at 90 per cent; 8 weeks at 70 per cent)	3 weeks plus 2 weeks' bonus if 2 weeks' parental leave is taken ('father's month'), paid at 70 per cent	26.3 weeks (family-based) paid at 75 per cent of annual earnings, which can be followed by a 'home care leave' up to the child's 3 rd birthday of approximately 114.2 weeks, paid at flat rate of c. 17 per cent of average wage (€2,200)	140.5 weeks	158 weeks	158 weeks	56.6
France^a	16 weeks paid at 100 per cent of earnings with upper limit	Paternity, 2 weeks at 100 per cent salary replacement	Parental leave of c. 144 weeks (until child's 3 rd birthday) paid at c. 41 per cent of minimum wage (higher for low-income families) and reaching 59 per cent of minimum wage when one parent stops work completely	142 weeks	158 weeks	158 weeks	103

Country	Maternity leave (ML)	Father's leave (FL)	Parental leave (PL)	Length of non-maternity leave	Total length of all leave	Total length of all paid leave ³	Total FTE/SR ² for all paid leave
Germany ^a	14 weeks paid at 100 per cent of earnings with no ceiling	None	Parental leave is available until child's 3 rd birthday, that is, a further 146 weeks, but leave is paid at 67 per cent of earnings for one year only (or 14 months if father participates)	144 weeks	158 weeks	80 weeks	54.9
Hungary ^a	24 weeks paid at 70 per cent of earnings with no ceiling	1 week paid at 100 per cent of earnings	Parental leave childcare allowance, GYED, (for insured parents for 1 year) is paid at 70 per cent of earnings, and GYES (a 50 per cent of minimum wage, home care allowance for non-insured mothers and available to all mothers up to the child's 3 rd birthday after the GYED period has ended)	134 weeks	158 weeks	158 weeks	94.7
Iceland	13 weeks (3 months) at 80 per cent of earnings	13 weeks (3 months) at 80 per cent of earnings	13 weeks (3 months) at 80 per cent of earnings	26 weeks	39 weeks	39 weeks	31.2
Ireland	26 weeks, paid at 70 per cent of earnings plus 16 weeks unpaid (42 weeks)	None	14 weeks per parent, per child, unpaid	28 weeks	70 weeks	26 weeks	18.2
Italy	20 weeks, paid by employer at 80 per cent of earnings	None	6 months per parent plus 1 extra month for fathers who take 3 months parental leave. Total cannot exceed 11 months (48 weeks) when mothers only take the leave, or 12 months (rare), if a father has earned the extra month. Paid at 30 per cent for 11 or 12 months	52 weeks	72 weeks	72 weeks	31.6
Japan	14 weeks, paid at 60 per cent of earnings	None	None	None	14 weeks	14 weeks	8.4
Republic of Korea	12 weeks, at 100 per cent of earnings	None	36 weeks, paid at 17 per cent of earnings with upper limit	36 weeks	48 weeks	48 weeks	18.12
Mexico	12 weeks, at 100 per cent of earnings	None	None	None	12 weeks	12 weeks	12
Netherlands	16 weeks, paid at 100 per cent with upper limit	0.4 weeks (2 days), paid at 100 per cent with no upper ceiling	13 times the number of hours worked per week, that is, for a 38-hour week, a leave entitlement of 494 hours or 13 weeks per parent, per child. In sum, 26 weeks, paid at 50 per cent minimum wage	26.4 weeks	42.4 weeks	42.4 weeks	29.4
New Zealand	14 weeks, paid at 50 per cent of earnings	None	None	None	14 weeks	14 weeks	6

Country	Maternity leave (ML)	Father's leave (FL)	Parental leave (PL)	Length of non-maternity leave	Total length of all leave	Total length of all paid leave ³	Total FTE/SR ² for all paid leave
Norway ^a	9 weeks included in parental leave, paid at 80 per cent (or 100 per cent) of earnings	2 weeks after birth ('daddy days') plus 6 weeks of paternity leave (included in parental leave)	54 weeks (including 9 weeks for mothers and 6 weeks for fathers – the remaining 39 weeks a family entitlement). 54 weeks, paid at 80 per cent of earnings. A further childcare leave of 104 weeks can be taken, paid c. 70 per cent of an unskilled worker's wage ^a	149 weeks	158 weeks	158 weeks	116
Portugal	17 weeks (120 calendar days) at 100 per cent or 21 weeks (120 calendar days) at 80 per cent	Paternity, 1 week at 100 per cent, plus 2 weeks (15 calendar days) 'daddy days' if taken at appropriate time	14 weeks unpaid per parent that may be taken up to the child's 6 th birthday. An unpaid childcare leave of 2 years can also be taken	31 weeks	48 weeks	20 weeks	20
Slovenia	15 weeks, of which 4 should be taken before birth, paid at 100 per cent of earnings	13 weeks, paid at 100 per cent for two weeks, and thereafter, 100 per cent of the minimum wage	37 weeks, paid as for paternity leave	50 weeks	65	65	65
Spain	16 weeks, 4 to be taken before birth., paid at 100 per cent	3 weeks (15 working days, public employees 23 days), paid at 100 per cent	158 weeks per parent (child's 3 rd birthday). Unpaid, but job protection for one year	154 weeks	158	19	19
Sweden	60 days (2 months) of parental leave are reserved for mothers at 80 per cent of earnings. This leave can be used before birth	60 days (2 months) of parental leave are reserved for fathers, of which 10 days are to be used at the time around delivery – 'father's quota'. Wage replacement is 80 per cent	Parental leave is 480 days (16 months), of which 360 days are shared (1 year) and 60 days (2 months) are allotted to each parent. 390 days (13 months) are paid at 80 per cent of earnings and the remaining 90 days (3 months) are paid at a flat rate of c. 25 per cent of average daily wage	60 weeks	68.6 weeks	68.6 weeks	48
Switzerland	16 weeks, paid at 100 per cent	None	None	None	16 weeks	16 weeks	16
United Kingdom	39 weeks. This leave is paid for 6 weeks at 90 per cent of earnings, and 33 weeks c. 50 per cent minimum wage. ML extends to 52 weeks but the rest is unpaid	Paternity, 2 weeks at 50 per cent of the minimum wage	13 weeks per parent, per child unpaid (or 18 weeks for parents of child with disability)	28 weeks	80 weeks	41 weeks	22.9
United States	Some paid maternity leave depending on workplace and State agreements, but no statutory right. The practice is 12 weeks unpaid maternity leave –	None	No parental leave, but the 1993 Family and Medical Leave Act foresees leave for at-risk pregnancy, childbirth or illness. Many employers are compliant, but legally, they can require employees to use vacation and sick leave before claiming family leave.	None		None	None

Source: Bennett, J. (2008), based on Moss and Wall (2007).

Notes to Table 1 Maternity, paternity and parental leave entitlements in selected OECD countries and Slovenia.

¹In almost all countries, benefits are financed as part of social insurance or social security, that is, governments and employers bear the major costs. In some countries, direct employee contributions form part of the financing. With the exception of Finland and Sweden, the total costs of maternity and parental leave schemes do not exceed 1 per cent of GDP (Kamerman, 2000)

²FTE/SR means full-time equivalent salary replacement. Thus, 40 weeks replaced by 100 per cent of earnings has a coefficient of 40; at 50 per cent of earnings, a coefficient of 20. Please note that the calculations are approximate as some countries offer a percentage of salary while others offer only a percentage of a minimum wage or unemployment benefit. Although a percentage of salary will in most cases be superior to a percentage of minimum wage (or to the wage of an unskilled worker in the Nordic countries), the calculation of the replacement wage in this table treats both sources in the same way, that is, 50 per cent of the minimum wage and 50 per cent of salary receive an equal weighting.

³All paid parental leave means the total of paid maternity, father's and parental leave combined.

Country notes:

Australia (a) and (b). 41 per cent mothers and 32 per cent of fathers have access to paid maternity or parental leave, but there is no statutory entitlement. Payment depends on workplace agreements, the public sector providing paid leave more readily than the private sector. Mothers, irrespective of employment status, receive on the birth of a child a payment of A\$4,187 which, according to the Australian Budget 2004-05, will be increased to A\$5,000 (€3125) in July 2008.

Austria (a). In practice, fathers are allowed to take a few days off around the birth of a child, without any reduction in pay.

For Finland, France, Germany, Hungary and Norway (countries that provide parental leave up to a child's 3rd birthday), the calculation assumes that at least 2 weeks' leave is taken before birth, bringing the total of leave in these countries to 3 years and 2 weeks, that is, 158 weeks.

Norway (a) A further childcare leave for 2 years (104 weeks) can be taken, paid at a flat rate (c. 70 per cent of an unskilled worker's wage) if parents do not take up a place in a publicly funded childcare service.

Table 2: Main institutional forms of early childhood education and care in selected OECD countries

Age of children	0 (birth)	1	2	2.5	3	4	5	6	7
AUS	Accredited centres and FDC cover up to 61.5% of children at 4 years and c. 24.6% between 0-3, figures include sessional and long-day periods					Kindergarten or reception classes: c. 17% of age 4, 84% of age 5		Compulsory school at 6	
AUT	Tagesmutter (FDC) and Krippen (crèches) care for 8.9% of children 0-3				Kindergartens enrol 80% of children 3-6			Compulsory school at 6	
BEL (FL)	DOGs (family day care – predominant in Flanders) and Kinderdagverblijf (centre-based crèches) together care for 34.2% of children 0-3; 31% of 0-1s; 42% of 1-2s and 32% of 2-3s			Kleuterschool (infant school) from 2.5 years: enrolment 90% at 2.5 years reaching nearly 100% from age 3			Compulsory school at 6		
BEL (FR)	Gardiennes encadrées (FDC) 12%. Crèches for children 0-1 (12%) and centres for 1-3 (21.5%) together cover on average 18% of children 0-3			École maternelle: from 2.5 years: enrolment 90% at 2.5; reaching nearly 100% from 3 years			Compulsory school at 6		
CAN	Lack of precise data on children 0-4 years. Excepting Quebec, state support is weak, many private and unsupervised arrangements. Quebec enrolls 38% of 0-4s. Centre based and family day care cover 24% of children 0-6 years					Junior K: 40% of 4-5s in Ontario; 50%+ in Quebec	Kindergarten: 95% of 5-6s enrolled in most P/Ts	Compulsory school at 6	
CZE	Few crèche services				Materska skola (kindergarten) covers 76% from age 3; 98% at 5-6 years			Compulsory school at 6	
DEU	Krippen (centre-based crèche) cover 37% in former E.Germany, and c.3% of children 0-3 in former W.Germany (8.6% of 0-3 children nationally)				Kindergarten covers 90% of children 3-6, generally full-day in former E. Germany. Mostly under social/family services, but sometimes local ministry of education.			Compulsory school at 6	
DNK	Daycare services (dagtilbud) care for children from 6 months to 6 years. Services are: Dagpleje (family day care) covering 45% children to age 3; Vuggestuer (crèches) and Adlersintegrer (age-integrated facilities which together enrol a further 15% of children under 3, and c. 38% of children 3-6 years. Børnehaver (kindergartens) enrol c. 58% of children 3-6 years.							Kgarten classes (børnehaverklasser) enrol 98% of 6-7s	Compulsory school at 7
FIN	Perhepäivähöito (FDC) and Päiväkotit (municipal early development centres) together cover 27.5% of children 1-2, 44% of 2-3, and 73% by age 5, with 54% in family day care and 46% in centres							Esiopetus (pre-school): enrolls 96% of 6-7s	Compulsory school at 7
FRA	Assistantes maternelles care for 18% of 0-3s, crèches 8% and other licensed arrangements provide for 6% of children			The école maternelle enrolls 35% of children from 2 years and almost all children from 3 years. An entitlement to this free service exists from 3 years			Compulsory school at 6		
HUN	Bölcsöde (crèches) and some family day care cover 9.3% of children 0-3				Ovoda (kindergarten) cover 85% of children 3-5s, 97% of 5-6s	Compulsory K from age 5			
IRL	Licensed family day care and nurseries cover 10-15% of children from birth to 4 years. Most children are in family or unregulated informal child-minding arrangements				Pre-primary education covers 4% at age 3; 56% of children 3-6 years. Enrolments approach 100% from age 5 years			Compulsory school at 6	
ITA	Asili nidi (crèches) cover 18.7% of children 0-3. Most children either in family or other informal settings				The scuola dell'infanzia covers 70-90% of children from age 3 (depends on region); 96% at age 5-6 years			Compulsory school at 6	
KOR	Much family and informal care. Parallel systems under different ministries: child care centres cover 10% of children 0-3, 31% of 3-5s, 23% of 5-6s				MOE kindergartens cover 12% of children 3-4, 27% of 4-5, and 45% of 5-6, that is, c.70% of children 5-6 years in licensed services			Compulsory school at 6	
MEX	Educación inicial (centre-based crèche) covers about 3% of children 0-3				(Future compulsory) educación preescolar will begin from age 3, but covers at present: 81% of children 3-6 (55% 3-5; 88% from age 5)				
NDL	Gastouderopvang (family day care) and Kinderopvang (child care centres) enrol 23% of 0-4s. A further 5-10% are enrolled in municipal early education services for disadvantaged children. In total, 89% of 2-4s are enrolled in play groups or other service types.					Pre-primary 4-6 years: almost all children are enrolled at 4	Compulsory pre-primary school from age 5		
NOR	Børnehager (kindergartens), including rural familiebørnehager and both private (majority) and public, enrol about 48% of children 0-3, and 88% of 3-6s							Compulsory school at 6	
PRT	Crèche familiar (1.5%) and centre-based crèches (11%) cover 12.5% of age 3				Jardins de infancia enrol 60% children at age 3 and 90% from 5-6. National average for 3-6s is 76.3%			Compulsory school at 6	

Age of children	0 (birth)	1	2	2.5	3	4	5	6	7
SWE	<i>Familiedaghem</i> (family day care) care for 8% of children, esp. in rural areas. Full-day <i>forskola</i> enrol 45% of children 1-2, 86% of 2-3 and 91% of 4-5, and 96% of children 5-6 years							Preschool class – 91% enrolment. Other 9% are enrolled in school	Compulsory school at 7
GBR (Engl.)	Predominantly private nurseries, child minders and playgroups care for 26% of children 0-3, but under MOE responsibility				Playgroups and nurseries provide for 95% of children 3-4	Reception class and nursery schools enrol c.100% of 4-5s	Compulsory primary school begins at 5 years		
USA	Predominantly private child care centres and family day care cater for c. 50% of children 0-3 (38% of these in licensed services)				40% of children 3-4, and 70% of 4-5s enrolled in educational programmes, incl. pre-K, private kindergartens, Head Start, purchase-of-service. Head Start covers 11% of 3- and 4-year-olds.		Compulsory school at 6		
					From age 5, over 80% of children are enrolled in state-funded kindergarten (education auspices)				

Key:

- Family day care, crèches under social welfare, health, family services.
- Preschool and other services under education ministry or agency.
- Free and compulsory primary or pre-school educational service.
- Mix of services, some under education ministry or agency.

Source: Starting Strong II, OECD (2006).

Table 3: Entitlements by age to formal early childhood services across selected OECD countries (20 countries)

	Nature of entitlements	Age covered	Length of day	Duration of entitlement	Free or fee-paying
Australia	- No legal right to services for children aged 0 to 4 years, but significant childcare benefits for families using an approved service <i>- No legal right to preschool although most States provide free or almost free preschool for 4- and 5-year-olds</i>	0 to 4/5 years 4 to 6 years	Long day Usually half-day or less	 No entitlement but preschool generally available for 1- to 2-year-olds, depending on state	Subsidized fee-paying Generally free (depends on state)
Austria	- No legal right to services for children aged 0 to 3 years <i>- No legal right to kindergarten from 3 to 6 years but a political imperative</i>	3 to 6 years	Increasingly full-day	3 years	Subsidized fee-paying
Belgium	- No legal right to ECEC for children under 2.5 years, but supervised, subsidized services are broadly available (supply does not meet demand): in the French Community, services are mainly crèches; in the Flemish Community, mainly family day <i>- Legal right to universal preschool from 2.5 to 6 years</i>	0 to 3 years 2.5 to 6 years	 Increasingly full-day with OSP	 3.5 years	 Free
Canada	- No legal right to childcare (0 to 5 years) - Legal right to ECEC (pre-kindergarten) at age 4 in Ontario. Legal right to ECEC 0- to 6-year-olds in Quebec (educational childcare for 0- to 5-year-olds; kindergarten for 5- to 6-year-olds) <i>- Legal entitlement to kindergarten (5 to 6 years) in all provinces (varies) starts at age 5 or 6</i>	0 to 5 years 4 to 6 years 0 to 6 years 5 to 6 years	Half-day or full-day Half-day Half day	 3 years Quebec, 2 years Ontario 1 year 1 year	 Fee-paying and free Free
Denmark	<i>- c. 90 per cent of municipalities guarantee places for all children aged 1 to 5 years</i> <i>- Legal right to a place in free, preschool class in centres and primary schools</i> <i>- Legal right to place in out-of-school provision</i>	0.5 to 6 years 6 to 7 years	Generally full-day After school	6 years	Subsidized fee-paying, except for preschool class, which is free
Finland	<i>- Legal right to a place in centre-based or home-based ECEC from birth</i> <i>- Legal right to a place in a free, pre-school class in centres and primary schools</i> - No legal right to a place in out-of-school provision	0 to 6 years 6 to 7 years	Full-day Half-day After school	All early childhood + 1-year (half-day) free	Subsidized fee-paying Free Fee-paying
France	- No legal right to ECEC services under age 3, but supervised, subsidized services are broadly available. 35 per cent of 2-year-olds have access to free <i>école maternelle</i> (nursery school) services, and over 90 per cent of 3-year-olds <i>- Legal right to school-based ECEC from age 3</i>	3 to 6 years	Full-day (8 hours)	3 years	Free
Germany	- No legal right to ECEC for children under 3 <i>- Legal right to ECEC services from age 3</i>	3 to 6 years	Full-day	3 years	Subsidized fee-paying
Hungary	<i>- Legal right from the age of 6 months, but in practice, there is not universal access until the age of 3 years in the kindergarten (Ovoda) service</i>	0 to 3 years 3 to 6 years	Full-day (10 hours) Full-day	3 years in practice	Free Free
Ireland	- No legal right to services for children under 4 <i>- Legal right to a place in school-based preschool from 4 years</i>	4 to 6 years	Varies Half-day	2 years	Fee paying Free

Italy	- No legal right to services for children under 3 - Legal right to a place in school-based ECEC from 3 years	3 to 6 years	Half-day or full-day	3 years	Subsidized fee-paying Free in public system
Rep. of Korea	- No legal entitlement for children 0 to 5 years, except from 2006, for 4-year-olds from low-income backgrounds (20 per cent coverage) - Legal entitlement from age 5. Demand exceeds supply: 20 per cent of 5-year-olds covered in 2004, 30 per cent in 2005, going towards 80 per cent in 2006	5 to 6 years	Full-day in CC centres Increasingly full-day in kindergartens	1 year	Free
Mexico	- No legal right for children under 3 - Free, compulsory preschool attendance for children from age 3 by 2009	3 to 6 years	Half-day	3 years	Free
Netherlands	- No legal right to services for children under 4 years, but high investment in subsidies for children at risk - Legal right to a place in primary school, from 4 years	2 to 4 years 4 to 6 years	Half-day School-day	2 years	Free
Norway	- No legal right to services but <i>80 per cent enrolment has been reached for children over 4 years. When universal enrolment is reached, an entitlement will be introduced</i>	0 to 6 years	Full-day	No entitlement but places available in most communes from age 3	Fee-paying
Portugal	- No statutory right to services for children under 3 - Legal right to free jardim enrolment; from 4 years	4 to 6 years	5 hours, 5 days/week	2 years	Free
Sweden	- Legal obligation to provide a place for children of working or studying parents from 12 months - Legal right to free preschool class for bilingual children from age 3 being extended progressively to all 5-year-olds and 4-year-olds - Legal right of all 6- to 7-year-old children to a free preschool class - Legal right to a place in after-school services for 1- to 12-year-olds	1 to 6 years 3 to 6 years 6 to 7 years 6 to 12 years	Full-day Half-day Half-day After-school	3 years of a free half-day service available to most children	Fee-paying Free Free Fee-paying
United Kingdom (England)	- No legal entitlement for children under 3 - Universal, free, part-time early education for all 3- and 4-year-olds prior to the start of compulsory schooling	3 to 5 years	12.5 hours per week, for 33 weeks	2 years prior to compulsory schooling (which in England begins at age 5)	Free
United States	- In most states, no legal right for children until 5 years - Three states – Florida, Georgia and Oklahoma – provide universal pre-kindergarten to all 4-year-olds. Head Start and pre-kindergarten for children at risk exist in most states - Most school districts offer free kindergarten class to all 5-year-olds as part of primary schooling	4 to 5 years 5 to 6 years	Half-day, term-time (varies)	1 year across country	Free

Source: *Starting Strong II*, OECD 2006. Updated by Bennett, J. (2007).

CHAPTER 2. THE RIGHTS AND WELL-BEING OF YOUNG CHILDREN

This chapter summarizes the basic human rights clusters contained in the United Nations Convention on the Rights of the Child. It then examines General Comment No. 7 issued by the UN Committee on the Rights of the Child in 2005, 'Implementing Child Rights in Early Childhood', which provides a general guide to the interpretation of these rights vis-à-vis young children. The chapter also reviews the findings of previous UNICEF Innocenti Report Cards. It considers, in particular, 'Child Poverty in Perspective: An overview of child well-being in rich countries (UNICEF 2007), 'Child Poverty in Rich Countries' (UNICEF 2005) and 'A League Table of Educational Disadvantage in Rich Nations' (UNICEF 2002). These reports underline the huge impact of government policies on families and young children. Social policies and income transfers can greatly alleviate family poverty and lessen its impact on the health, well-being and educational outcomes of young children.

Among the UN organizations, the United Nations Children's Fund (UNICEF) has primary responsibility for the rights of young children and their welfare. In addition to its programme work and research for children in developing countries, UNICEF, through the UNICEF Innocenti Research Centre in Florence, has led research on child rights and has published in recent years several reports related to the well-being of children in rich countries. These reports are based on data collected by international organizations and by authorized statistical agencies from participating countries. For the purposes of the present paper, the following studies are particularly important as they examine how societies live up to their obligations towards children.

The Convention on the Rights of the Child, 1989

Differences of opinion arise between countries and across different political traditions concerning the rights of children. However, all but one of the OECD countries have ratified the United Nations Convention on the Rights of the Child, a charter of children's rights set out in 41 articles (Part I of the Convention). Although the Convention acknowledges the limits in resources and services available to countries, and the progressive nature of the exercise of rights by young children according to their age and maturity, it insists that even the youngest children (including adoptive children and children with special needs) are vested with the full range of human rights.

Children's rights include: civil rights (the right to life and to official registration and identity; to personal inviolability including rights to privacy, honour and dignity; to freedom of religion and association; to freedom of information and expression; to protection by the law against violence, abuse, neglect or exploitation, etc.); economic rights (the right to an adequate standard of living); social rights (the right to the highest available standards of health care, social security and education); and cultural rights (the right to and respect for a particular language, culture or religion). Many of these rights affect the parents and families of young children, and governments are encouraged in the Convention to pay special attention to supporting parents in exercising their common responsibility for the upbringing and development of the child.

Box 1: List of CRC Clusters (The General Measures, UNICEF 2006)

In its Guidelines for Initial Reports and Periodic Reports, the Committee on the Rights of the Child has grouped the provisions of the CRC in clusters: “This approach reflects the Convention’s holistic perspective of children’s rights: that they are indivisible and interrelated, and that equal importance should be attached to each and every right recognized therein” (CRC/C/58, para. 9). The following are the clusters.

I General measures of implementation

Article 4 implementation obligations: **42** making CRC widely known: **44(6)** making reports widely available (in Guidelines for Periodic Reports, also **41** respect for existing standards).

II Definition of the child

Article 1

III General principles

Article 2 non-discrimination: **3(1)** best interests to be a primary consideration: (in Guidelines for Periodic Reports, also **3(2)** the State’s obligation to ensure necessary care and protection, and **3(3)** standards for institutions, services and facilities): **6** the right to life, survival and development (see also VI): **12** respect for the views of the child.

IV Civil rights and freedoms

Article **7** right to name, nationality and to know and be cared for by parents: **8** preservation of child’s identity: **13** freedom of expression: **14** freedom of thought, conscience and religion: **15** freedom of association and peaceful assembly: **16** protection of privacy: **17** child’s access to information, and role of mass media: **37(a)** right not to be subjected to torture or other cruel, inhuman or degrading treatment or punishment.

The Guidelines for Periodic Reports indicates (para. 48) that these are not the only provisions in the CRC that constitute civil rights and freedoms.

V Family environment and alternative care

Article 5 parental guidance and child’s evolving capacities: **18(1-2)** parental responsibilities and State’s assistance: **9** separation from parents: **10** family reunification: **11** illicit transfer and non-return: **27(4)** recovery of maintenance for the child: **20** children deprived of their family environment: **21** adoption: **25** periodic review of placement and treatment: **19** protection from all forms of violence: **39** rehabilitation and integration of victims of violence (see also VIII).

VI Basic health and welfare

Article 6 right to life, survival and development (see also III): **18(3)** support for working parents: **23** rights of disabled children: **24** right to health and health services: **26** right to social security: **27(1-3)** right to adequate standard of living.

VII Education, leisure and cultural activities

Article 28 right to education: **29** aims of education: **31** right to leisure, play, participation in cultural and artistic activities.

VIII Special protection measures

A Children in situations of emergency. **Article 22** refugee children: **38** children and armed conflict: **39** rehabilitation of child victims (see also V).

B Children involved with the system of administration of juvenile justice. **Article 40** administration of juvenile justice: **37(a)** prohibition of capital punishment and life imprisonment: **37(b-d)** restriction of liberty: **39** rehabilitation and reintegration of child victims (see also V).

C Children in situations of exploitation. **Article 32** child labour: **33** drug abuse: **34** sexual exploitation: **35** sale, trafficking and abduction: **36** other forms of exploitation.

D Children belonging to a minority or an indigenous group. **Article 30**.

Excerpted from Rachel Hodgkin and Peter Newell, Implementation Handbook for the Convention on the Rights of the Child, UNICEF 1998, p. 579.

Source: UNICEF (2006).

**General Comment No. 7, Committee on the Rights of the Child
(UN CRC/C/GC/7/Rev.1, 20 September 2006)**

The authoritative source for the interpretation of the Convention on the Rights of the Child (CRC) is the UN Committee on the Rights of the Child, which sits periodically in Geneva. In September 2005, the Committee issued a comprehensive Comment, 'Implementing Child Rights in Early Childhood', elucidating the rights of young children in the CRC, across its various principles and articles. In summary form, the Committee urged the countries that had ratified the Convention:

- **To engage in capacity-building for young children**, in particular, in policy areas such as resource allocation; investment in public early childhood services and infrastructure; data collection and management; research on young children; training for rights in early childhood; and international assistance;
- **To construct a positive agenda for all young children**, giving in particular, close attention to young children in need of special protection. The Comment notes the particular vulnerability of young children to abuse and neglect, and the particular vulnerability of children from particular groups. Programme for vulnerable children should be multisectoral, require standards and professional training appropriate for the age range, include birth registration, health-care provision and ensure a standard of living and social security adequate for the child's physical, mental, spiritual, moral and social development;
- **To recognize that young children are holders of all the rights enshrined in the CRC, including the right to education.** States have a key role to play in providing a legislative framework for the provision of quality, adequately resourced services, and for ensuring that standards are tailored to the circumstances of particular groups and individuals, and to the developmental priorities of particular age groups, from infancy through to transition into school. From this perspective, the present treatment of infants and toddlers compared to that of children from 4 years of age, who enjoy free public early education services, must be considered an aberration. In many countries, the care of younger children remains largely a private affair, with insufficient help from governments. Parents may have access only to private arrangements with inadequately trained carers. Quality standards may be few, and parents on modest salaries may be obliged to choose low-quality care options although they desire to provide the best for their children. In such instances, the implication is that governments are in breach of a key principle of the Convention, which states that the best interests of the child should be a primary consideration in all actions concerning children.
- **To construct high-quality, developmentally appropriate and culturally relevant programmes.** Governments are advised to achieve this goal by working with local communities rather than imposing a standardized approach to early childhood care and education.
- To understand central features of child rearing and early childhood development, including the notions:
 - *That young children form strong emotional attachments to their parents or other caregivers from whom they seek and require nurturance, care, guidance and protection in ways that are respectful of their individuality and growing capacities.*

Through these attachments, children construct a personal identity and acquire culturally valued skills, knowledge and behaviours.

- *That parents are the first educators of young children* and should provide their children with an environment of reliable and affectionate relationships based on respect and understanding. The Committee invites States parties to provide appropriate assistance to parents in the performance of their child-rearing role. Governments will adopt an integrated approach to family and child policy through policies that impact indirectly on parents' ability to promote the best interests of children (e.g. taxation and benefits, adequate housing, working hours) as well as through those that have more immediate consequences (e.g. perinatal health services for mother and baby, parent education, home visitors, early education). They should create programmes that complement the parental role, in partnership with parents.
- *That young children make sense of the physical, social and cultural dimensions of the world they inhabit, learning progressively from their activities and their interactions with others, children as well as adults.* Through these activities and relationships, they learn to negotiate and coordinate shared activities, resolve conflicts, keep agreements and accept responsibility for others. For these reasons, the Committee interprets the right to education during early childhood as beginning at birth, and is closely linked to young children's right to "maximum development" (article 26).
- *That the goal of education is "to empower the child by developing his or her skills, learning and other capacities, human dignity, self-esteem and self-confidence."* This must be achieved in child-centred and child-friendly ways that reflect the inherent dignity of the child. States must ensure that the institutions, services and facilities responsible for early childhood conform to quality standards, particularly in the areas of health and safety, and that staff possess the appropriate psychosocial qualities and are suitable, sufficiently numerous and well trained. Work with young children should be socially valued and properly paid, in order to attract a highly qualified workforce, men as well as women.
- *That within early education, attention should be given to the child's right to rest, leisure and play.* Poorly programmed time can deny children the opportunity for the development of self-esteem, resilience, the possibility of learning to work together in groups, to negotiate constructively with each other and to resolve conflicts by themselves. Acknowledging that traditional divisions between 'care' and 'education' services have not always been in children's best interests, the concept of 'educare' is sometimes used to signal a shift towards integrated services, and reinforces the recognition of the need for a coordinated, holistic, multisectoral approach to early childhood.
- *That young children's experiences of growth and development are powerfully shaped by cultural beliefs* about their needs and proper treatment, and about their active role in family and community. Respecting the distinctive interests, experiences and challenges facing every young child is the starting point for realizing their rights during this crucial phase of their lives.

- *To apply without restriction the four general principles of the CRC to all young children:* the right to life, survival and development; the right to non-discrimination; the best interests of the child as a primary consideration in all actions concerning children; respect for the views and feelings of the child and the right of the child to be heard (the Comment draws attention to the notion of ‘evolving capacities’ and encourages States to create opportunities for young children to progressively exercise their rights). An overall aim is to prepare children for citizenship and a responsible life in a free society through building their confidence, communication skills and enthusiasm for learning, and through their active involvement in planned activities, among others. The Comment condemns traditional views of young children as being underdeveloped or as lacking understanding or the capacity to make reasonable choices.

‘Child Poverty in Rich Countries’ (UNICEF 2005)

Protecting children from the sharpest edges of poverty during their years of growth and formation is both the mark of a civilized society and the sign of a realistic and equitable attitude towards the possibilities open to young children who come from deprived backgrounds. Poverty combined with a low level of parental education has a greater impact in early childhood than in the later life cycle and can seriously affect important developmental areas, such as language acquisition, access to health services, and enrolment in early education services (Brooks-Gunn et al., 2002, UNICEF 2007; Pickett and Wilkinson 2007). In fact, numerous studies show that poverty in childhood has statistically an extremely negative impact on the social and educational outcomes of children. For example, Ross et al., researchers from the Canada Council of Social Development, examine data from the Canadian National Longitudinal Survey on Children and Youth (NLSCY) and come to the following conclusions:

- Children in low-income families are twice as likely to be living in poorly functioning families as children in high-income families;
- More than one quarter of low-income children live in problematic neighbourhoods – where there is drug use, excessive public drinking or youth unrest, for example – compared to one tenth of children in high-income families;
- Children in low-income families are twice as likely to be in the top 10 per cent in terms of frequency of delinquent behaviours, compared to children in modest-income families, and they are three times as likely to have high delinquency scores as children in high-income families;
- Children in low-income families are over two-and-a-half times more likely than children in high-income families to have difficulty with one or more basic abilities such as vision, hearing, speech or mobility;
- More than one third of children from low-income families exhibit delayed vocabulary development compared to only 8 per cent of children in high-income families;
- One in six teens (aged 16 to 19 years) from low-income families is neither employed nor in school, compared to only one teen in 25 from middle- and high-income families.

For these reasons, all countries wishing to improve the development and learning of their children need to reduce national levels of child poverty as much as possible. UNICEF Report

Card 5, 'Child Poverty in Rich Countries' (UNICEF 2005) showed that many countries were neglectful in this regard. In fact, in the 10-year period preceding the report, poverty had risen in 17 of the 24 OECD countries for which data were available. And although they provide care and education to children from at-risk backgrounds, early childhood programmes cannot substantially address issues of structural poverty and institutional discrimination (Zigler et al., 1996; Dearing et al., 2006).

Child poverty has multisectoral causes and needs to be met by multisectoral policies. Its effects can be lessened through family support and children's services, but governments also need to tackle family poverty upstream through energetic social, housing and labour policies, including income transfers to low-income groups, comprehensive social and family policies, and supportive employment schemes and work training.

Again, while measures of child poverty by UNICEF are based on the income level of parents, other factors are generally present where poverty exists, and serve to aggravate its impacts. Among the factors usually mentioned are unemployment, lone parent families, low education and poor skills of parents, discrimination, high-crime and antisocial neighbourhoods, poor housing, ill health and family breakdown. For this reason, programmes for children from disadvantaged backgrounds cannot focus on cognitive development alone, but need a strong concept of pedagogy that embraces care and nurturing as well as education. In the case of child poverty, prevention is also better than cure. Preventive, anti-poverty measures can significantly reduce the numbers of children arriving in early childhood centres with additional learning needs.

In 2005, UNICEF published the Innocenti Report Card 6, 'Child Poverty in Rich Countries', which shows the relative child poverty rates in selected OECD countries (more recent figures will be available later this year). It shows Denmark and Finland as achieving child poverty rates of less than 3.5 per cent while six countries show child poverty rates in excess of 15 per cent. Apart from the comparative information that it provides, more serious matters for concern become apparent when the data here are compared to child poverty figures from the 1990s, as is done in the report. In the later period, around 2000, the proportion of children living in poverty had risen in 17 out of 24 OECD member States, and wages for the lowest-paid workers had decreased by 10 per cent in seven countries. Increasingly, many of these low-paid workers are mothers with sole responsibility for rearing their children.

Yet, unlike education, where high spending does not always ensure learning achievement, government spending on family and social benefits is strongly correlated with the reduction of child poverty rates. Governments in the countries with the lowest child poverty rates reduce 'market poverty' (that is, poverty that results from labour and market forces being left unregulated) by 80 per cent or more, whereas countries with high child poverty rates reduce market poverty by only 10 per cent.

Variation in government policy appears to account for most of the variation in child poverty levels between States. No OECD country devoting more than 10 per cent of GDP to social transfers in aid to poor families has a child poverty rate higher than 10 per cent. No country devoting less than 5 per cent to social transfers has a child poverty rate of less than 15 per cent.

According to the analysis provided in the report, many OECD countries have the potential to reduce child poverty rates below 10 per cent without a significant increase in overall social spending. It is interesting to note the Nordic countries tackle child and family poverty not only through redistribution policies and cash benefits but also through a significant investment in services. An adequate supply of childcare services enables women to work and provide for their children, thus avoiding the dependency culture that is often associated with cash benefits.

**‘Child Poverty in Perspective: An overview of child well-being in rich countries’
(UNICEF 2007)**

This Innocenti Report Card 7 (UNICEF 2007) provides an assessment of the lives and well-being of children in 21 countries of the industrialized world. Specifically, it attempts to measure and compare child well-being under six different dimensions: material well-being; health and safety; educational well-being; peer and family relationships; behaviours and risks, and young people’s own subjective sense of well-being. In all, it draws on 40 separate indicators relevant to children’s lives and their rights. Again, northern European countries take the first four places, but all countries have weaknesses that need to be addressed. Figure 3, below, presents the findings of the Report Card in summary form.

Figure 3: Child well-being in selected OECD countries*

		Dimension 1	Dimension 2	Dimension 3	Dimension 4	Dimension 5	Dimension 6
Dimensions of child well-being	Average ranking position (for all 6 dimensions)	Material well-being	Health and safety	Educational well-being	Family and peer relationships	Behaviours and risks	Subjective well-being
Netherlands	4.2	10	2	6	3	3	1
Sweden	5.0	1	1	5	15	1	7
Denmark	7.2	4	4	8	9	6	12
Finland	7.5	3	3	4	17	7	11
Spain	8.0	12	6	15	8	5	2
Switzerland	8.3	5	9	14	4	12	6
Norway	8.7	2	8	11	10	13	8
Italy	10.0	14	5	20	1	10	10
Ireland	10.2	19	19	7	7	4	5
Belgium	10.7	7	16	1	5	19	16
Germany	11.2	13	11	10	13	11	9
Canada	11.8	6	13	2	18	17	15
Greece	11.8	15	18	16	11	8	3
Poland	12.3	21	15	3	14	2	19
Czech Republic	12.5	11	10	9	19	9	17
France	13.0	9	7	18	12	14	18
Portugal	13.7	16	14	21	2	15	14
Austria	13.8	8	20	19	16	16	4
Hungary	14.5	20	17	13	6	18	13
United States	18.0	17	21	12	20	20	–
United Kingdom	18.2	18	12	17	21	21	20

OECD countries with insufficient data to be included in the overview: Australia, Iceland, Japan, Luxembourg, Mexico, New Zealand, the Slovak Republic, South Korea, Turkey.

Source: UNICEF IRC (2007).

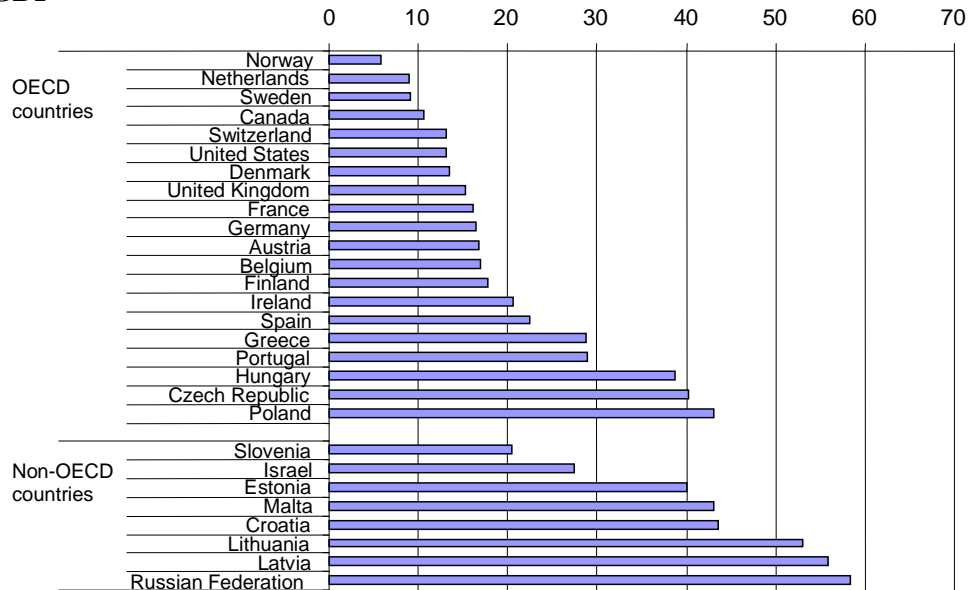
* Correcting for an error to data on teenage drinking, Denmark ranks 12 in risk behaviour; revisions by France to data on education rank France 18 instead of 21 in educational well-being.

From this chart and the more detailed tables in the report, it is clear that no single dimension of well-being provides a reliable proxy for child well-being as a whole, and that countries can find themselves with widely differing rankings for different dimensions of child well-being. Again, it should be noted that no simple relationship exists between levels of child well-being and disposable family income. The pain and sense of inferiority that poverty brings seems to lie not just in material deprivation but also in the relative gap that the poor perceive between their own lives and the opportunities that exist for families that are more affluent. At the same time, material deprivation impacts both on self-perception and on most measures of well-being. For example, using the latest available international comparable data on child income poverty, the report shows that although the poverty rate of children in Hungary was less than 15 per cent after taxes and transfers, and stood in the United States at over 20 per cent, the American poor were materially richer than the general population in Hungary.¹ The 50 per cent of median income for a couple with two children was approximately US\$7,000 in

¹ The OECD will publish new child income poverty figures in 2008, but only after the present study has been released. Readers are referred to the OECD for updated information.

Hungary, but over US\$24,000 in the United States. With greater family income at their disposal, far fewer children in the United States report low family affluence than in Eastern European countries.

Figure 4: Public investment in services for families and young children in percentages of GDP



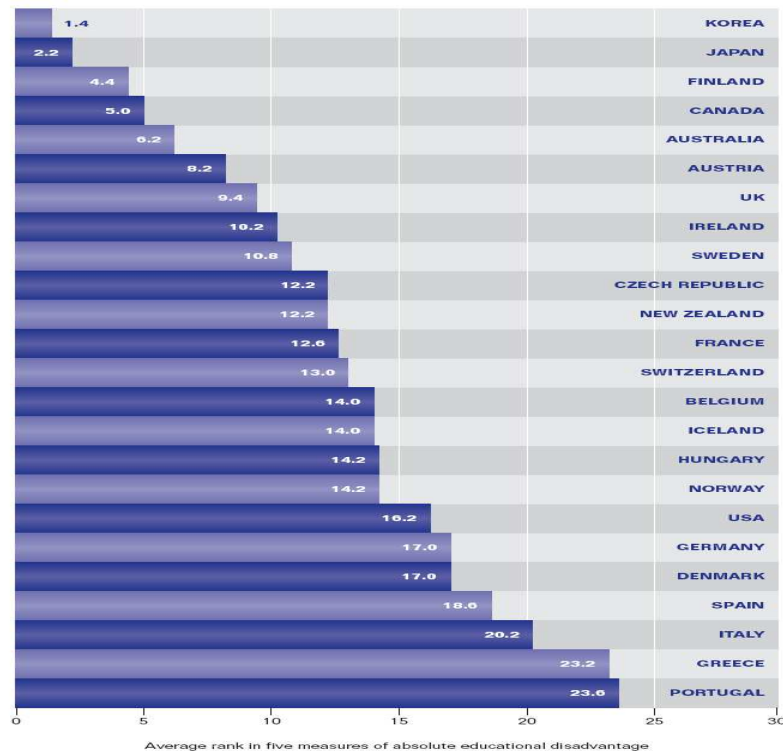
Source: Data from World Health Organization/Health Behaviour in School-aged Children (HBSC), 2001–2002.

Yet, child poverty figures correlate to child well-being for a number of reasons: First, because the well-being of the children of the (relatively) poor is affected by their own and society's perception of their life chances, and second, as numerous studies show (and as outlined in the previous section) – statistics show that poverty in childhood has an extremely negative impact on the social and educational outcomes of children.

‘A League Table of Educational Disadvantage in Rich Nations’ (UNICEF 2002)

It is recognized in all countries that educational achievement (the level of learning at a particular age) and attainment (the length of time spent in formal education) are important means of reducing social inequality. Yet, educational performance is consistently better in some countries than in others, whether measured by the percentage of students reaching fixed benchmarks of achievement or by the size of the gap between low-achieving and average students. Thus, a child at school in the Republic of Korea, Japan, Finland or Canada has a better chance of being educated to a reasonable standard and has a lower chance of falling below average achievement levels than a similar child born in Denmark, Germany, Greece, Hungary or the United States.

Figure 5: The cross-country educational disadvantage league

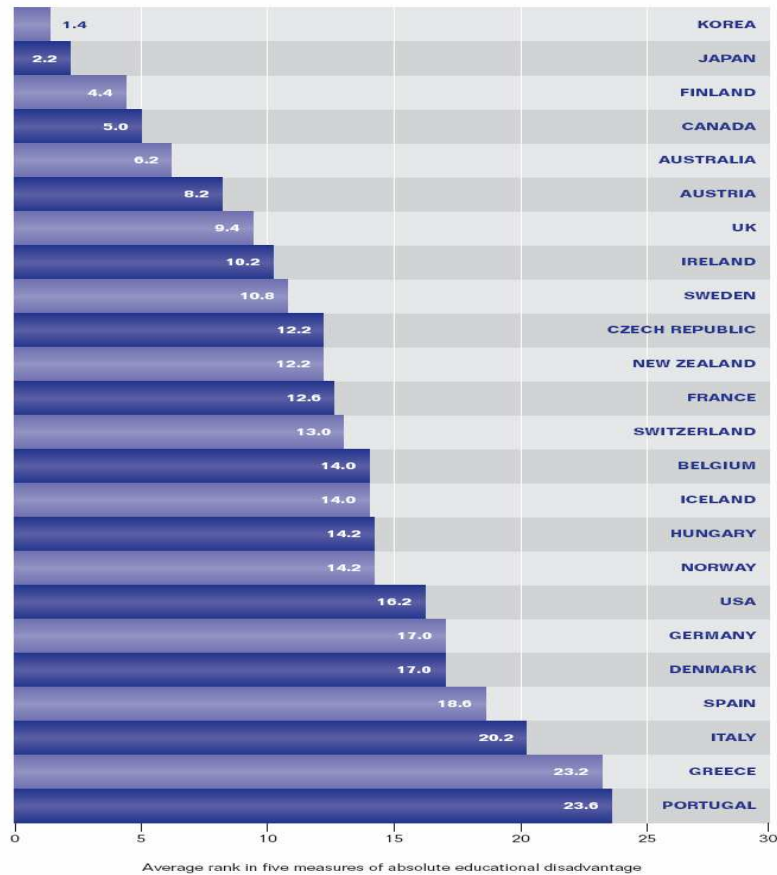


Source: UNICEF (2002).

Note: This table shows the average rank in five measures of absolute educational disadvantage. These measures are the percentage of children scoring below a fixed international benchmark in surveys of: reading literacy (lower threshold for Programme for International Student Assessment [PISA] literacy level 2), mathematics and science literacy of 15-year-olds (lower quartile of all children in OECD countries in PISA 2000), mathematics and science 8th grade achievement (median of all children in all countries in Trends in International Mathematics and Science Study, TIMSS 1999).

Within countries, inequalities also exist. This is illustrated in the following figure, which shows the difference in achievement between top learners and the children achieving least. Countries at the top of the league limit inequality by providing additional support to low achievers to prevent them falling far below the average learning achievement of schools. ‘No child left behind’ is a reality in these countries. Finland is remarkable in not only achieving high performances in ‘science literacy’, ‘mathematics literacy’, and ‘reading literacy’ compared to other countries but also in assuring that almost all Finnish children reach these levels; that is, school variance in Finland is kept low. It is worth noting from PISA 2006 that although achieving lower performance scores than Finland, other areas like Slovenia, Iceland, Luxembourg and China, Macao SAR are also very successful in ensuring that school variance is kept to a minimum.

Figure 6: The relative intra-country educational disadvantage



Source: UNICEF (2002).²

Again, there is no simple relationship between the level of educational performance and spending per pupil, pupil-teacher ratios or even degrees of income inequality. Yet, in all OECD countries, educational achievement remains strongly related to the occupations, education and economic status of the child’s parents, although the strength of that relationship varies from country to country. Essentially, inequality in learning achievement has its roots in family environments and begins at an early age. Attempts to mitigate educational disadvantage, and in particular, to assist children from second-language homes to master the official school language, needs to begin well before a child starts school, through access to high-quality early childhood care and education. As might be expected, however, such provision has only limited success if subsequent schooling is weak and/or a context of

² Programme for International Student Assessment (PISA) 2006 (OECD 2007) updates these UNICEF performance figures and shows that in the OECD countries the percentage of 15-year-olds judged “unable to solve basic reading tasks” was the smallest in Finland and the Republic of Korea, at 7.4 per cent. In all other OECD countries, the percentage of students performing at (“able to solve basic reading tasks”) or below this level ranges from 11.0 per cent (Canada) to 47.0 per cent (Mexico). PISA 2006 further shows that on average 19.2 per cent of the students are unable to demonstrate the science competencies that will enable them “to participate actively in life situations related to science and technology.” This percentage considered unable “to apply basic science and technology” varies from countries with around 10 per cent of students or fewer performing below this level: Canada (10.0%) and Finland (4.1%) to countries with around one half of the students not being proficient at this basic level: Mexico (50.9%) and Turkey (46.6%).

child poverty and poor parenting is present. Young children in such situations need personalized care in early childhood and school services, with lower child:staff ratios and better trained personnel than many childcare and school systems are accustomed or able to finance.

CHAPTER 3. THE SOCIAL CONTEXT OF CHILDREN'S SERVICES

This chapter addresses the economic and social context of children's services, and seeks to explain the contemporary focus on the upbringing and education of young children. Three profound changes are challenging traditional views of childhood and child-rearing: the changing socio-economic role of women; the changing demography and population diversity of rich countries; and the current emphasis in education on international competition and, within countries, on social equity and early education. At the same time, a certain 'path dependency' can be seen across different groups of countries, stemming from their traditional politico-economic structures. The chapter will discuss different approaches adopted by countries towards the new challenges, and outline some of the impacts of upstream socio-economic policies on families and young children.

Recent concern for the care and education of young children is linked strongly to wider economic and societal interests. In the industrial countries, a sea change has occurred since the 1950s in economic production and consequently, in the organization of the labour force. Western economies have moved rapidly from an agrarian-industrial-manufacturing base, dominated by male employment, towards services and new technologies that require literate workers with good communication skills and in many instances tertiary level skills. To meet this challenge, OECD countries have revised thoroughly traditional educational profiles and structures. Education begins earlier, is far more available, lasts longer and is geared towards the skills that service economies need. In particular, this has generated new aspirations and opportunities for women.

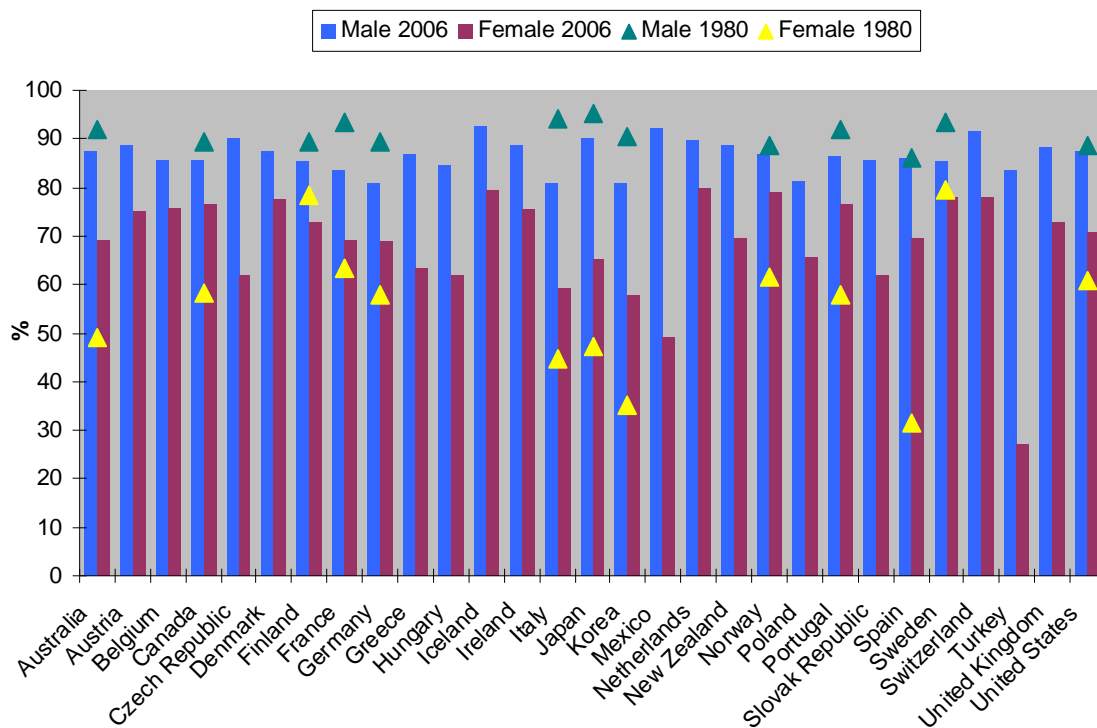
The changing socio-economic role of women

In recent decades in all countries, women increasingly engage in salaried work outside the home, not just before marriage, but also when they have responsibility for young children. In the expanding economies of the richer countries, the role of full-time mother is becoming less common. The average female participation rate in the Group of Seven (G7) economies in 2006 was 66.1 per cent – a 2.7 per cent increase since 1996 (OECD database 2008). A recent British appraisal finds that women's work now accounts for 30 per cent of GDP in the United Kingdom (in Denmark and Sweden around 40 per cent), not including unpaid work in the home (Department for Education and Skills [DfES] 2004).

This trend towards greater female engagement in the labour market is likely to continue. In fact, a number of reasons converge to make women's participation a major policy aim for governments. The ethical case for equality of opportunity for women is incontrovertible, and most OECD countries have signed the 1979 United Nations Convention for the Elimination of Discrimination against Women (CEDAW). In addition, female labour provides considerable economic returns for employers in the service economy. The relatively lower salaries of women combined with their higher educational levels make them prime targets for recruitment. The preference for female labour is further reinforced by the transformation of agricultural, mining and manufacturing countries into service- and knowledge-based economies, where the contributions of women are highly valued. Again, at the macro-economic level, governments recognize – particularly in countries with declining populations – that economic prosperity depends on maintaining a high employment/population ratio.

Incentives are increasingly offered to families to encourage mothers to continue in salaried work: childcare benefits, working tax allowances and family-friendly work policies, for example. As a result, women have entered employment in ever greater numbers since the 1980s. As Figure 7 shows, over 70 per cent of women between the ages of 25 to 34 are now in the labour market across OECD countries. An interesting piece of information to be taken from the chart is the remarkable increase in female labour market participation between 1980 and 2006 in countries with strong ‘maternalist’³ traditions: Belgium, Ireland, the Netherlands and Portugal.

Figure 7: Employment/population ratio of 25- to 34-year-old women and men in OECD countries, 1980 and 2006



Source: OECD Labour Force Statistics Database (2008).

Such a significant increase in female employment rates is bound to have a major impact on modes of child-rearing. Without strong government supervision and subsidization of early childhood services, many families – and particularly women – will find it increasingly difficult to reconcile child-rearing responsibilities and continued participation in the labour market. Often, parents are able to call on the goodwill and services of neighbours and the wider family group, such as grandparents, but it is now widely recognized that when a certain level of female participation in the formal labour market is reached (generally from 50 per cent upwards), private solutions to meeting childcare needs become insufficient. Parents or other family members are themselves working, and informal child-minding solutions are unsatisfactory because of quality concerns, shortages and instability (American Business

³ ‘Maternalism’, the belief that the young child should be cared for in the family and in particular by mothers (Randall 2000).

Roundtable 2003; Dy-Hammer et al., 2001). In sum, if present trends continue, it is legitimate to ask: Who will care for young children in the future and in what way?

Resistance to change

The passage from almost exclusive maternal care in the post-war period to the rise of large-scale, childcare systems subsidized by governments has not always been easy. Cultural attitudes with regard to child-rearing are slow to change. This can be seen most readily in those regions in the rich countries that continue to have strong agrarian roots, often in combination with relatively few employment opportunities. Within highly industrialized societies, strong pockets of resistance to childcare outside the home continue to exist. Many families fear that the care of their children is becoming ‘socialized’ or taken out of their control by the State – or simply that the childcare on offer is of poor quality.⁴ A strong reaction against state childcare also occurred in some of the former central European communist countries, where parents felt that childcare centres and schools had been used in the past for ideological purposes. During the transition years from communism to mixed market economies, factory and municipal childcare facilities, often of high quality, were closed down or sold off in these countries. The move occurred not only because of parental concern, but also because of lack of funding as countries confronted the difficulties of transition and the diminished employment opportunities available to women.

The domestic workload: A question of gender equity

For the following discussion, a distinction can be drawn between gender equality and gender equity. *Gender equality* refers to the world of work and constitutes a series of recognized rights for women: equal treatment in recruitment and access to work; equal remuneration for equal work; equal advancement in work careers based on merit (vs. the ‘glass ceiling’). These rights are, in principle, contestable and enforceable by law. *Gender equity*, on the other hand, refers to an equal sharing of child-rearing and domestic tasks in the home.

Time surveys in all countries show that women in full-time employment still devote far more time than men to child-rearing and domestic tasks. Men’s work at home in a male breadwinner couple ranges from 13 minutes daily in Japan to about 3 hours daily in Sweden (OECD 2003a). In consequence, many women face the triple challenge of holding a job, rearing their children and providing the greater part of domestic work (on average, in European Union countries, women ensure 80 per cent of household and child-rearing tasks). In France, for example, women continue to carry the main responsibility for both domestic and family tasks in the home (Méda 2001). The French *Background Report* for the Starting Strong Review (OECD 2003b) noted that mothers with children under 15 years of age devote 1 hour 35 minutes daily to parenting, while fathers devote only 31 minutes.

Although falling generally outside the legal field, gender equity issues should not be underestimated: Unequal workloads within the home prevent many women from achieving gender equality in work. A heavy domestic work schedule can oblige women to engage only

⁴ The ongoing study of the National Institute of Child Health and Human Development (NICHD 1997) provides research evidence that this is the case, at least in the United States. Care provided outside the home – whether by child minders or childcare centres is often of poor quality. In addition, concerns are also raised in this study about the effects of long-day care on infants and very young children.

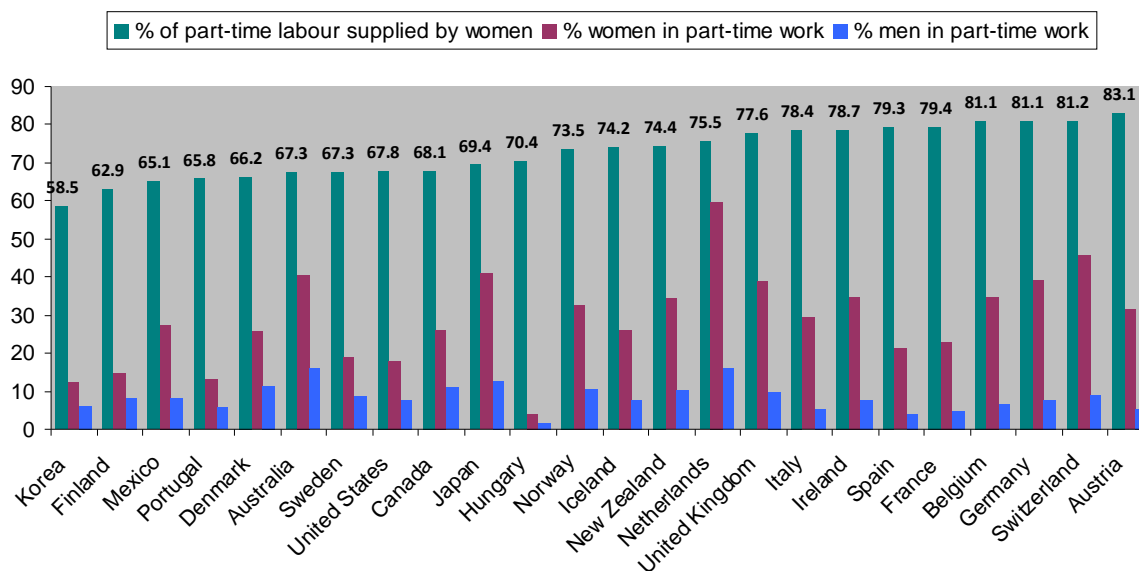
in part-time work outside the home, often in low-paid and feminized fields, such as cleaning, caring, catering and cashiering (the 4 Cs), and sometimes with little reference to their educational levels or qualifications. In sum, the imbalance in gender roles in the home is reflected also in the lower employment rates of women. Yet, as the domestic division of labour is considered voluntary and 'natural', it is difficult to challenge it in the home or oppose it through the courts.

Will men share domestic work on a voluntary basis?

What is the likelihood that men will change and embrace more energetically their child-rearing and household responsibilities? From the evidence at our disposal, the scenario is improbable. If general lessons can be drawn from the experience of the Netherlands during the 1990s, men are still not ready to share child-rearing tasks on an equal basis with women. Rather than invest in parental leave, the Dutch authorities legislated at that time more flexible work arrangements for parents, and encouraged men and women to move towards an equal 'two-times, three-quarters' job pattern with the aim of freeing up both parents for childcare responsibilities. In this arrangement, each member of a couple would work, in principle, for three quarters of the official working period, and so between them, be able to provide parental care for their child(ren) on a half-time weekly basis. The outcome of the policy did not live up to expectations, as men have been far less likely to reduce their hours of work. To some extent, this is a rational economic decision as, in present circumstances, the opportunity costs are less for the family budget when the female partner's salary is foregone.

However, underlying the seeming rationality is an acceptance by society that women should be earning less during the child-rearing years, and by implication, should have fewer career opportunities and pension rights. Because of differentials between men's and women's salaries in the Netherlands, what was expected to be an equitable sharing of childcare responsibility became in practice, a $1 + \frac{1}{2}$ times (or $1 + \frac{1}{4}$ times if calculated on the basis of earnings) job-sharing pattern. As tradition would have it, women again took on the part-time work, making the sacrifice of salary, career and pension in order to rear the children. Currently, the participation of Dutch women in the labour market at 67 per cent is higher than the European Union average, but not on a full-time basis: Almost 60 per cent of all women work part-time in the Netherlands, with the part-time rate for women with young children reaching 64 per cent. In fact, 90 per cent of Dutch women with one or two children, who are still in employment, work part-time compared to 53 per cent of women without children (OECD Employment Outlook 2002b). In sum, a series of seemingly 'rational' decisions made on economic grounds, allied to the freedom to move in and out of part-time work, has reinforced gender inequality in the long run.

Figure 8: Rates of female part-time labour compared to male



Source: OECD in Figures (2007).

Notes: (i) The exact percentage of part-time labour supplied by women is provided at the top of each dark bar; (ii) the percentage of part-time labour supplied by women ranges from 58.5 per cent in the Republic of Korea to over 80 per cent in Belgium, Germany, Switzerland and Austria. On average, women supply 73 per cent of part-time labour across OECD countries.

The changing demography and population diversity of rich societies

In the last 30 years, almost all the richer countries of the world have recorded a significant decline in births. With the exception of Mexico and the United States, fertility rates in the OECD countries have now fallen below the population replacement level. Current demographic forecasts raise concern about the capacity of some countries to ensure future labour supply and maintain present economic growth, if they are to meet – at current levels – pension and public health obligations for their ageing populations. One reason for lower fertility rates is that the decision to have children may be contingent on completing education and/or achieving stability in employment (Becker 2005). Family formation is deferred as more and more men and women pursue and self-fund prolonged professional or tertiary level studies. In addition, stable employment remains elusive in many economies, particularly for young adults; e.g. in France and Germany, or remains precarious, as in Australia, the Netherlands and the United Kingdom, where high rates of part-time and temporary contracts have become the rule in retail, secretarial and other service sector work occupied by women. The present reality is that almost three times more women than men work part-time in OECD economies (OECD in Figures 2006-2007). In addition, the estimated cost of raising children, both the direct costs of childcare as well as its indirect costs, such as opportunity costs relating to the mother’s career, have also a dissuasive effect on decisions to have children (Becker 2005).

In this context of falling birth rates, European governments, in particular, have put in place comprehensive family and childcare policies to facilitate couples wishing to have children and to ensure that it is possible for women to combine work and family responsibilities.

Several countries provide a continuum of services in support of parents with young children, including child benefits; family-friendly work practices; parental leave policies; and childcare services and/or subsidies to pay for childcare. Some countries, such as Denmark, Finland, the New Federal Länder in Germany (formerly East Germany), Norway (in process) and Sweden have been able to guarantee a childcare place once parental leave is over, followed by early education and comprehensive out-of-school provision. This combination of employment, family and child policies brings, according to Walker (1995), a measure of job security to couples and lessens anxieties about childcare, thus creating a more reassuring base from which to make decisions about having children. According to one analysis of European countries (Koegel 2002), the opportunity for women to combine child-rearing and paid employment is greatest in the Scandinavian countries and least in the Mediterranean countries.

However, a causal link between early childhood service supply and fertility rates is far from certain. Demographic change is a complex phenomenon, and in the case of fertility decline, many causal factors are at work, including the higher educational levels of populations; the pursuit of working careers by women; the length of the working day combined with the absence of family-friendly work practices; the costs of educating children; and the costs of first housing and of pursuing higher education, in addition to other social and cultural reasons. The American – and Nobel prize-winning – economist, Gary Becker, judges that the public provision of early childhood services and parental leave policies may have some impact on family decisions, but only in “an indirect and inefficient manner” (Becker 2005). In contrast to the United States, total fertility rates in most European countries that promote such policies are still considerably below replacement level. In Becker’s opinion, the best way to encourage births is to provide monthly allowances to families that have an additional child: “an efficient family allowance programme should concentrate subsidies on the marginal fertility decision, that is, on second, third or higher order births that may not happen without subsidies” (Becker and Posner 2005).⁵

A second demographic factor exists, however, that pushes all countries to invest in early childhood educational services, namely, immigration and the growing presence of second-language children in primary education. In urban neighbourhoods in European and American cities, the numbers of children of foreign-born parents in schools and early childhood centres can easily exceed 50 per cent. Such diversity brings new strength to societies, but also raises challenges in the social and education fields. Children from immigrant backgrounds are often at risk of educational failure, due, on the one hand, to the difficulties experienced by their parents in finding employment and, on the other, to a weak knowledge of the host country language and culture. The probability of school failure increases when a number of at-risk factors combine. For example, in the United Kingdom the ongoing study, Effective Provision of Pre-school Education (EPPE), uses the following at-risk factors (EPPE 2004):

⁵ Becker’s argument is not always supported by the reality on the ground: For example, despite a large third-child bonus, Quebec’s fertility rate is not markedly different from the rest of Canada. Again, Austria provides more generous family subsidies than most OECD countries but continues to have a low, total fertility rate.

Table 4: At-risk indicators used in the United Kingdom EPPE study, 1997-2007

Child characteristics	Disadvantage indicators
First language	= English not first language
Family size	= 3 or more siblings
Birth weight	= Premature or below 2500 grams
Parent characteristics	
Mother's highest qualification	= No qualifications
Social class of father's occupation	= Semi-skilled, unskilled or never worked, or absent father
Father's employment status	= Not employed
Age of mother	= Age 13-17 at birth of EPPE child
Marital status	= Lone parent
Mother's employment status	= Unemployed
Home environment scale	= Bottom quartile

Source: Sylva, K. et al. (2003).

It is clear from this table that a number of social and cultural factors have a profound influence on the educational chances of children, factors that cannot be tackled by educators alone. For this reason, many OECD countries operate comprehensive early childhood services that are integrated with the local health, social, educational and employment services. With the growth of immigration into the OECD countries, few governments can afford to ignore these issues.

Changes in education policy: Competition, early education and equity in education

From the 1980s onward, the industrialized countries redirected their economies towards the expansion of service and knowledge-based activities. Spurred on by Tony Blair's famous identification of the three national priorities in the United Kingdom: 'Education, education, education' at the Labour Party Conference in 1996, governments have reformed public education systems to meet the new challenge. The idea that education is the key to individual life chances – each person's opportunity for cultural, economic and social participation – is taken up in the European Commission report *Facing the Challenge* (European Commission 2004), popularly known as the 'Lisbon Strategy for growth and employment'. In this report the European Commission expresses the importance of reforming the European public education systems to meet the new challenges of the rapidly changing global society and in this context specifically recognizes the early years of life as a window of opportunity, a period in which the basis for all later learning processes are laid. Following this renewed focus, departments of education in all countries have organized lifelong education opportunities, proposed an earlier start to education and introduced into schools higher learning requirements in what are considered 'core' subjects: literacy, numeracy and scientific knowledge.

Education as national competition

This new attention to education has been broadly welcomed and has generated increased investment in favour of pre-kindergarten services in the United States, in particular at state level. However, both education and early childhood specialists' voice concern that emphasis on the knowledge economy and competition has led to micromanaging education for economic purposes and to a narrowing of educational content. A culture of narrow

curriculum standards, testing, teaching to the test,⁶ and diploma inflation has emerged, strongly promoted through centralized managerial methods stressing the accountability of individual schools and teachers. This has been accompanied in several countries by a perceptible weakening of local management of education.

Where content is concerned, a broad range of educational choices has given way to a utilitarian focus on core subjects (literacy, numeracy and scientific knowledge) and a concern to make public education systems responsive to skill shortages in the economy. The underlying message is that to remain competitive, OECD countries need to have more young people gaining higher qualifications than competing economies. According to the report of the National Council on Economic Education, *Tough Choices or Tough Times* (NCEE 2006), American workers are now competing with well-educated, foreign workers. To maintain its standard of living, the report argues, the United States will have to maintain a technological edge over other countries and produce workers who have much higher levels of academic knowledge than they do now, and a deep vein of creativity that enables them to keep generating innovative products and services.

Early education

Although the message of education competition may be overstated,⁷ it has been embraced in many governmental circles. The perceived threat of higher educational levels in other countries has led to calls for increased investment in favour of pre-kindergarten services, in particular at state level in the United States. The report cited above strongly recommends universal preschool for all 4-year-olds and free preschool for 3-year-olds from low-income families in America.⁸ However, early childhood specialists voice concerns about the suitability for young children of the new culture of learning, which is characterized by:

- Standards and testing, with an emphasis on performance rather than on meaning-making;
- An emphasis on the teaching of pre-defined knowledge rather than on play, discovery, personal choice and the responsibility (agency) of the child – the traditional tools of early childhood learning;

⁶ A recent study by Sharon L. Nichols and David C. Berliner (2007) critiques the way tests and ‘accountability’ have been imposed in recent years in the United States. They cite “Campbell’s law,” a social-science law that states that “the more any quantitative social indicator is used for social decision-making, the more subject it will be to corruption pressures and the more apt it will be to distort and corrupt the social processes it was intended to monitor.” They give many instances of teachers and students being hurt, rather than helped, by the consequences of testing, e.g. cheating inspired by the pressure to post positive test results.

⁷ The deceleration of educational attainment is a serious matter for all countries. Economic success is helped greatly by a well-educated workforce but it depends equally on geographical position, access to mineral wealth, the economic conjuncture and a host of other factors. It is influenced also by monetary policy, financial markets, trade and industrial policy, for which government itself is largely responsible. On the side of business, effective competition calls for open markets, respect for basic rules, greater investment in research, more job training and job creation. Making the earlier stages of public education and ‘incompetent teachers’ responsible for failures in economic competition is, in the words of the education historian Laurence Cremin (1985), “a crass effort to direct attention away from those truly responsible for doing something about competitiveness and to lay the burden instead on the schools. It is a device that has been used repeatedly in the history of American education.”

⁸ Data collection and analyses by Barnett (2004-2007) and others show, however, that despite the discourse, investment in early education has increased only modestly and in some US states has regressed. The same is true of investment in childcare and early education, as a percentage of GDP, in many European countries.

- The neglect in early childhood curricula of developmental readiness, which includes multiple aspects of development, including not only verbal and intellectual skills, but also health and nutritional status, social abilities and experience of the arts⁹ (Bowman, Donovan and Burns 2001). Developmental readiness predicts a child's preparedness for life activities, not just for school. The concept is distinguished from *school readiness*, which normally refers to "preparation for school" and which may be limited to the 3Rs skills deemed necessary to participate in primary education.

In short, some early childhood specialists fear that as children approach school age, too much emphasis will be placed on teaching of core subjects, as opposed to a pedagogy that combines care, learning and listening to children. Within curricula, important aims, such as the holistic development of the child, may be overlooked, and project work (which allows room for participation, personal meaning-making and opportunities for children to experience the wider world) may be sacrificed to the acquisition of academic skills useful for school.

⁹ The practice of music, dance, movement, arts and crafts are known to be excellent for the imaginative, cognitive and motor development of young children. Curriculum becomes impoverished without this dimension. Dana Gioia, chair of the National Endowment of Arts, makes the following comment on the academic approach adopted in many centres: "We cannot prepare someone to be a productive citizen of a free society, if the only thing we do is prepare them for standardized tests." (*Education Week*, December 2006).

Box 2: Quality in early childhood education

In attempting to evaluate early childhood systems, different aspects of quality can be examined (see, for example, Dahlberg et al., 1997; Myers 2004; Tietze and Cryer 2004). The following is based on Starting Strong II, (OECD 2006):

Orientation quality, that is, the type and level of attention that a government brings to early childhood policy, through national legislation, regulation and policy initiatives, for example.

Structural quality (often referred to in the United States as *programme standards*) is primarily a responsibility of administrations. It refers to the overarching structures needed to ensure quality in early childhood programmes, and is ensured by strong public financing and the clear formulation and enforcement of regulations. Structural requirements may define the quality of the physical environment for young children (buildings, space, outdoors, pedagogical materials); the quality and training levels of the staff; an appropriate curriculum properly trialled, and covering all the broad areas of child development; acceptable child:staff ratios; and adequate work conditions and compensation of staff. Typically, a selection of structural standards forms the substance of national licensing requirements. In the United States, reference is often made to subsets of programme standards, such as *classroom standards* (referring primarily to space, group size and child:staff ratios) and *teaching and curriculum standards* (referring to pedagogical approaches and curriculum aims, for example).

Educational concept and practice: The educational concept and the practice of centres are generally guided by the *national curriculum framework*, which sets out the key goals of the early childhood system. These goals differ widely from country to country, and no doubt from decade to decade, but a common conviction is emerging across countries that lead staff need to be trained to a high level to achieve the broad goals of early childhood programming, e.g. the five goals proposed in the United States by the National Education Goals Panel (NEGP) in 1997,¹⁰ or the general goals proposed for education in the twenty-first century by the *Delors Report* (Delors 1996), which seem particularly appropriate for young children: *learning to be* (forming one's self-identity); *learning to do* (through play, experimentation and group activity); *learning to learn* (through a learning environment providing interest and choice and that includes well-focused pedagogical objectives); and *learning to live together* (within the early childhood centre, in a democratic way, respectful of difference). The fostering of experiential, self-motivated learning in each of these fields requires a practice that puts children's participation at the centre of the curriculum, and calls for the specific training of early childhood educators in the competencies that allow this to happen.

Interaction or process quality: The warmth and quality of the pedagogical relationship between educators and children, the quality of interaction between children themselves, and the quality of relationships within the educator team figure among the process goals most frequently cited. Decades of research converge on 'relationship quality' as a key variable determining child outcomes. For some examples, see the American Academy of Pediatrics/American Public Health Association (AAP/APHA, 2002); the National Institute of Child Health and Development (NICHD, 2004); and Rutter et al., 1998. The pedagogical relationship between children and educators seems to be most effective when the relationship includes care, upbringing and concern for the general well-being of each child, as well as expert support for the children's learning.

Operational quality: in particular, management that focuses on responsiveness to local need, quality improvement and effective team building. Operational quality is maintained by leadership that motivates and encourages working as a team and information sharing. It includes regular planning at centre and classroom level; opportunities for staff to engage in continuous professional and career development; time allowed for child observation,

¹⁰ The National Education Goals Panel (NEGP), (1996) – dissolved pursuant to a congressional mandate in 2002 – was a bipartisan and intergovernmental body of federal and state officials created in July 1990 to assess and report state and national progress towards achieving the National Education Goals. In 1997, the NEGP identified five goals as contributing to the young child's overall development and later success in school, viz. health and physical development; emotional well-being and social competence; positive approaches to learning; communication skills; and cognition and general knowledge.

Box 2: Quality in early childhood education (continuation)

assessments and documentation; and support to staff performance in the form of accompaniment and mentoring. Operational quality may also include flexible and appropriate (for children) opening hours, and the integration of core programming with other necessary services, such as out-of-school provision, social and medical services, and arrangements for special needs children. The quality of operational standards depends largely on the professional competence of local administration and leaders of centres.

Child-outcome quality or performance standards: ECEC services are founded not only to facilitate the labour market or other aims, but also, and above all, to improve the present well-being of children. Positive child outcomes are a major goal for ECEC programmes in all countries. Differences between countries arise about the outcomes to be privileged. A child-outcome approach privileging language and logico-mathematical skills is characteristic of countries that adopt a 'readiness for school' approach. The approach often includes addressing the knowledge and skills that children should acquire by the end of each year. Children may be evaluated in early education classes or at entry into primary school to test their progress, generally in emergent literacy and numeracy but also in socio-emotional development and general health. Undoubtedly, it can be tempting for administrators to have an objective instrument to measure the developmental curve of young children from year to year in the above areas, but this may lead to a focus on the assessment content and distract teachers from the intense relational and pedagogical work that young children need. Supporters of assessment argue that regular assessments are part of formative evaluation, and give valuable information to teachers about the effects of their teaching on individual children, allowing them to improve their practice.

All countries do not follow this approach to the same extent, and in fact, testing is often considered unsuitable for young children.¹¹ Several countries, such as Sweden, prefer to evaluate centre performance and are extremely reluctant to use child measures or to announce detailed learning standards for young children. At the same time, national sample evaluations and centre-based performance assessments are used to measure the performance of staff and centres, e.g. the national examination of the Swedish preschool, published by the National Agency for Education in 2004 (Skolverket 2004). In parallel, the progress of each child is measured as unobtrusively as possible within the centres by staff, e.g. through systematic daily observation, ongoing documentation, child portfolios, parent interviews, learning stories, etc.

Standards pertaining to parent/community outreach and involvement: This area is mentioned less than other quality standards in national regulations and curricula, but can emerge strongly in the requirements for targeted and local ECEC programmes where efforts are made to involve parent groups in centre management and programmes. Among the tasks of centres in disadvantaged neighbourhoods are: outreach to parents and efforts to improve the home-learning environment; the capacity to relate well, without bias, to local cultural values and norms; support to women's and parent groups, and to integrated programming with the employment, social, health and adult education authorities, and the ability to make referrals. It is not clear whether countries will opt for a new type of educator to undertake this kind of work or whether it is sufficient that early childhood personnel should be trained on the job to work in interdisciplinary community teams.

¹¹ Bowman et al. (2001) explain that though there is overlap in the use of the words "test" and "assessment", the former refers to a standardized instrument, formally administered and designed to minimize all differences in the conditions of testing. Assessments tend on the contrary to use multiple instruments (observations, performance measures, interviews, portfolios and examples of children's work) and take place over a longer period of time.

Box 2: Quality in early childhood education (continuation)

In summary, quality achievement in early childhood programmes requires:

- *Strong public funding, policymaking and monitoring, regulation and goal-setting.*
- *Adequate structural standards*, in particular, with regard to the physical environment for young children (buildings, space, outdoors, pedagogical materials); the quality and training levels of the staff; an appropriate curriculum properly trialled, covering all the broad areas of child development and respectful of the natural learning strategies of young children, reasonable child:staff ratios.
- *Continuous support to staff working in teams, through regular in-service training; and participatory forms of quality development and assessment (e.g., pedagogical research and documentation); and other forms of collaborative working both within and between services.*
- *Particular attention to the most vulnerable groups of young children*, and to those at risk of discrimination. These children should receive first call on services and to additional programs and resources as necessary.

Source: OECD (2006).

Equity in education

A more acceptable aspect of the new emphasis on education is its search for greater educational equity and a renewed focus on children at risk of educational failure. The inspirationally named ‘No Child Left Behind’ initiative in the United States has caught the public imagination, and perhaps because of its name and high ambition, it has run into more public criticism and opposition than many of the smaller, but similar initiatives in Europe. A significant proportion of the ‘targeted’ children come from disadvantaged and second-language backgrounds, but not exclusively by any means. Early childhood programmes make an important contribution to supporting these children: They contribute to their general development and to their school-related achievement and behaviour (Brooks-Gunn 2003; Thorpe et al., 2004). They are particularly important for children with diverse learning rights, whether these stem from physical, mental or sensory disabilities or from socio-economic disadvantage. The former group generally constitute about 5 per cent of the child population, and the second group from 2.4 per cent (Denmark) to over 20 per cent in other countries.

Other targeted programmes, such as Head Start in the United States and Sure Start in the United Kingdom, have received renewed attention owing to government efforts to improve educational outcomes for children from low-income families, within a wider concern for national, human capital formation. Frequently, disquiet has been expressed about the low qualifications of staff in these programmes and their failure over generations to close the income and ethnic gap in educational achievement. In this respect, a first evaluation of the Sure Start Local Programmes (SSLP) in the United Kingdom by the National Evaluation of Sure Start (NESS 2005) was not encouraging, although the authors underlined that the conclusions of this preliminary research needed to be verified by further longitudinal work. The evaluation suggested that SSLP have had only modest effects, either positive or adverse. Most family outcomes appeared to be unaffected and there was little evidence that the programmes achieved their goals of increasing service use or that they enhanced families’ impressions of their communities. However, a second phase evaluation recently published (NESS, March 2008) is much more positive. This phase of the study found that outcomes for all children in SSLP areas showed positive signs of improvement. Parents of 3-year-old children showed less negative parenting while providing their children with a better home-

learning environment. Three-year-olds in the SSLP areas had better social development with higher levels of positive social behaviour and independent self-regulation than children in similar areas with no SSLP. It seems, therefore, that for these programmes to be effective, some time is needed for them to ‘bed in’ and to form effective links with local families and communities.

These findings are reinforced by a similar American study on the effectiveness of Early Head Start (EHS) – a more rigorously designed programme, with stricter programme standards, targeting 3-year-old children and their parents from low-income backgrounds. EHS was evaluated by Love et al., (2005) through a randomized trial of 3,001 families in 17 programmes. Regression-adjusted impact analyses showed that 3-year-old programme children performed better than did control children in cognitive and language development, displayed higher emotional engagement with their parents and more sustained attention with play objects, and were lower in aggressive behaviour. Compared with controls, EHS parents were more emotionally supportive, provided more language and learning stimulation, read to their children more, and spanked less.

The need for upstream work on child poverty

Yet, overall, the evaluations of intervention programmes that aim to close the educational gap are not entirely positive – pointing to the conclusion that young children have great difficulties in recovering from a poor start. Despite their idealism and achievements, many targeted programmes do not succeed in eradicating educational disadvantage by the beginning of school.¹² In other words, family poverty and background continue to influence strongly even the best schooling and remain significantly linked to poor educational outcomes.¹³

One reason why targeted programmes do not always succeed in closing the gap in educational achievement is inadequate funding. For example, Head Start, despite its many successes, is often staffed by personnel who have low educational qualifications. The causes are not difficult to identify: Teachers are often in short supply in poor neighbourhoods or remuneration is too low to retain qualified teachers. In sum, few Head Start programmes can match the financing, teacher expertise and motivation that characterized the first Perry Preschool programme. The outcome for the children attending poor preschool programmes can be a weak acquisition of the language patterns, concepts and skills valued by schools.

Another reason is that children in poor neighbourhoods often do not have access to adequate primary and secondary education. Even when a satisfactory school is available, the OECD PISA study shows that within schools, the gap between the children from underprivileged

¹² Another weakness is that targeting poor neighbourhoods fails to include many middle-class children who, for a number of reasons, are also at risk of educational failure. The group may outnumber, in fact, at-risk children from low socio-economic status backgrounds. An implication for policymakers is that targeting children by income is not sufficient.

¹³ Evaluations, such as PISA (OECD 2001, 2004) confirm the correlation between socio-economic status and educational achievement.

backgrounds and the mainstream can be further accentuated (PISA 2004).¹⁴ In contrast, most middle-class children have daily access in their own homes to the codes, language and cultural resources valued in mainstream education. Their self-concept, language level, social and communication skills are generally far stronger at school entry than those of children from disadvantaged backgrounds (Lee and Burkam 2002; Levitt and Dubner 2005). To further widen the gap, the early childhood services and schools that middle-class children attend in many countries are better financed and staffed than those in poor neighbourhoods.

Again, the effects of poverty on very young children are often underestimated. Research consistently shows that poverty in early childhood has more serious effects than at any other stage in the life cycle, and can seriously undermine development and future learning (Brooks-Gunn et al. 2002; UNICEF 2007; Pickett and Wilkinson 2007). The challenge of limiting the effects of child poverty cannot be tackled by education alone. Governments need also to address poverty issues through a wide range of policies: energetic social, housing and labour policies, income transfers to low-income groups, comprehensive social and family policies, and supportive employment schemes and work training. It seems simplistic to think that education-focused strategies, such as starting earlier in early childhood services or concentrating on readiness for school, can adequately address issues of structural poverty and institutional discrimination or significantly change the life chances of poorer children (Zigler et al., 1996; Dearing et al., 2006). In contrast, preventive, anti-poverty measures can significantly reduce the numbers of children arriving at early childhood centres with additional learning needs. Given that the effects of poverty are greater and have a longer impact on very young children than on any other age group, a strong social and economic rationale exists for breaking the cycle of child poverty.

Obviously, the issue is more complex than this rapid overview can present: For example, low personal motivation and patterns of family dysfunction that have become endemic in many poor neighbourhoods are also root causes, but the evidence suggests that to improve the life chances of children from poor families and limit persistent poverty, more is required than targeted early education programmes. Chronic poverty during childhood undermines the best efforts of teachers and schools and, statistically, is strongly correlated to low educational achievement (OECD/PISA 2004; Leavitt 2005). In sum, a whole society approach is needed to tackle child poverty efficiently and to improve educational outcomes for children from low-income backgrounds.¹⁵

¹⁴ Unequal access and unequal treatment of children in the school system is not a destiny. The school systems in some countries, in Australia, Canada, Finland and Japan, for example, manage to compensate well for socio-economic disadvantage, and ensure that children from low-income families do not fall irretrievably behind in academic achievement. The Republic of Korea, whose national gross domestic product (GDP) is well below the OECD average, also manages to maintain high performance standards across the board for students from all backgrounds, although in this respect the support and ambition of Korean parents for their children should not be underestimated.

¹⁵ Levitt (2005) shows, for example, that the variables 'poverty' and 'family dysfunction' are far more powerfully correlated to poor educational outcomes than ethnic belonging.

Political-economic dimensions

Over the past decades, an explicatory model of social welfare organization at societal level has been proposed by the Danish researcher, Gøsta Esping-Andersen, in a series of books and articles (see, in particular, Esping-Andersen 1990, 1999, 2002). In summary, Esping-Andersen places countries into three categories or ‘worlds’ of welfare capitalism – liberal (English-speaking countries), conservative (continental European countries) and social democratic (Nordic countries) – according to the ways in which social welfare is customarily allocated between the State, the market and households (Esping-Andersen 1990). Esping-Andersen has since (2002) renamed his categories: residual (liberal economy regimes), social insurance (conservative) and universalist (social democrat) welfare regimes. The threefold classification shows how the organization of early childhood education and care is linked to the social and economic history of different countries, and to the political regimes in place.¹⁶

Whole society and residual approaches to the new child-rearing challenge

The social democratic countries of northern Europe have adopted a societal approach to the modern dilemma of rearing children in full-employment economies. The main lines are summarized as follows by Esping-Andersen et al. (2002): “the compatibility of motherhood and careers is contingent on the nature of institutional support”, that is to say, “on public support for parental leave, the provision of early childhood services and the availability of family-friendly jobs.” This three-pronged policy provides a solution that is efficient for economies, equitable for women and psychologically appropriate for babies.

¹⁶ Esping-Andersen’s categorization of countries into conservative, liberal and social democratic regimes has not always met with unanimity. A major difficulty is the complexity of actually collecting comparative data from very different countries across a wide range of social policies and indicators (Hicks and Kenworthy 2003). In addition, a significant degree of incoherence and inconsistency tends to exist in social policymaking, where countries may appear liberal on one component and conservative or social democratic on others. For example, Ireland and the Netherlands have many of the characteristics of both the conservative (continental European) and liberal economy models. In contrast, the approach of the United Kingdom to the mainstream childcare sector remains a liberal market approach, while the general drift of policy and funding – for example, to alleviate child poverty and provide publicly funded, early education for all – resembles more a social democratic orientation. Again, child poverty rates in the United Kingdom point towards a liberal economy model and remain relatively high at around 10 per cent, but the promising fall in child poverty rates – around 5 percentage points in 10 years – has been greater in the United Kingdom than in any other OECD country. The fall is due largely to proactive government intervention: more egalitarian income redistribution policies, anti-poverty measures and significant new government investment in young children. Such progress helps to underscore that whatever the weight of a particular social or economic tradition, social welfare regimes are in reality pragmatic settlements made at a certain moment, and influenced by traditional understandings and new political realities (Winicott 2006). Positive developments are always possible, given political will and leadership.

Box 3: Sweden: A triple approach to the new child-rearing challenge

- Over the last decades, Sweden has generated a policy approach that attempts to reconcile economic efficiency, equity for women and the best interests of the child. The country provides 480 days of paid parental leave to each family, pooled as follows: a 360-days (16 months) family leave period that can be shared by the parents and linked to employment status. In addition, a further 60 days (12 weeks) is allocated to each parent – a mother's quota and a father's quota. The policy seems to protect gender equality, family well-being and the best interests of the child. Costs to public budgets incurred by the parental leave measures are mostly recuperated through taxes on women's labour and can be further reduced by employment insurance and employer contributions, which in many countries provide a supplement to low, flat-rate benefits.
- The second strategy is to finance a national, universal preschool system that offers affordable and quality places to all children from the age of 1 year. The entitlement to childcare in a publicly supported, early childhood service seems to be a critical element in parental leave policy that adds considerably to the security of families and the development of young children. The system is expensive but it is effective economically in that Sweden has over 76 per cent (2005) of women in employment, 80 per cent of whom are in full-time jobs. This ratio compares favourably with the approximately 60 per cent female employment levels in the more conservative European countries (excepting Portugal), where, in addition, many women work part-time. To have a further 10 per cent to 15 per cent of the working population actually in work is good for gender equality, taxation revenues and family budgets.
- A third strategy employed in Sweden is to ensure that as many women as possible have access to full-time work. This has become harder to achieve in recent years as Swedish labour laws have had to adjust to competition from countries with more flexible labour markets. However, the main policy lines with regard to the employment of women are still perceptible: a preference for the creation of full-time jobs rather than unprotected part-time labour; and also, the enhancement of sectors in which women traditionally work, notably in administration, education and care work. For example, in the Swedish early childhood care and education sector, there has been a conspicuous upskilling of jobs over the last decade: just over 50 per cent of personnel working in services have a three-and-a-half year university degree, and the other 50 per cent have upper secondary qualifications. Work conditions, salaries, professional education and career opportunities in the sector remain good. Gender equality is pursued actively across society, and although wage differentials still exist between men and women, the situation of women in Sweden rates first among all countries.

Table 5: The Global Gender Gap Index 2007 ranking and 2006 comparisons

Country	2007 rank (among 128 countries)	2007 score (%)**	2007 rank among 2006 countries (115)**	2006 rank (out of 115 countries)	2006 score (%)**
Sweden	1	81.5	1	1	81.3
Norway	2	80.6	2	2	79.9
Finland	3	80.4	3	3	79.6
Iceland	4	78.4	4	4	78.1
New Zealand	5	76.5	5	7	75.1
Philippines	6	76.3	6	6	75.2
Germany	7	76.2	7	5	75.2
Denmark	8	75.2	8	8	74.6
Ireland	9	74.6	9	10	73.3
Spain	10	74.4	10	11	73.2
United Kingdom	11	74.4	11	9	73.6
Netherlands	12	73.8	12	12	72.5
Australia	17	72.0	17	15	71.6
Canada	18	72.0	18	14	71.6
Belgium	19	72.0	19	20	70.8
Austria	27	70.6	25	27	69.9
United States	31	70.0	29	23	70.4
Portugal	37	69.6	35	33	69.2
Switzerland	40	69.2	38	26	70.0
Slovenia	49	68.4	45	51	67.5
France	51	68.2	47	70	65.2
Hungary	61	67.3	55	55	67.0

Source: World Economic Forum (2007).

Residual approaches to the childcare challenge

Other countries approach the challenge of child-rearing in different ways, often influenced by labour market and employment regulations that were formulated during a different economic era. ‘Maternalism’, the belief that the young child should be cared for in the family, and in particular by mothers (Randall 2000) became the dominant practice in the central European countries allied to the United States after the Second World War. For example, both Austria and Germany have had traditionally low provision of services for children from birth to 3 years, with a long parental leave of two years in Austria and of three years in Germany (extendable, originally, to six years).¹⁷ In other central European countries under communist governments, childcare services were promoted to match high rates of female participation in the labour force. After the transition from communist to democratic regimes in the early

¹⁷ A remarkable reversal of policy has taken place recently in Germany. Remunerated parental leave has been reduced to one year only with a wage replacement while, in principle, financing is being made available to create some 500,000 new childcare places, essentially in the Altesbundesländer (formerly West Germany).

1990s, funding to public sector childcare systems was significantly reduced in most of the transition economies while parental leave was extended. For example, in the Czech Republic and Hungary, childcare services in many municipalities simply disappeared, and long parental (in reality, maternal) leave, lasting up to three years, became the rule. As was reported to OECD review teams, the current arrangement has the support of women in these countries and suits the present configuration of the labour market. In the long term, the arrangement may become unsatisfactory in light of the negative demographic trends in these countries and of future demands on labour supply, which may require improved population/employment ratios, that is, the recruitment of more women to the labour market.

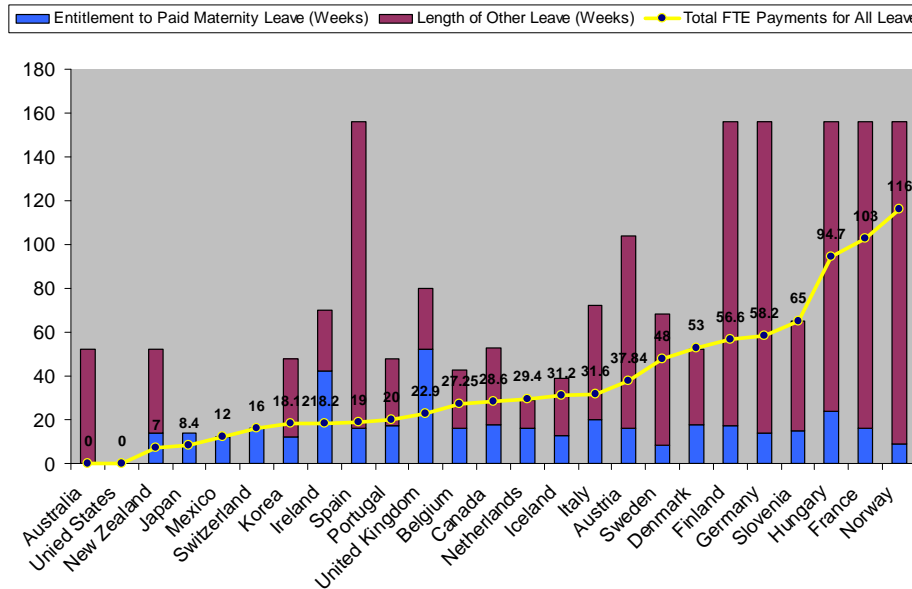
The liberal economies encourage the entry of women into the labour market, but in line with their residual social welfare traditions, have tended to leave families to fend for themselves. Apart from some childcare being provided to low-income families, mainstream families are expected to negotiate childcare in the open market. With the recent exception of Canada,¹⁸ parental leave and its remuneration are meagre in the liberal economies (see Table 1 in the Introduction).¹⁹

Figure 9 (below) is based on original work by the Dutch researchers, Plantenga and Siegel (2004), and updated by the present author using the research of Moss and Wall (2007). Effective leave is computed by weighing the duration of all statutory parental leave by the level of the replacement wage or benefit offered. Because the level of the replacement wage presumably influences take-up, the figure provides an indication of the usefulness of the parental leave package to parents and their probable use of leave.

¹⁸ By the federal Employment Insurance Act of 2001, Canada introduced a parental leave scheme of almost one year, remunerated at 55 per cent of salary to a ceiling of \$413 per week. However, the availability of licensed childcare is extremely weak, except in Quebec.

¹⁹ It is interesting that the countries (the liberal economies) that supported a more family-oriented approach to early childhood during the drafting of the Convention on the Rights of the Child now provide the least assistance to parents to remain at home with a child during the first year of the infant's life.

Figure 9: Effective parental leave provision in selected OECD countries and Slovenia



Source: Bennett J. (2008), based on Moss and Wall.

Notes:

- The degree of parental leave effectiveness is calculated by weighing the length of parental leave by the level of payment. Effective parental leave = the duration in weeks of all statutory leaves multiplied by * per cent payment benefit in FTE (full-time equivalent) payments.
- A leave of 40 weeks during which a parent receives 100 per cent of earnings is given a coefficient of 40; at 50 per cent of earnings, the same leave receives a coefficient of 20 only. The effectiveness of leave is based both on the level of salary replacement that parents can expect during leave and on the length of paid leave. Please note that the calculations are approximate as some countries offer a percentage of salary (at different ceilings) while others offer different percentages of the average or minimum wage. We have treated salary replacement and minimum wage as equivalent in the calculations, as the parents who most need support during this period are those who receive only a minimum wage.
- There is no general entitlement to paid maternity leave in Australia (unpaid family leave only) and the United States (except California, 12 weeks maternity leave), and parents do not receive wage replacements by right for time out. According to a 2005 survey, some 41 per cent of women in Australia have access in practice to some period of maternity leave, paid by their employers.
- Other countries, in particular the Nordic countries, do not refer to maternity leave, but reserve part of parental leave for mothers, which can then be used both before and after childbirth. This part of parental leave is counted in the chart above as maternity leave.
- A strong surge in the length of leave and its payment can be seen in the chart from Finland upwards. These countries provide a further childcare allowance to parents to care for a child up to the age of three years (158 weeks in total length if two weeks of maternity leave are taken before birth). As can be seen, payments are significantly higher in Hungary, France and Norway than in Spain, Finland or Germany (Germany pays parental leave at 67 per cent of earnings for 1 year only, but parental leave is available until the child's third birthday).
- 'Effectiveness' can be estimated from different perspectives. Most important, from the perspective of the child, research suggests that nurturing by parents is particularly important during infancy – hence the practice of paid parental leave for about a year to enable at least one parent to be present during this critical period. From the perspective of parents, parental leave is attractive if it is long and well remunerated; from the perspective of women, leaves that are "too long and too maternal" undermine gender equality; from the perspective of the State, parental leave should not unduly decrease employment rates. A strong employment/population ratio needs to be maintained. For this reason, the high remuneration of parental leave in Hungary, France and Norway may be 'effective' for parents wishing to stay at home with their children, but such a long leave may be 'ineffective' in terms both of gender equality and the economy. In addition, extended parental leave may further disadvantage children born into dysfunctional families or to second-language parents, whose socio-emotional development or language skills could greatly benefit from participation in well-run services.

Effective leave ranges from a coefficient of 116 points in Norway (included here, a child-care leave up to 3 years) to a coefficient of zero effectiveness (in terms of federal support) for Australia and the United States. In these countries, parents do not have an entitlement to wage replacement during maternity or parental leave, although in reality, Australian women take, on average, 40 weeks of family leave, with 27 per cent receiving some form of payment, generally from employers (Moss and Wall 2007). In general, outside the European Union, governments do not provide substantive wage replacements during family leaves, not only in the countries already mentioned, but also in Japan, New Zealand and the Republic of Korea. In this last country, although a remunerated 48-week maternity/parental leave exists, uptake is low as the work culture prevents most women from taking leave. Many expectant mothers simply resign their jobs. Among the liberal economies, Canada, with a remunerated maternity/parental leave entitlement of about a year, is an exception. Ireland and the United Kingdom provide a legal right to leave of over one year, but salary replacements last in Ireland for only 26 weeks and in the United Kingdom for 41 weeks.

How then do families in countries such as Australia or the United States reconcile work responsibilities with family life? Some companies in these countries adopt enlightened family-friendly policies and allow a year's parental leave, sometimes with pay. There is no general entitlement to leave, however, particularly for women in low-paid service jobs. As a result, women can encounter serious difficulties in finding suitable childcare at the right moment and at affordable prices. The informal solutions adopted by parents in the past, e.g. reliance on grandparents, younger relatives or neighbours, have gradually become untenable, as older family members are now obliged to work more years before pension rights are granted and younger family members continue in education or engage in salaried work. Parents in the liberal economies tend then to adopt the following strategies:

- Withdrawal of mothers from the labour market (generally temporary – less than one year);
- The placing of infants in childcare: In the Nordic countries, with the possible exception of Denmark, it is very rare to see children in crèche services under the age of 12 months;
- The adoption of part-time work by women (see Figure 9 above);
- Recourse to the services of other women, who supply informal childcare in the homes of working mothers.

In Australia, Canada, the United Kingdom and the United States – and indeed, in the larger urban centres in most countries – significant groups of younger women from developing countries engage in housework and childminding, and may remain available for childcare for decades to come if immigration levels are maintained. However, this option may also be a temporary solution to easing the demand for childcare. Access to education raises the skills and work expectations of all groups, including immigrant women, and helps them to enter other forms of employment with better wages and working conditions (the average working wage in childcare in the United States in 2000 was less than in housecleaning, coming to “roughly US\$6 per hour or about US\$12,000 a year” (Shonkoff et al. 2000). In addition, as knowledge about child-rearing and early education grows in a society, parents seek out better care for their children than informal childminding solutions. Even in countries with a

plentiful supply of regulated family day care of acceptable quality, parents increasingly choose professional centre-based care for their children when places are available. This is the case in Belgium, France or Norway, for example.

CHAPTER 4. THE RATIONALE FOR STATE INVESTMENT IN EARLY CHILDHOOD SERVICES

Abstract: This chapter lists and briefly describes some 16 research analyses from 10 different countries, showing the benefits generated by early childhood programmes. The research studies are grouped under two headings: analyses showing economic and labour market returns from investment and analyses showing educational returns investment. The section summary concludes that strong social, economic and education rationales exist in favour of establishing and maintaining national networks of early childhood services, on the condition that these systems aim for and achieve high quality. Some doubts remain, however, concerning the appropriate age at which young children should begin day-long, out-of-home care.

What are the arguments in favour of state investment in early childhood services? As the OECD volume, *Starting Strong II* (OECD 2006), indicates, cost-benefit analyses have been a significant feature of early childhood research over the past decades, perhaps more so than in any other area of education or social policy. In an effort to spur government investment in early childhood services, numerous investigations have been made to justify public expenditure. The overriding conclusion is that state investment in early childhood services brings not only proven benefits to the children and families they serve, but also to governments and national economies. Cost-benefit research is particularly intense in the United States. Some of the direct studies of particular programmes are summarized below, but readers may also wish to consult a compendium of this research by Robert G. Lynch (2004), *Exceptional Returns: Economic, fiscal and social benefits of investment in early childhood development*.

Research continues to be published from the United States and other countries. Discussed below are the Rand Corporation research reports: *The Economics of Investing in Universal Preschool Education in California* (Karoly and Bigelow 2005) and *Early Childhood Interventions: Proven results, future promise* (Karoly, Kilburn and Cannon 2006); and a further evaluation of the economic impact of children's services in Los Angeles County, *The Economic Impact of the Early Care and Education Industry in Los Angeles County*, (LAS County Online 2008). Several studies on the estimated, long-term, economic and fiscal effects of early childhood interventions have been made by the Partnership for America's Economic Success (PAES), 1025 F Street NW, Suite 900, Washington, D.C., www.PartnershipforSuccess.org. A useful listing of literature can be accessed in the UNICEF Lancet papers (Lancet 2007).

Analyses showing social, economic and labour market returns from investment

The economic analyses of James J. Heckman and colleagues

The analyses of James J. Heckman, a Nobel prize-winner in economics, and his colleagues have strongly influenced thinking about early childhood intervention over the last decade (Cunha and Heckman 2006; Cunha et al., 2005; Carneiro and Heckman 2003). Rather than looking at 'what works' in education, which can depend on the confluence of historical, local and personal factors, Heckman and his colleagues attempt to identify the permanent mechanisms and institutions that produce cognitive abilities, attitudes and social skills across

the life cycle. The result is an economic model of human capital formation based on life-cycle learning and skill accumulation. A main finding is that governments should redirect investment on skills towards early childhood, unlike current practice where investment tends to be greatest at later levels of education. However, Heckman and his colleagues do not argue for fewer resources to human skills formation in later years, but suggest that early investments, particularly in children from low-income backgrounds, should be followed up by later investments in order to remain effective.

Important features of Heckman's analyses include a complex view of the content of human capital formation; the need for economic efficiency, that is, to invest scarce education dollars where they will have the greatest effect; the identification of the early years as a privileged period for education investment; the importance of the family environment not just on the cognitive development of children but also on socio-emotional skill and even on the early development of IQ; the special situation of young children from disadvantaged backgrounds, and the fact that educational intervention at later stages is less effective and more costly. To take these themes in turn:

- *A complex view of the content of human capital formation.* Public opinion generally acknowledges that cognitive ability is an important determinant of schooling and labour market outcomes. According to Heckman and his colleagues, however, human capital formation must take into account a far wider range of skills and abilities. In particular, non-cognitive abilities and social competences, although harder to measure, play an important role in the lifetime accumulation of skills.²⁰
- *The need for economic efficiency, that is, to invest scarce education dollars where they will have the greatest effect.* Detailed analyses by Heckman and his team suggest that the economic returns to education investments are high when children are young rather than at later ages. The reasons are clear. To be efficient, human capital investment must aim for the strong multiplier effects of self-productivity and complementarity. The skills and abilities acquired in one stage of the life cycle affect the productivity of learning in the next stage (self-productivity), or as Heckman puts it: "skill begets skill." Productivity and complementarity are likely to be more intense when investment begins at an early age. In parallel, early investment facilitates the productivity of later investment (complementarity). The returns to investing early in the life cycle are high, and there is no equity-efficiency trade-off for early investment. In other words, there is no trade-off between equity (targeting programmes at disadvantaged families) and efficiency (getting the highest economic returns), provided that the investments are made at early ages. There is such a trade-off at later ages. Nonetheless, early investments are less productive if they are not followed up by later investments.
- *The identification of the early years as a privileged period for education investment.* Early childhood is the only moment in the human life cycle when IQ can be increased. Providing infants and young children with a wide range of non-stressful, interactive experiences can maintain and increase cognitive capacity in early and middle childhood.

²⁰ Heckman's insight is confirmed by earlier research: Studies by Bowles and Gintis (1976), Edwards (1976), and Klein, Spady and Weiss (1991) demonstrate that job stability and dependability are the traits most valued by employers, as ascertained by supervisor ratings and questions of employers. The same authors argue that perseverance, dependability and consistency are the most important predictors of grades in school (Bowles and Gintis 1976).

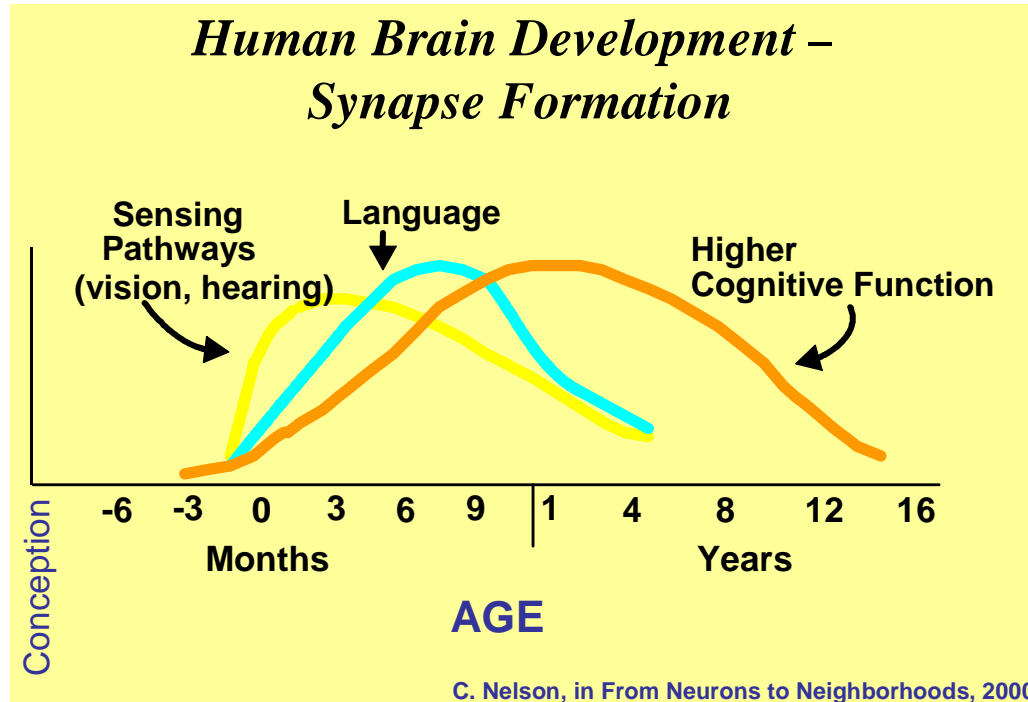
In parallel, young children are more malleable and more likely to learn useful social skills and attitudes. Much of the effectiveness of early childhood interventions comes from boosting non-cognitive skills and from fostering motivation. More motivated children are more likely to stay in school and have higher achievement. Heckman's research shows that poor non-cognitive skills are powerfully influential in terms of a child's subsequent involvement not only in education but also in delinquency, such as teenage pregnancy or crime. For this reason, educational and social interventions should be far more active in attempting to alter non-cognitive traits, including values, especially for children from disadvantaged environments who receive poor discipline and little encouragement at home.²¹

- *The importance of family in forming human capital.* According to Heckman and his colleagues, skills formation is a life cycle process. It starts in the womb and goes on throughout life. Families play a role in this process that is far more important than the role of schools. The experiences that are most important for the promotion of healthy development are provided in childhood through attentive, nurturing and stable relationships with invested adults. Enriching early experience is far more decisive in promoting human capital formation than remedial education. All the evidence points to a high return to early interventions and a low return to remedial or compensatory interventions later in the life cycle. Skill and ability beget future skill and ability. At current levels of funding, traditional policies like tuition subsidies, improvements in school quality, job training and tax rebates are unlikely to be effective in closing gaps.
- *The special situation of young children from disadvantaged backgrounds.* Part of the difficulty of American education is that the system increasingly leaves behind children from disadvantaged backgrounds. In 1983, when *A Nation at Risk* was published, the United States was graduating 75 per cent of young people from high school. Today, the figure is under 70 per cent. This means that a significant group of low-performing students exists, who may not have the minimum educational requirements to be informed citizens or workers in the global economy. According to Heckman and his colleagues, the most cost-effective strategy for strengthening the future American workforce is to invest greater human and financial resources in the social and cognitive environments of children who are disadvantaged, *beginning as early as possible*. If their families do not provide sufficiently enriched social and cognitive environments, then government must seek ways and means of providing early care and education to prevent later dropout from school and asocial behaviour. The greatest return on investment derives from investing in disadvantaged children because the difference between a stimulating intervention environment and the environment they would otherwise experience can be immense.
- *Educational intervention at later stages is less effective and more costly.* As emphasized in recent studies of child development (Shonkoff and Phillips 2000), different abilities

²¹ This is not to say that investment in adolescents should be lessened or neglected. While IQ is fairly well set after the first decade of life, motivation and self-discipline continue to be malleable at later ages and will build on positive social attitudes acquired during the earlier years (Heckman, 2000). In fact, during adolescence, social attachment (recognition of social norms and aspirations) is more important for learning than family income. An active socio-educational approach to adolescents would include supportive mentoring programmes and stricter enforcement of discipline in schools. Although the effects of such programmes are still not proved, they are more likely to be effective and to produce substantial savings to society by preventing later pathological behaviour. Without such intervention, negative factors operating during early childhood cumulate in adolescence in the form of crystallized cognitive abilities, attitudes and social skills that explain inequalities in later socio-economic attainment.

are formed and shaped at different stages of the life cycle. Again, while acknowledging that it is never too late to learn, a number of particularly sensitive periods have been identified in early childhood:

Figure 10: Sensitive periods in early childhood



Source: National Research Council and Institute of Medicine (2000).

Empirical evidence from human and animal species shows that when the opportunities for the formation of certain abilities are missed, remediation can be costly, and full remediation prohibitively so, and the biological and financial costs increase with age (Cameron 2004; Knudsen 2004; Knudsen, Heckman, and Shonkoff 2006). Thus, although adaptation generally remains possible well into adult life, the decreasing plasticity of the maturing brain suggests that early intervention to mitigate the effects of disadvantaged environments is more efficient (in both energy costs to the nervous system and programme costs to society) than later remediation for individuals with limited skills and problematic behaviour. Stated simply, skills beget skills, success breeds success, and the provision of positive experiences early in life is considerably less expensive and more effective than the cost and effectiveness of corrective intervention at a later age. These findings highlight the need for economists to take a comprehensive view of skills formation over the life cycle, and particularly at the beginning of the life cycle.

The Perry Preschool study

The ongoing Perry Preschool study (Berrueta-Clement et al., 1984; Schweinhart 2004) evaluates the educational and economic returns of a high-quality, preschool programme, High/Scope, on a sample of African American children. As indicators of high quality, High/Scope Key underlines the importance of a facilitatory, child-centred environment in which children are trusted as active, competent learners; a consistent daily routine; a planned

learning curriculum based on the prior knowledge and interests of the children; a problem-solving pedagogy involving the children in every step of the learning process; trained, knowledgeable staff continuously engaged in professional development; low child:staff ratios; and the involvement of parents and other primary caregivers of young children, who are personally important to them. Major findings of the ongoing Perry Preschool study show that the children from the programme had better school records, improved labour market entry and higher incomes than the control group of similar children. In a cost-benefit analysis of the data, Barnett (1996) estimated that the cost-benefit ratio for the investment in the programme was 1:7. The latest cost-benefit analysis of this programme suggests that benefits have increased to 17:1. Although the Perry Preschool study and others mentioned in the following brief outline are not double-blind, randomized, controlled trials – as favoured today in medical testing and some very large social studies – attacks on the details of Perry Preschool and other studies are, according to Barnett, often dismissive or reflect a misunderstanding of evaluation research:

No study stands alone, nor is any study perfect. The conclusion that good preschool education is one cost-effective tool for improving the school readiness and success of children rests on hundreds of studies, including dozens of long-term studies. The patterns of findings in two of the most commonly cited – the Perry Preschool and Abecedarian studies – have been replicated in other studies in the United States and abroad. The results from these studies are both statistically significant and can be generalized. Methodologically sound research has consistently shown that high-quality, pre-kindergarten programmes have the potential to offer children substantial benefits that are apparent much later in life — including improved achievement and high school graduation rates, and reduced special education placements. (National Institute for Early Education Research [NIEER], Rutgers, The State University of New Jersey 2006.)

The Zurich study by Müller Kucera and Bauer (2001)

The Müller Kucera and Bauer study, *Costs and Benefits of Childcare Services in Switzerland – Empirical Findings from Zurich* (2001), shows that the city's public investment of 18 million Swiss francs annually in childcare services is offset by at least 29 million Swiss francs of additional tax revenues and reduced public spending on social aid (Müller Kucera and Bauer 2001). Where affordable childcare was available, the rate of hours worked by mothers almost doubled, especially for single-headed households with one or more children. In sum, publicly funded childcare resulted in higher productivity and earnings due to maintaining productive workers in work; higher contributions to social security and savings; and less dependency on social assistance during both the productive and retirement ages (without affordable childcare, many families would fall below the poverty line).

The North Carolina Abecedarian Early Childhood Intervention (2003)

The North Carolina Abecedarian Early Childhood Intervention, which began in 1972, has been the subject of numerous studies. Various pieces of research show positive cognitive and social results for the children (mostly disadvantaged) in the project, some of whom gained entry into four-year university programmes. A cost-benefit study by the NIEER (Masse and Barnett 2002) was published in 2003. It finds that every dollar invested in high-quality, full-

day, year-round preschool generated a four-dollar return to the children, their families and all taxpayers. Among the study's findings:

- Participants are projected to earn about US\$143,000 more over their lifetimes than those who did not take part in the programme.
- Mothers of children who were enrolled can also expect greater earnings – about US\$133,000 more over their lifetimes.
- School districts can expect to save more than US\$11,000 per child because participants are less likely to require special or remedial education.
- The next generation (children of the children in the Abecedarian project) are projected to earn nearly US\$48,000 more throughout their lifetimes.

Three impact studies in California

1. *The Economic Impact of the Childcare Industry in California* (Moss 2001), sponsored by the National Economic Development and Law Center (NEDLC)

The study quantifies the economic contribution the licensed childcare industry makes to California's economy. Examining factors such as the industry's revenues, job generation and employee productivity gains, the report paints the picture of the childcare field as a multi-billion dollar industry that plays a key role in the state's economic health. Apart from enabling parents to work and earn higher incomes, the childcare industry contributed US\$65 billion to the total value of goods and services produced in California – just over four times as much as the motion picture industry. Licensed childcare directly employed 123,000 people, including teaching and non-teaching staff, and maintained a further 86,000 jobs in transportation, publishing, manufacturing, construction, financial services, real estate and insurance (NEDLC 2001).

2. *The Economic Impact of Early Care and Education Industry in Los Angeles County, 2008*

The 2001 study for California was updated in January 2008 for Los Angeles County. The published report concluded that as an "economic driver," the early care and education industry:

- Supports a strong future economy by preparing children to enter education from kindergarten until the completion of secondary education (K-12) ready to learn the skills necessary to succeed in school and become productive workers.
- Enables employers to attract and retain employees and increase their productivity.
- Provides a significant number of jobs and generates considerable revenue in its own right.

The new analysis shows that the early care and education industry of Los Angeles County currently:

- Generates US\$1.9 billion annually and provides over 65,000 full-time equivalent jobs.
- Is projected to generate the sixth-largest number of new jobs between 2006 and 2016 of all industries in Los Angeles County.

- Benefits all industries in the county by enabling parents to work and attend higher education programmes or job training programmes to upgrade their skills.
- Lays the groundwork for Los Angeles County's future economic success by preparing the next generation for effective participation in the economy and attracting businesses to Los Angeles County (Brown, Ramos and Trail, 2008).

This report tells an interesting story, and also can serve as a model for other counties and states to assess the impact of early care and education in their jurisdictions.

3. *The Economics of Investing in Universal Preschool Education in California* (Karoly and Bigelow 2005), sponsored by the Rand Corporation

The authors find that if only the poorest 25 per cent of children in California benefited from a year of preschool – meaning there was no benefit to the other 75 per cent – Californians could still expect to gain nearly US\$2 for every US\$1 invested. Children who attend preschool are likely to do better in school and go on to graduate from high school, are less likely to be convicted of crimes and are more likely to earn higher salaries as adults. All this saves governments money and boosts tax revenues. The authors also analyse the probable effects on working-class families and middle-class children, who face many of the same problems as children in poverty. Half of all children who repeat a grade in school, and half of all high school dropouts, come from families in the middle 60 per cent of the income ladder. Any benefits of preschool realized by children from these families push the return from investing in preschool even higher – from US\$2.62 to US\$4 depending on the assumptions of preschool benefits.

The authors claim that their estimate of US\$2 to US\$4 in benefits in California is conservative because they do not count savings that would result from such favourable effects of universal preschool as lower lifetime welfare use and improved lifetime health. Even if early gains in achievement scores eventually fade, other benefits still remain at older ages, including better high school graduation rates, less delinquency and crime and higher adult earnings.

The Canadian cost-benefit analysis (1998)

The Canadian cost-benefit analysis issued in 1998 by a team of economists at the University of Toronto estimates the costs and benefits of establishing a national, high-quality childcare system for Canada (Cleveland and Krashinsky 1998). Although the authors make conservative assumptions about the extent of positive externalities, they conclude that the substantial public investment envisaged would generate important net benefits for Canadian society, the benefits exceeding costs by about 2 to 1. The benefits to children using the service and the benefits to mothers and families from continued employment were each equal to about half the benefits obtained.

Labour market/taxation studies: Examples from Norway, the United Kingdom and Canada

Labour market/taxation studies (Norway). The provision of education and care services has allowed most OECD countries in the last decades to maintain the labour market participation of women, with a corresponding widening of the tax base. In Norway, the increase has been from about 50 per cent female participation in 1972 to well over 80 per cent in 1997

(Statistics Norway 2002). In particular, women of 25 to 40 years have greatly increased their participation.

The PricewaterhouseCoopers cost-benefit analysis (United Kingdom) of 2004 estimates that the future economic benefits to the British economy, brought about by expanding ECEC services in the United Kingdom, should bring a rise in GDP of between 1 and 2 per cent through higher rates of female employment (at present at 69 per cent) and by increased lifetime employment rates.

Low-fee (US\$5/day/child) Regulated Childcare Policy and the Labour Supply of Mothers with Young Children: A natural experiment from Canada (Lefebvre and Merrigan 2005). In 1997, the provincial government of Quebec initiated a new childcare policy, offering day-care spaces at the reduced parental contribution of US\$5 per day child for children aged 4 years, in childcare services licensed by the Ministry of the Family. In successive years, the government reduced the age requirement. By September 2000, the low-fee policy applied to all children aged 0 to 59 months (not in kindergarten) and the number of partly subsidized spaces increased from 77,000 in 1998 to 163,000 spaces, totally subsidized by the end of year 2002. Using annual data (1993 to 2002), drawn from Statistics Canada's Survey of Labour and Income Dynamics (SLID), this study estimates the effect of the policy on the labour supply behaviour of Quebec mothers with preschool children, aged from 0 to 5 years. The analysis examines the impact of the policy on the following outcomes: labour force participation, annual number of weeks and hours at work, annual earned income and whether the job was full-time for mothers who declared having a job during the reference year. The results support the hypothesis that the childcare policy, together with the transformation of public kindergarten from a part-time to a full-time basis, had a large and statistically significant impact on the labour supply of Quebec's mothers with preschool children.

Analyses showing educational returns from early childhood investment

International studies

The OECD Programme for International Student Assessment (PISA), 2003

The PISA 2003 results indicate that children who have participated in early education programmes score significantly higher in mathematics at the age of 15 years. A considerable positive effect remains after socio-economic status has been accounted for. While the difference is greater in some countries, notably Switzerland, a correlation between early education and academic success is general throughout OECD countries.

The International Association for the Evaluation of Educational Achievement (IEA) Pre-primary Project Age-7 Follow-up

The IEA Pre-primary Project is a longitudinal, cross-national study of pre-primary care and education. The purpose of the study was to identify how characteristics of early childhood settings, such as teaching practices and structural features, are related to children's language and cognitive development at age 7. The project is the first pre-primary study sponsored by the IEA. Researchers from the High/Scope Educational Research Foundation coordinated the

project, in collaboration with colleagues in each of the participating countries. The late Dr. David Weikart, former president and founder of High/Scope, directed the study.

Study method

The study sample, the largest of its kind to date, included over 1,500 4-year-old children in selected early childhood settings. Data for the longitudinal study were collected in 10 countries and territories: Finland, Greece, Hong Kong, Indonesia, Ireland, Italy, Poland, Spain, Thailand and the United States. International teams collaborated to develop the measures used in the study. Three observation systems and three questionnaires were administered at age 4. The observation systems included time-sampled information about how teachers schedule and manage children's time, what children actually do with their time, and the behaviours teachers use and the nature of their interaction with children. Children's cognitive and language developmental status was measured at ages 4 and 7. Information regarding teachers' beliefs about what is important for pre-primary children to learn, setting structural characteristics, and family background was collected by interview. The research is unique because many diverse countries participated and used common instruments to measure family background, teachers' characteristics, structural features of settings, children's experiences and their developmental status. A monograph based on the findings is available. Some findings were also published in the Fall 2006 issue of *Early Childhood Research Quarterly*. A pre-print of the article and a press release on the findings are available at the hyperlinks included here [www.iea.nl/ppp.html]. Controlling for family and cultural influences, four findings emerged that are consistent across all of the countries included in the data analysis.

Children's language performance at age 7 improves as:

1. The predominant types of children's activities that teachers propose are free choice rather than initiated by teachers for the group. From greatest child initiative to least contribution from the child, activity types were as follows: free-choice activities (teachers let children choose); physical/expressive activities (gross- and fine-motor physical activity, dramatic play, arts, crafts and music); pre-academic activities (reading, writing, numbers, mathematics, physical science and social science); and personal/social activities (personal care, group social activities and discipline).
2. The teachers' experience (number of years of full-time teaching) increases.

Children's cognitive performance at age 7 improves as:

3. Children spend less time in whole group activities (the teacher proposes the same activity for all the children in the class songs, games, listening to a story, working on a craft, or a pre-academic activity).
4. The number and variety of equipment and materials available to children in preschool settings increases.

These four findings are common across all participating countries. Other findings varied across countries depending on particular country characteristics. For example, increased adult-child interaction was related to better age-7 language scores in countries that have less adult-centred teaching or activities that require group response, and to poorer language scores in countries that have more adult-centred teaching or activities that require group response.

The findings highlight the importance of allowing children to be active participants in their own learning, and of providing ample opportunities for children to choose their own activities, work individually or in small groups, and work directly with a variety of materials. The findings also reinforce the importance of the education of early childhood teachers.

Country studies

Australia – Preparing for School: Report of the Queensland preparing for school trials 2003/4 (Thorpe et al., 2004)

The *Preparing for School* study in Queensland, Australia, found that provision of a universally available, full-time, play-based education programme closed the gap in achievement in social development, numeracy and literacy achievement between socially advantaged and disadvantaged children. This study found also that the absence of group-based experience in the year prior to school was a predictor of poor progress, especially for those who were from socially disadvantaged backgrounds.

France – Starting Preschool at Two Years Old: Educational and social effects in education and formations, French National Department of Education (1992)

In France, a national survey (prepared by Jarousse, Mingat and Richard) that compared children who had attended a kindergarten for one, two or three years before beginning primary school found that performance in primary school was correlated with the length of time spent in pre-primary education, even after controlling for background characteristics. Every year that children attended *école maternelle* (nursery school) reduced their likelihood of retention in the first grade of primary school, especially for children from the most disadvantaged homes.

New Zealand – Twelve Years Old and Competent, a longitudinal survey (1992, ongoing)

The latest (2004) iteration of the ongoing New Zealand survey, *Twelve Years Old and Competent*, is a part of the longitudinal study *Competent Children, Competent Learners*, begun in 1992 and funded by the New Zealand Council of Educational Research (NZCER). It reports that at age 12, children who have had high-quality, early childhood education are better at reading and mathematics than those whose early education was of a low standard. An important finding was the evidence that these gaps widened as children got older, even after family income and parental education levels were discounted (www.nzcer.org.nz).

Sweden: Andersson (1992)

Bengt-Erik Andersson's pioneering study of Swedish children in 1989 and 1992 provides information about the long-term cognitive and social effects of a high-quality ECEC system on children. The original study, when children were aged 8, was based on a sample of 128 families drawn from low- and middle-resource areas of Sweden's two largest cities. The follow-up study, 'Effects of Day-care on Cognitive and Socio-emotional Competence of Thirteen-year-old Swedish Schoolchildren', when the children were aged 13, controls statistically for family background, gender of the child, the child's native intelligence and achievement at age 8. With these factors controlled, the study shows that the earlier a child entered a centre or family day care, the stronger the positive effect on academic achievement at age 13. For children entering childcare in their second year of life or earlier, the academic benefit was found to be an improvement of between 10 and 20 per cent in academic performance at age 13, compared to children cared for exclusively at home. Andersson's

conclusion was that “early entrance into day care tends to predict a creative, socially confident, popular, open and independent adolescent.”

The United Kingdom: The longitudinal British EPPE study (1997-2007)

The Effective Provision of Pre-school Education (EPPE) project is a British longitudinal study of a national sample of young children’s development (intellectual and social/behavioural) between the ages of 3 and 7 years. In addition to investigating the effects of preschool provision on young children’s development, one EPPE study (Sylva et al. 2003) explores the characteristics of effective practice:

- Preschool experience, compared to none, enhances children’s development. The duration of attendance is important with an earlier start being related to better intellectual development and sociability. Full-time attendance led to no better gains for children than part-time provision. Disadvantaged children in particular benefit significantly from good-quality, preschool experiences, especially if they attend centres that cater for a mixture of children from different social backgrounds.
- The quality of programmes is directly related to better intellectual/cognitive and social/behavioural development in children. Settings that have staff with better qualifications, especially with a good proportion of trained teachers on the staff, show higher quality, and their children make more progress. Effective pedagogy includes attention to social development and also to interaction traditionally associated with the term ‘teaching’; the provision of instructive learning environments; and ‘sustained shared thinking’ to extend children’s learning.
- The type of preschool is important. Children tend to make better intellectual progress in fully integrated centres and nursery schools.
- The importance of home learning. The quality of the learning environment of the home (where parents are actively engaged in activities with children) promotes intellectual and social development in young children. Although parents’ social class and levels of education were related to child outcomes, the quality of the home learning environment was more important than social class. What parents do is more important than who they are.

United States: Success For All study (2002)

The article ‘The long-term effects and cost-effectiveness of Success For All (Borman and Hewes 2002) describes a comprehensive elementary school reform programme designed to promote early school success among at-risk children. The programme is widely replicated in the United States, and serves over 1 million children in 2,000 schools. In addition to offering intensive pre-kindergarten and kindergarten programmes, it provides mechanisms to promote stronger links between the home and the school, and to address social, behavioural and health issues. Compared to control groups, and at similar cost, Success For All children complete elementary school at an earlier age, achieve better learning outcomes and have fewer retentions or special education placements. The authors underline that for success to continue, similar programmes need to be used throughout primary and lower secondary schooling.

The Chicago Child-Parent Centers study (2002)

A discussion paper, 'Age 21 Cost-Benefit Analysis of the Title I Chicago Child-Parent Centers' (Reynolds et al., 2002), was prepared for the Institute for Research on Poverty. Opened in 1967, the centres are located in public schools and provide educational and family support to low-income children from ages 3 to 9 years. Using data from the Chicago longitudinal study, and comparison group children born in 1980, Reynolds and his team show that participation in the centres was significantly associated with greater school achievement and higher rates of school completion, together with much lower rates of remedial education, juvenile delinquency and child maltreatment. Cost-benefit analyses indicate that the programme provides a strong return per dollar invested, through increasing economic well-being and tax revenues, and reducing public expenditure on remedial education, criminal justice treatment and crime victims.

The National Evaluation of Early Head Start (2003)

The congressionally mandated National Evaluation of Early Head Start (EHS) – a large-scale, random assignment evaluation published in 2003 – reached the conclusion that EHS made a positive difference in areas associated with children's success in school, self-sufficiency and parental support for children's development. The study reported positive impacts for home-based programmes on a number of parent outcomes, when children were 24 and 36 months old. At 24 months old, EHS parents, compared to control group parents, provided much more stimulating home environments, participated in more bedtime reading and had greater knowledge of child development. These parents also reported less parenting stress and greater involvement in education and training activities than control group parents. At 36 months old, EHS parents were more supportive during play and continued to report less parenting stress. Compared to control group children, home-based EHS children at 24 months old showed stronger vocabulary development. At 36 months old, these programme children more strongly engaged their parents during play, a measure of social-emotional development. Impacts were larger in home-based programmes that fully implemented the Performance Standards. In the fully implemented home-based programmes, there were also positive impacts on child cognitive and language development at 36 months old (Administration for Children and Families [ACF] 2002).

Evaluation of the South Carolina First Steps to School Readiness programme, 2006

This evaluation, conducted by the High/Scope Educational Research Foundation, analysed the second three years of the First Steps programme, a period in which it moved from start-up and initial implementation towards a more focused concentration on child outcomes. The key questions asked in the evaluation were: Who is being served by the programme? What is the range of services being provided? What is the quality of services being provided? Does the programme or service deliver positive outcomes? The evaluation focused on four specific areas that the First Steps programme seeks to improve: early education; childcare (expansion and quality enhancement); parenting and family strengthening (family skills and literacy programmes); and the 'value added' dimension of the First Steps programme (essentially the provision of health care and other services to young children and families) and the degree of success of the decentralized administration model employed. The children and families involved are among the poorest in the United States, as educational and literacy levels in South Carolina are traditionally low. Poverty is recurrent, with 38 per cent of children living

with a single parent (compared to 30 per cent nationwide). The results of the research conclude:

- All children who attended First Steps and full-day, four-year kindergarten increased their language, numeracy and learning approaches over the course of one preschool year, and these scores are stronger for minority than for white children;
- Although the evaluation shows that progress was strongest during the kindergarten year, there is also some evidence showing that the positive effects may be more long term.

In summary, strong social, economic and education rationales exist in favour of establishing and maintaining national networks of early childhood services (ESO/Swedish Finance Ministry Report 1999; Sen 1999; Urrutia 1999; Van der Gaag 2002; Vandell and Wolfe 2000; Verry 2000; Carneiro and Heckman 2003). Through stimulating the growth of early childhood services, governments can improve the general employment-population ratio, generate new jobs in the early education and care sector, and promote gender equality while increasing their tax revenues. The general rate of return on government investment ranges, according to different country calculations, between 2:1 and 7:1. The consequences of insufficient investment in services can also be considered. Without strong state investment and steering of this field, the result will be an insufficient supply of services for those who need them most, leading to increased numbers of children with special needs and learning difficulties; a lack of equity vis-à-vis poorer families; and poor quality of provision overall.

From the perspective of the child, the opportunity to live with other young children and to receive care from professional, experienced staff supports the development of young children. The following summary from *From Neurons to Neighborhoods: The science of early childhood development*, published by the United States National Research Council and Institute of Medicine (Shonkoff and Phillips 2000), presents an assessment of the effects of childcare quality, and indicates some of its most important features. The assessment is based on a critical review of a wide range of recent studies:

“... the positive relation between childcare quality and virtually every facet of children’s development that has been studied is one of the most consistent findings in developmental science. While childcare of poor quality is associated with poorer developmental outcomes, high-quality care is associated with outcomes that all parents want to see in their children, ranging from cooperation with adults to the ability to initiate and sustain positive exchanges with peers, to early competence in math and reading.... The stability of childcare providers appears to be particularly important for young children’s social development, an association that is attributable to the attachments that are established between young children and more stable providers. For cognitive and language outcomes, the verbal environment that childcare providers create appears to be a very important feature of care” (pp. 313-314).

Yet, despite the overwhelmingly positive research evidence, the fact remains that many early childhood services are unsatisfactory and lack basic quality elements. Recent research from the United States shows for example that most effective programmes are intensive interventions such as the model Abecedarian and Perry Preschool programmes, which feature highly qualified teachers and small group sizes. State preschool programmes that adopt high

standards rank next, followed by Head Start and the average state programme, which produce effects ranging from one tenth to one quarter of those of the best programmes. Typical childcare and family support programmes rank last and probably have little effect on the cognitive development and learning achievement of young children (Barnett and Belfield 2006). In addition, it is unreasonable to expect early childhood programmes – even the best ones – to ensure either personal success or social equality. Although early childhood is an important phase in the life cycle, even a bright head start can be quickly dimmed by poor primary schooling, dysfunctional family conditions, troubled communities or social and employment prejudice. In sum, it is more realistic to see early childhood education and care from a societal perspective, as a small but important variable in the complex, interconnecting systems that govern outcomes for individuals, economies or societies.

The National Institute of Child Health and Human Development (NICHD) longitudinal study, 2007

A doubt also remains concerning the appropriate age at which out-of home care of infants should begin, particularly where long day care is concerned. Brooks-Gunn et al. (2002), analysing data on 900 European American children from the NICHD sample and controlling for childcare (e.g., quality, type), home environment (e.g., provision of learning), and/or parenting effects (e.g., sensitivity), concluded that unless a service is of high quality, the placement of infants under 12 months in childcare outside the home can have negative developmental effects. This finding seems to be confirmed by the latest instalment of the longitudinal NICHD study of childcare in the United States:

Box 4: The NICHD longitudinal study of early childcare and youth development

This study, the largest, longest and most comprehensive study of childcare and youth development in the United States, examines the relationships between children's experiences in childcare in the first 54 months of life and their subsequent development. The 1,364 children in the analysis have been tracked since birth. Families were recruited through hospital visits to mothers shortly after the birth of a child in 1991 in 10 locations in the United States. The children in the study will be evaluated again at age 15 to determine further consequences of childcare.

During the research, the NICHD team, led by Professor Jay Belsky, Director of the Institute for the Study of Children at Birkbeck, University of London, measured the quality, quantity and type of childcare the children received from 1 month old until they were 54 months old. The quality of the children's primary childcare setting was assessed when the children were 6, 15, 24, 36 and 54 months. Children's cognitive and social functioning was measured at 4.5 years and in first, third, fifth and sixth grades. Childcare was defined as care by anyone other than the child's mother that was regularly scheduled for at least 10 hours per week. This included care by fathers, grandparents and other relatives.

The latest instalment of the study, which looks at the children in fifth and sixth grades, seeks to determine whether findings pertaining to the quality, quantity and type of childcare examined when the children were 4.5 years stayed the same, increased, or decreased as the children got older. This study also examines how the relationship between childcare and children's development compares to the relationship between parenting quality and children's development. The current study has three major findings:

- Higher-quality childcare before school entry is associated with higher vocabulary scores in fifth grade. Children who experience higher-quality early childcare have somewhat better vocabularies through fifth grade than children who are enrolled in lower-quality care. This correlation has been seen in many other studies, and also in the NICHD study at third grade.²² In contrast, numeracy and literacy gains made by children who had been in high-quality childcare that had been thought to continue through third grade did not continue, in fact, beyond first grade.

- Attending childcare centres (as opposed to other types of care) in the early years is associated with higher rates of aggressive behaviours in sixth grade. The more time children spent in centre-based care before kindergarten, the more likely they were to score higher on teacher reports of aggression and disobedience. This was true regardless of the quality of the centre-based care they received. Their sixth-grade teachers were more likely to report such problem behaviours as "gets in many fights," "disobedient at school," and "argues a lot."²³ The authors suggest that the correlation between centre care and problem behaviours may be because centre-based childcare providers often lack the training, as well as the time, to address behavioural problems. For example, centre-based childcare providers may not be able to provide sufficient adult attention or guidance to address problems that may emerge when groups of young children are together, such as how to resolve conflicts over toys or activities.

- The quality of parenting that children receive is a far stronger and more consistent predictor of children's academic achievement and social functioning than children's experiences in early childcare. The study could not determine whether this was due to genes shared by parents and children or the actual parenting experience.

Source: Belsky, J. et al. (2007); see also <http://www.nichd.nih.gov/research/supported/seccyd.cfm>

However, some caution is needed in interpreting results of the NICHD study:

²² Vocabulary was assessed using the Picture Vocabulary subtest of the Woodcock-Johnson Psycho-educational Battery – revised, which measures children's ability to name objects depicted in a series of pictures.

²³ These behaviours are listed on the Child Behaviour Checklist Teacher Report Form, which consists of 100 problem behaviours. The researchers emphasize, however, that the children's behaviour is within the normal range and is not considered clinically disordered; it would not be possible to go into a classroom and, with no additional information, pick out which children had been in centre care.

- The NICHD study has no control group and provides little information on the quality of the services that children attend. Although the sample is large, the children selected for the study are not a representative sample of children in the US population. The research may tell more about this particular group than about individuals or even the whole population. This is one reason why the study arouses less interest in Europe and is sometimes rejected as not being relevant to the experience of most European children.
- Although extremely valuable, longitudinal studies share a common weakness, that is, they can indicate only very large effects over time for the group studied. What is true 'on average' for a group may not be helpful in making individual decisions. The individual parent has to decide what is appropriate for a particular child – taking into account the child's skills, needs, interests and personality, and making decisions and subsequent changes in response to the child's development and the choices available to the family.
- The NICHD longitudinal study is one among many others. Its conclusions often differ from the story told in most early childhood research, especially with regard to quality. Almost all the literature, research reviews and field evaluations come to the conclusion that quality matters. Environments with appropriately trained staff, low child:teacher ratios, activities that are interesting and individualized, and settings that respond to both children and parents normally lead to good outcomes for children.
- The study defines childcare as care by anyone other than the child's mother that was regularly scheduled for at least 10 hours per week. This includes care by fathers, grandparents and other relatives. Selected aspects of this care came under scrutiny: for example, the training of care providers and the ratio of care providers to children. From our reading of the study, other important aspects of quality in childcare, such as the stability of the childcare relationships, were not taken into account. Some studies on the NICHD sample indicate that the majority of the children in the study had already experienced by the age of 1 year at least three different childcare arrangements, and that by the age of 4 months some 40 per cent were already in childcare arrangements. This would be quite unusual in European settings.
- Correlation is not causation. Two variables that are found to be associated with each other should not lead the United States to conclude that one causes the other. The study does not mean that being in centre-based childcare will make a child aggressive. In fact, for 83 per cent of the children involved, the experience of being in centre-based care for 10 to 30 hours per week was shown to have no link with later aggressive tendencies.
- Reports of children being disruptive in class in primary school may actually be connected with ECEC but there are at least two other plausible explanations. First, primary school teachers may not be sufficiently trained in negotiating behavioural norms with autonomous young children coming from early childhood centres that stress independence, critical thinking and freedom of movement. The second is that children who are active, confident and participative can be labeled as disruptive in environments that stress docility, conformity and listening to teachers.

- Recent evidence from the study shows that the total number of hours a child is without a parent, from birth through preschool, matters greatly. This finding is echoed by the *Neurons to Neighbourhoods* committee, which found “overwhelming scientific evidence” of the central importance of early relationships for children's development.
- “Indeed, young children who lack at least one loving and consistent adult often suffer severe and long-lasting developmental problems. But the reality of life in the United States today makes it difficult for many working parents to spend sufficient time with their children. The committee therefore recommends policies that ensure more time, greater financial security and other supportive resources to help parents build close and stable relationships with their young children” (Shonkoff and Phillips 2000).

The conclusion that the quality of parenting received by children is a far stronger and more consistent predictor of children’s academic achievement and social functioning than children's experiences in early childcare needs to be followed up. The study could not determine whether this was due to genes shared by parents and children or the actual parenting experience, but such questions are important. Is the positive influence exercised by parents attached to characteristics that they possess before a child is born (that is, their positive influence stems mostly from who they are rather than from what they do) or can they significantly improve outcomes for their children through parenting courses? If the former hypothesis is correct, does this imply that early childhood policymakers should turn their attention also to improving the general socio-economic and educational levels of populations and, in particular, of parents with young children? The following hypothesis seems plausible: *Rather than trying to improve unstable, low-quality childcare arrangements, a more effective policy may be to support parents to care for infants during the first critical year of life and in parallel, increase the enrolment of underrepresented children in pre-kindergarten.* The reality on the ground is that ethnic communities in many cities suffer from an inadequate supply of affordable preschool slots, a lack of information for parents on the programmes that are available and, often, language barriers with programme operators.

Another line of enquiry may be to explore what happens after childcare and preschool. There is reason to believe that family background is not the only correlate of educational underachievement. Young children from among at-risk populations are often obliged to attend poorer childcare and early education services, to transit into poor (and often segregated) schools where the quality indicators (e.g. qualified teachers, child:staff ratios) are inferior, and the environment and peer influence may not be conducive to learning.

CHAPTER 5. THE EARLY CHILDHOOD PROMISE AND COUNTRY RESPONSES AT SYSTEM LEVEL

Abstract: This chapter recalls briefly the benefits that participation in high-quality, early childhood services holds out for the individual child and at a wider level, the benefits for education systems, social policy, gender equality and economies as a whole that a well-organized early childhood system of services can bring. It goes on to summarize how countries have responded to this promise. A discussion follows on some of the positive and negative responses made by countries to the early childhood promise. In particular the following themes are examined: the greatly improved access of children to services; the merits and demerits of establishing targeted programmes for children at risk; and finally, it evaluates the level of the financial commitments made by countries to early childhood services and the modes of financing that they employ.

The early childhood services promise

Different forms of research applied to the early childhood field – experimental, longitudinal, evaluative, descriptive, cost-benefit, etc. – demonstrate that small-scale, early education programmes (e.g. the Perry Preschool project), municipal services (Zurich), large-scale projects (Success For All) and even national early childhood systems (France, Sweden) can deliver very promising results. Comprehensive policies in the early childhood field contribute directly to the development and education of the individual child and indirectly to the achievement of wider social objectives such as family well-being, gender equality, economic growth, social inclusion and equity.

The response of the rich service economies

What has been the response of countries to these promising perspectives? The thematic review of ECEC policies, undertaken by the OECD, from 1998 to 2006, shows both positive and less reassuring responses. On the positive side, the following changes can be seen:

- A significant expansion of services for young children right across the age range, but in particular, in ‘early education’ services for children 3-6 years.
- Steadily improving regulation and support for quality, especially in the childcare sector where traditionally, quality had been weak. Positive signs are emerging from all countries that the concept of services for the under-threes is broadening from a labour market perspective to the inclusion of quality objectives.
- Greater involvement of parents in early childhood services than was the case in the traditional preschool.
- Greater understanding by public authorities of the institutional supports that parents need if they are to reconcile work and family responsibilities, e.g. the stimulus of sufficient childcare services to meet demand; a significant subsidization of services so that the children of parents on modest incomes have access to good services; parental leave provision; and partnerships with employers to make available family-friendly jobs and work environments.

Less reassuring are the following elements that analyses, such as the OECD *Starting Strong* reviews, have brought to light:

- The continuation of split systems (childcare and education separated from each other in terms of governance, financing, goals, quality aims, staffing, etc.).
- The insufficiency of government investment in the early childhood sector as a whole, although the numbers of children using services has grown significantly. This insufficiency includes the use of funding processes, particularly in childcare, that do not favour effective governance of the sector.

Improved access to services for children 3-6 years

As reported in the *Starting Strong* reviews, there has been enormous growth over the past 20 years in early education services for children aged 3-6 years. In European countries, the concept of universal access for 3- to 6-year-olds is generally accepted. Most countries provide all children with at least two years of free, publicly funded provision before they begin primary schooling. In fact, with the exception of Ireland and the Netherlands, such access is generally a statutory right from the age of 3 years, and in Belgium and France from an earlier age. Early education programmes in Europe are often free, and attached to schools. Outside Europe, most OECD countries provide free access to early education only from age 5 years. In Australia and in some Canadian and US states a majority of children are enrolled in free state programmes at the age of 4 years, but provision is generally weaker than in European countries although many US states are making notable efforts to expand pre-kindergarten services.

The move towards universal provision in Europe has been given a further stimulus by the 2010 objectives set by the European Union at its Barcelona meeting in 2002, encouraging member countries to supply subsidized full-day places for one third of children from 0-3 years, and for over 90 per cent of all children from 3-6 years.²⁴ To date, four European Union members – Belgium (Flanders), Denmark, France and Sweden – have reached the Barcelona targets for both groups of children, although at different levels of quality, and three countries outside the European Union – Iceland, New Zealand and Norway – also achieve these enrolment figures.

Although strong access rates to early education are shown in the table below, in particular for 4- and 5-year-olds, the figures may also hide some basic weaknesses. The experience of the OECD reviews suggest that the children who do not have access at these ages are often children with special or additional educational needs, that is, children with disabilities, children from disadvantaged backgrounds, or children from ethnic or cultural minorities (Leseman 2002). In addition, the chart does not indicate either the quality or duration of the services provided to young children: The coverage rate for the United Kingdom, for example, denotes in reality an entitlement for two-and-a-half hours per day for about 9 months per

²⁴ The *Starting Strong* recommendation of moving towards universal and appropriate access does not set an abstract target or benchmark, but addresses also the internal constituents of access, as outlined above, and sees high coverage as only one aspect of country performance.

year, in contrast to Sweden, which provides, according to the parents' wishes, the possibility of full-day coverage for 11 months every year.

Table 6: Childcare (0-3 years), early education (3-6 years) and 4- to 5-year-olds' enrolment rates in OECD countries, 2003-2005

	0-36 months	36-60 months	4-year-olds
Australia	29.0	71.5	64.6
Austria	6.6	74.0	82.5
Belgium	33.6	99.6	100.0
Canada	19.0	m	M
Denmark	61.7	89.7	93.5
Finland	35.0	46.1	46.7
France	28.0	101.9	100.0
Germany	9.0	80.3	84.6
Hungary	6.91	86.9	90.7
Iceland	58.7	94.7	95.3
Ireland	15.0	68.2	45.4
Italy	6.3	100.3	100.0
Japan	15.2	86.4	94.7
Korea, Rep. of	19.5	60.9	66.4
Mexico	3.0	64.9	66.4
Netherlands	29.5	70.2	73.4
New Zealand	32.1	92.7	95.1
Norway	43.7	85.1	88.9
Portugal	23.5	77.9	84.0
Slovenia	25.8	77.5	75.9
Spain	20.7	98.6	99.3
Sweden	39.5	86.6	88.9
Switzerland	M	44.8	38.6
United Kingdom	25.8	80.5	91.8
United States	35.5	62.0	65.3
<i>OECD average</i>	<i>25.5</i>	<i>80.0</i>	<i>77.3</i>

Sources: For enrolment rates for children 0-36 months: OECD Family Database, 2004; enrolments for children 3-6 years: OECD *Education at a Glance*, 2005; enrolment rates for 4-year olds, Eurostat database, 2005.

Improved access for children under 3 years

Compared to services for preschool children, less attention has been given in most countries to provision for children under 3 years, although sufficient provision for this age group is an iron test of government policy in favour of equality of opportunity for women. Hard data on access are often difficult to obtain. A sentence from the *Background Report of Germany* (OECD 2004d) provides an indication of the general situation in many countries.

Until the beginning of the nineties in the West (Federal Republic of Germany), there were places in public or publicly promoted facilities for fewer than 2 per cent of children under three years of age, supplemented by another 2 per cent of places in family day care – as against an unknown number of private arrangements (emphasis inserted).

Through household and other surveys, estimates can be made of the use of childcare in general, but with little knowledge of the duration of its use or of the type and quality of services offered. The statistical picture improves greatly when governments provide services directly or indirectly to the younger children or when parent subsidies are linked to the use of licensed services. Table 3 in the Introduction provides information on **entitlements** to ECEC across the participating countries, and Table 6 above and Figure 11 below provide an estimate of enrolments in **licensed** childcare in the OECD countries reviewed.

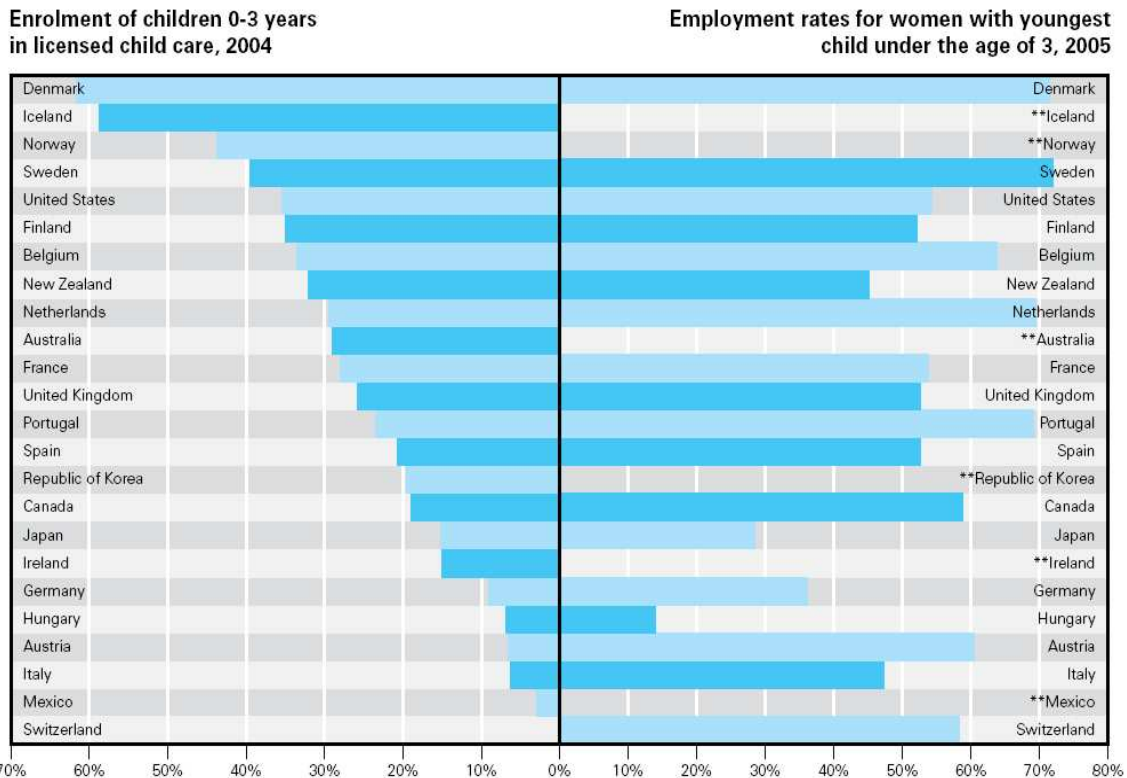
Publicly subsidized services for the younger children take several forms (see also Table 2 in the Introduction above: ‘Main institutional forms of early childhood education and care in participating countries’). The core services are family day care, centre-based crèche services and integrated centres (with children from 1-6 years). Most of these services charge parental fees, which, in many countries, are highly subsidized. Professional core services are often augmented by drop-in centres for mothers where infants and young children can play; information centres; mother and baby clinics; family centres; and parent-led playgroups – the aim being to provide a continuum of services that matches the different needs of different families. When they are available, higher socio-economic groups tend to use professional, centre-based services more than lower socio-economic groups. For example, in Norway, 41 per cent of university-educated women use centre-based childcare services for children under 3 years compared to 21 per cent of mothers with secondary education, who, in general, show a preference for home care by mothers, or informal care by family members and relatives (*Starting Strong II*, OECD 2006). In France, a similar situation exists. The preference for maternal or extended family care is often cultural, but it is also influenced by the cost of services and the considerably greater difficulty for low-income and immigrant mothers to find work. The immigrant family is often caught in a double bind: a cultural preference for maternal care up to school age on the one hand, and on the other, reduced employment and thus inability to pay the costs of regulated childcare.

Levels of access for children under 3 years

The highest levels of enrolment of under-threes in subsidized provision are seen in Denmark and Sweden,²⁵ countries with a history of publicly funded ECEC, combined with long-standing gender equality and family policies. With the exception of these countries (and Finland), reports from all review countries indicate that the demand for services for young children is significantly higher than the number of places available – including in countries that provide long parental leave, a measure that helps to reduce demand, especially for infant care. In countries where public funding for provision is limited, most working parents must either seek solutions in the private market, where ability to pay often determines accessibility and quality, or rely on informal arrangements with family, friends and neighbours. In the United States, for example, a lack of paid parental leave and limited public investment in services means that many low- and middle-income parents struggle to find affordable arrangements for infants as young as 6 weeks old (Capizzano and Adams 2000). However, ECEC policies are currently developing, with more generous fee subsidies being made available to enable low- and middle-income families to pay for ECEC in the private market.

²⁵ In Sweden, because of the long and generous parental leave scheme, infants are rarely seen in day-care services, and are normally enrolled between the ages of 15 to 18 months.

Figure 11: Employment rates for mothers with children under 3 and access rates under 3 in licensed ECEC services



** Data not available.

Source for enrolment of children 0-3 years in licensed child care: OECD Family database and OECD Education database.

Note: Data for Canada, and Germany, concern 2001; data for France reflect 2002; data for Iceland, Mexico, and Norway concern 2003; and data for Australia, Denmark, the Republic of Korea, and the United States concern 2005.

Source for employment rates for mothers with youngest child 0-3 years: OECD (2007) Babies and Bosses – Reconciling Work and Family Life (Vol. 5); Babies and Bosses (Australia, Australian Bureau of Statistics (2005); 6224.0.55.001 FA2 Labour Force Status and Other Characteristics of Families; Statistics Canada (2001 data), Statistics Denmark (1999 data), Statistics Finland (2002 data), Statistics Iceland (2002 data for women age 25-54), Japanese authorities (2001 data), Swiss LFS (2006 2nd quarter data), UK Office of National Statistics (2005 data), and the US current population survey (2005 data); all other EU-countries, European Labour Force Survey (2005 data), except for Italy which concern 2003).

Note: In reading this chart, caution is advised. The definition of ‘licensed service’ differs widely from country to country, going from mere registration of an activity to long-day programmes that follow a curriculum and are regularly inspected and evaluated. Information is not available in most countries concerning the length of use of the childcare places available, whether the rate recorded refers to sessional, half-day or full-day usage. Likewise, employment rates are open to different interpretations. In this chart, no distinction is made between part-time and full-time employment, and in some instances, the figures include women who are taking parental or other leave, e.g. the employment rate given for women in Austria includes women on childcare benefit leave, whereas the percentage of women actually working is closer to 30 per cent. In several countries low enrolment rates recorded may hide parental leave policies that play an important role in reducing demand for infant provision. Again, rates do not reveal the numerous informal or unlicensed arrangements that exist. In Belgium and France, almost all children become enrolled in free public preschool from the age of 2 to 2.5 years. In sum, the enrolment rates for 0-3 children in these countries have reached the Barcelona target of 33 per cent coverage. In this figure, a 24 per cent coverage rate for 0-6 years is ascribed to Canada. The rate for 0-3 years is estimated in the OECD family database to be about 19 per cent. More recent figures from Friendly et al. (2007) suggest that only about 9 per cent of children are enrolled in regulated childcare centres from 0-5 years.

Figure 11 illustrates that, with the exception of a few mainly Scandinavian countries, licensed coverage for the youngest age group is appreciably lower than for 3- to 6-year-olds. At the same time, the percentage rate of working women is far higher in many countries than the percentage enrolment rate for young children. This suggests that much informal care is taking place and/or that many women work part-time. Only in Denmark are there more places available to children than the proportion of women working. Subsidized provision for under-threes is most developed in Denmark, Finland, Norway and Sweden, countries with a long history of supporting publicly funded ECEC as part of broader gender equity and family support policies. Most services are full day, with parents paying fees on a sliding scale according to income. In these countries, services are integrated under the auspices of one ministry. Provision takes place predominantly in professional centres, excepting Denmark where most children under 3 are cared for in family day-care homes managed by the municipalities.

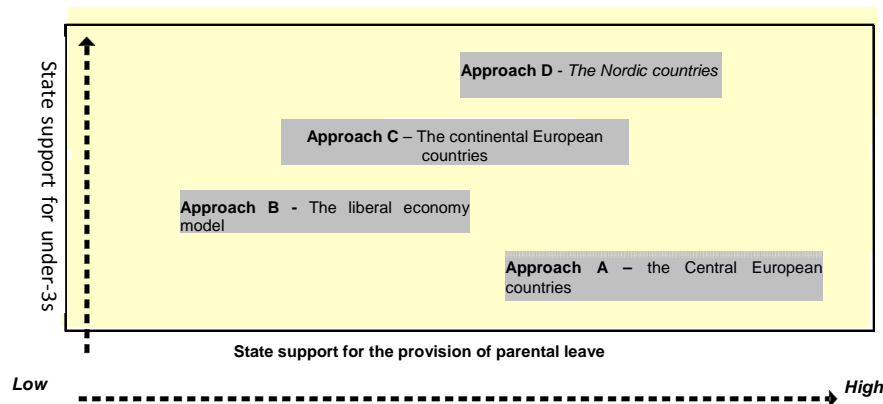
Belgium (Flemish Community) and France provide for over one third of children under 30 months, in family day care, crèches and other services. In these countries, preschool education begins at 2 (France) or 2.5 years (Belgium). Children of that age, enrolled in preschool, are not included in this chart; if they were, Belgian and French enrolment figures would be similar to those of Sweden. In the past five years, the Netherlands, Norway and, more recently, the United Kingdom have significantly expanded publicly funded provision for infants and toddlers. As a result of recent incentive schemes in the Netherlands, for example, 20 per cent of children under 4 years now have a place in ECEC, in addition to the 50 per cent of 2- to 4-year-olds who attend part-day playgroups.

That many young children are being placed in informal or unlicensed childcare can be seen for the majority of countries covered, where maternal employment rates far outstrip the rates of licensed care use. Data from national household surveys and other sources confirm that the actual use of childcare is much higher than enrolments in licensed childcare. In Ireland, for example, the Preschool Services Regulations require that when a childminder cares for more than three children under the age of 6 years in her home, she should notify the local Health Board, and become subject to certain regulations. According to figures provided by the National Childminding Association at the time of the OECD review (2002), 95 per cent of childminders in Ireland operate outside this framework. It is estimated that 70 per cent of long-day care is provided through private childminders looking after one or two children. The arrangements are generally unsupervised and escape health, safety, developmental and programmatic regulations (Country Note for Ireland, OECD 2003c). With the exception of Australia, similar figures can be cited for the majority of (unlicensed) childcare arrangements in the other liberal economies.

The figure below seeks to present in visual form the policy approaches of different country groups to childcare and parental leave. The whole field is changing rapidly, however, as evidenced, for example, by the raft of ECEC policies passed or promised in the United Kingdom, by the progress being made by the Republic of Korea in expanding access to both childcare and kindergarten, or by the adoption of a remunerated parental leave policy in Canada. In sum, despite a very low base in many countries, provision for the under-threes is undergoing profound change, and receives growing government attention and funding. Since *Starting Strong I*, countries have introduced or made progress in policies that introduce or

improve parental leave (Canada, Italy, Norway, United Kingdom); increase family-friendly work practices (Ireland, Netherlands, Norway); introduce public-private partnerships into the provision of ECEC (Denmark, Finland, Sweden); and provide significantly greater access to early childhood services (Australia, Finland, Mexico, Portugal, Republic of Korea). Strategies have also been employed to address access barriers to centre-based services especially for low-income families (Belgium, France, Ireland, Republic of Korea) or to address supply-side barriers in low-income neighbourhoods (Australia, Germany, Ireland, Mexico, Republic of Korea).

Figure 12: Policy approaches to the under-threes and their parents



Approach A. *Strong state support for parental leave but weak support for under-three services.* For example, policy in Austria, the Czech Republic and Hungary favours parents (meaning mothers) caring for their child until age 3, with weakly supported childcare alternatives. This solution is possibly cheaper on the public budget in the short term, but can have adverse impact on female careers and pensions, and may be more expensive in the long run for labour markets and economies. Home-care child benefits are significant in these countries, but as they are not tied to the use of formal childcare, they do not stimulate the provision of services or provide an incentive for women to seek work. Public services remain few or, as in the former Communist bloc, were allowed to run down during the transition years. For example, in the Czech Republic in 2001, only 67 public crèches remained, serving less than 1 per cent of children, compared to a 20 per cent coverage in 1989. The question as to whether women who stay at home to rear their children (and hence forgo careers, wages and pension rights) should have the right to more equitable employment opportunities is not a major issue in public debate. Up to recently, Germany shared a similar maternalist viewpoint, but under the present administration has radically changed position and is planning to establish over 500,000 new childcare places over the coming decade.

Approach B. *Weak support for parental leave with modest to moderate state support for under-three services,* targeted especially towards low-income families. In the liberal economies, there is moderate state support for licensed under-three services, and weak support for parental leave except in Canada, the Republic of Korea and the United Kingdom where both the duration of leave and its remuneration have been increased. Access rates of children under 3 years to regulated services is weak, as evidenced in Canada and Ireland, where much informal childcare exists. Since 1998, the situation has improved radically in the

United Kingdom, bringing the current British pattern of access closer to – and in some instances surpassing – European continental patterns. Although enrolment rates in registered centres in Australia are lower than in the United States, greater financial support is given to parents to access services. In Mexico, the shape of the economy is market driven, with health care, insurance and pensions being predominantly a private responsibility. Public social welfare is relatively weak and is strongly linked to occupation and formal employment. Fertility rates, population distribution and labour market conditions differ also from those holding in most OECD countries. Ninety per cent of Mexican childcare is domestic, informal or private, but state employees and some working women have access to well-organized services. Women in formal employment (the minority) have a right to at least 12 weeks' maternity leave at 50 per cent of pay, and to both pre- and post-natal medical attention.

Approach C. *Moderate state support to parental leave and moderate support to under-three provision, especially for low-income groups.* A third approach, offered in the majority of countries reviewed, is moderate support from government to family day care or centre-based education and care, with families still viewed as primarily responsible for providing or finding childcare for their children. This has traditionally been the continental European solution, although significant differences with regard to women's work exist across countries. For example, in France, the expectation that women and mothers will work has long been rooted in the culture. This is not the case in many other European countries. A period of paid statutory parental leave moving towards one year (Italy, Portugal) is becoming the norm in Europe, but there are several countries with very modest levels of publicly funded, childcare services, generally insufficient to meet public demand. In these countries childcare is subsidized primarily for working or disadvantaged parents. Belgium has a relatively weak parental leave regime, but has significant subsidization and organization of care services, with free access to early education for all children from 2.5 years. France offers also good (but inadequate for demand) support to under-three services, and in recent years, has provided a wider range of parental choice through offering the possibility to parents (that is, mothers) to take a longer, low-paid leave for three years.

Approach D. *Strong state support for parents with well-developed services for under-threes.* The fourth model has two different emphases. In Finland and Norway, a main objective is parental choice, supported by strong government investment in child and family services where demand exists. Childcare leave or cash benefit schemes allow one parent to stay out of the workforce to care for their child up to three years (Norway, Finland), and provision for children under three is publicly subsidized. In Finland, there is a statutory right for every child to a place in a publicly subsidized service, while in Norway, addressing the shortages in provision for the under-threes has become a political priority. In Denmark and Sweden, policy emphasizes parental employment after a comparatively well-paid parental leave of 12 months and 18 months, respectively. A guaranteed place in a high-quality, publicly subsidized ECEC service is available from the end of parental leave on a sliding-scale, fee-paying basis. Few infants attend ECEC settings **before** the end of the parental leave period.

Merits and demerits of targeted programmes in favour of low-income families

Another feature of the market-driven economies, more or less marked according to country, is their tendency to create specific targeted programmes for low-income or at-risk children, as

compared to the internal targeting within a ‘universal’ model found across the continental European countries.²⁶ At first view, it seems rational and equitable that governments should opt for targeted services. Two leading countries, the United Kingdom and the United States, provide nationwide special services for at-risk children: Sure Start in the United Kingdom and Head Start in the United States. In recent decades, these services have become increasingly comprehensive, that is, they go beyond curriculum and learning activities for children to include family and community aspects of development, such as the general health and the well-being of children, family support and the amelioration of neighbourhood environments. The Sure Start centres in England are comprehensive, area-based, early childhood services focused on the development and education of young children, but they can also provide parents with courses and advice on parenting, employment, job-training, leisure-time activities, etc. Policymakers consider that strong linkages between services and communities are of particular importance for immigrant or other socially isolated families and children.

In addition, programmes for low-income or second-language children are known to yield excellent results, higher in fact than programmes for middle-class children. Children from disadvantaged backgrounds can gain more from early childhood programmes – particularly in language and socio-emotional development – than their middle-class counterparts. International research from a wide range of countries shows that early intervention contributes significantly to putting children from low-income families on the path to development and success in school; see, for example, Thorpe et al., 2004 (Australia); McCain and Mustard 1999 (Canada); Jarousse et al., 1992 (France); Kellaghan and Greaney 1993 (Ireland); Kagitcibasi et al., 1991 and 2001 (Turkey); Osborn and Milbank 1987 (United Kingdom); the longitudinal EPPE project, 1997-2007 (United Kingdom); Berrueta-Clement et al., 1984 (United States); McKey et al., 1985 (United States); and Schweinhart 2004, Schweinhart et al., 1993 (United States). All concur that well-funded, integrated, socio-educational programmes improve the cognitive and social functioning of children at risk. If properly linked to labour, health and social services, early childhood services can be expected to deliver additional outcomes, such as enhanced maternal employment, less family poverty, better parenting skills and greater family and community cohesion (Lynch 2004). At a presentation to the United States Congress, Professor Jeanne Brooks-Gunn (2003), focusing on educational returns, confirmed that mainstream research indicates that:

- High-quality, centre-based programmes enhance the school-related achievement and behaviour of young children.
- These effects are strongest for poor children and for children whose parents have little education.
- Positive benefits continue into late elementary school and high school years, although effects are smaller than they were at the beginning of elementary school.

²⁶ A universal approach to access is often contrasted with a targeted approach to ECEC, whereby a government provides public funding primarily to programmes for chosen groups of children. Universal access does not necessarily entail achieving full coverage, as there are variations in demand for ECEC at different ages and in different family circumstances. Rather, it implies making access available to all children whose parents wish them to participate.

- Programmes that are continued into primary school, and that offer intensive early intervention, have the most sustained long-term effects.

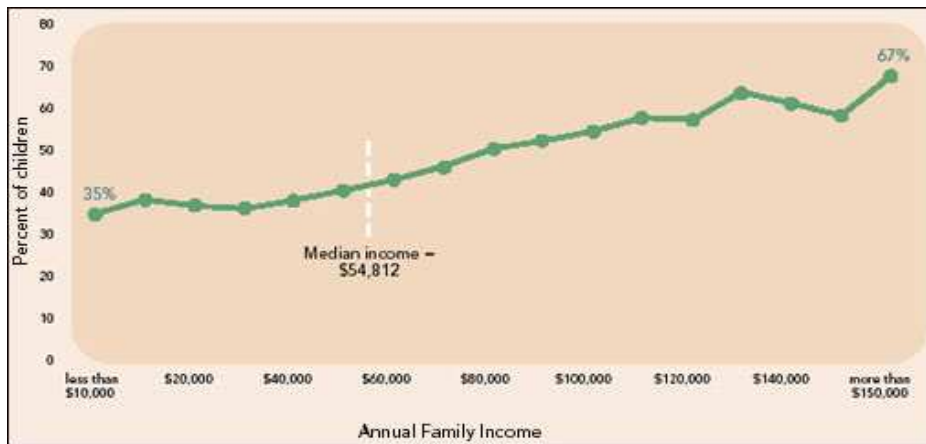
In addition, all countries do not share this enthusiasm for universal access. As already suggested, country policies in the early childhood field are often 'path dependent', that is, they are embedded within larger socio-economic structures and policies that influence how these services are understood, organized and financed (Esping-Andersen 2002). The political philosophy of the liberal economies (or residual welfare state) favours the independence of families in providing for children.²⁷ Proponents of the liberal economy approach also raise questions about the efficacy and equity of government-subsidized, universal services for young children. For example, they argue, that rather than requiring all taxpayers (including low- and moderate-income families) to fund programmes for the children of middle-class parents who can afford to pay for services, is it not fairer to channel funding towards targeted programmes for children at risk of school failure? In addition, critics point out that universal, early education programmes tend to take place within state school systems. In many instances, this can be an advantage: Public early education systems generally organize services more equitably, observe higher standards and employ more qualified personnel than childcare programmes. A major weakness, however, is the lack of evaluation of state preschool programmes. Critics of government-sponsored programmes point to the fact that few States undertake evaluations that would enable parents to know whether attendance in public, early education programmes actually benefits their children (Currie 2004). In addition, whatever research exists tends to focus on children from at-risk backgrounds and ignores outcomes for middle-class children, who constitute the majority.

In answer, proponents of universal services point out that targeting is costly and inefficient. While 67 per cent of 3- and 4-year-olds in families with annual incomes exceeding \$150,000 attend preschool, only 35 per cent of children in families earning less than U\$10,000 a year access services, according to data from the US Census Bureau. In sum, Head Start misses most poor children, and even excludes by regulation low-income families just above eligibility for subsidized services. Children outside the target groups could equally benefit from government subsidized services, and their presence would also provide the mix of social class and diversity in classrooms and on parent committees that programmes for children from poor or immigrant families need (Barnett et al., 2004). In the targeted access option, publicly funded ECEC remains a selective arrangement for children at risk rather than a social good for all children. This is the case in the United States, where Head Start receives full government funding,²⁸ while state funding for universal early education for 3- and 4-year-olds is far from achieved. As a result, access to preschool programmes remains sharply divided by race and class.

²⁷ Because politics is a dynamic and changing field, the non-interventionist stance of the liberal economies may be a simple correlation and not a cause. Other factors almost certainly need to be taken into account, such as the demographic context, the need for female labour, the influence of women in society, understandings of child-rearing and childhood, etc.

²⁸ Head Start is a federally funded programme that provides comprehensive developmental services for low-income, preschool children in the United States aged 3-5 years, and social services for their families. Approximately 1,400 community-based, non-profit organizations and school systems develop Head Start programmes to meet the needs of this target group. It is estimated that the programme provides sessional services to about 3 per cent of American children aged 0-5 years and to about 60 per cent of eligible children 3-5 years (Kagan and Rigby 2003)

Figure 13: Preschool access by level of income in the United States, 2005



Source: Editorial Projects in Education, EPE Research Center (2007).

Although benefits are high for children with low socio-economic status backgrounds, research also shows that targeted programmes for disadvantaged children actually miss about half of the children they are supposed to serve. In short, according to several experts, it makes better economic sense to fund a universal programme that covers all children rather than to rely on targeting (Barnett et al., 2004). This is not to argue that a ‘one-size-fits-all’ universal model should be applied. For reasons of equity and efficiency, a flexible allocation of funds is necessary within a universal system, as is the practice in Denmark or the Netherlands. This provides increased capitation grants for children from low-income backgrounds; for children from low-income and second-language backgrounds; for children with special learning disabilities; for children with accumulated difficulties; and for other children in need of special help.

The following table from the National Institute of Education Research at Rutgers, The State University of New Jersey, based on US funding and child enrolment figures, shows the economic rationale in favour of universal programming. The salient point is that if government opts for targeting, it may reach at best only about 50 per cent of low-income children, plus about 17 per cent of middle-class children. In a universal system, all the low-income children and all the middle-class children are likely to be reached.

Table 7: The financial case for investing in a universal system

Family SES* level	Children enrolled	Cost in billions \$	Benefit in billions \$	Net benefit in billions \$
<i>TARGETED FUNDING POLICY</i>				
Low SES	383,871 (50 per cent of cohort)	5.5	34.3	28.8
Middle SES	383,871 (marginal 17 per cent)	5.5	17.2	11.6
High SES	0	0	0	0
Total benefit from policy in billions \$	767,742	11	51.5	40.5
<i>UNIVERSAL FUNDING POLICY</i>				
Low SES	767,742 (c. 100 per cent)	11	69	58
Middle SES	2,303,226 (100 per cent)	33.1	33.1	0
High SES	383,871	5.5	0	-5.5
Total benefit from policy in billions \$	3.454.839	50 billion	102.0	52.1

Source: Barnett, J. (2006). SES = socio-economic status.

Note: In order not to overestimate the effects of early intervention, benefits for middle SES children are calculated in this table to be only half those for poor children and benefits for the high SES children (from the top 20 per cent income percentile bracket) are considered to be zero. However, the far greater enrolment of both poor and middle-class children tips the financing balance in favour of universal programming, which produces significantly greater benefits to children and the economy. Other things being equal, this analysis suggests that governments would reap greater benefits – and spend budget more effectively – if they were to fund a universal service for all 3-year olds rather than to invest in targeted programmes.

However, the fundamental value and necessity of targeted programmes should not be overlooked. Many such programmes are extremely beneficial for children from low-income backgrounds (Head Start) or living in designated, disadvantaged areas (Sure Start). Without them, an even wider gap could develop between these children and the mainstream: in language acquisition, general knowledge, socio-emotional development and sometimes in basic health. In contrast, universal, early education programmes in several OECD countries do not provide – because of inattention to parents, unfavourable child:staff ratios and the overuse of group instructional methods – the type of individual attention and support that low-income families and young children need.

Yet, on the grounds of both equity and efficiency, a move towards universal programming – as in education – is attractive, if flexibility and attention to vulnerable groups can be developed within universal services. The precedent exists. The Nordic countries, for example, have enacted strong social and labour market policies to reduce child poverty and often provide an entitlement to a public childcare or preschool place from the age of 1 year or so.

In addition, universal services in these countries are well funded. They provide, in Denmark and Sweden for example, highly trained staff and favourable child:staff ratios. This means that all children from about the age of 15 months to 7 years – whatever their background – are nurtured and educated together by well-educated professionals in secure and healthy surroundings that favour the language and socio-emotional development of children from low-income backgrounds. Increasingly also, community kindergartens are organized as a front-line service for the respectful social integration of low-income and immigrant families.

A discussion of early childhood funding

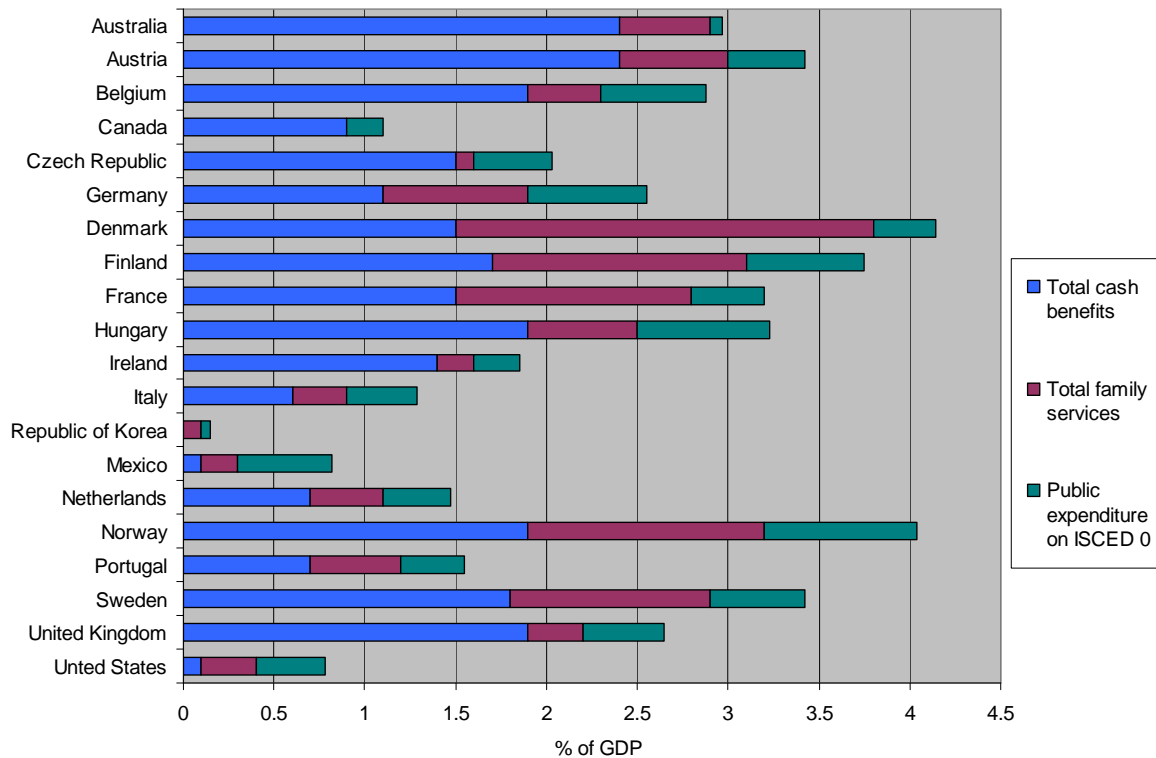
Insufficiencies in early childhood funding

What is the actual commitment of governments in rich countries to funding children's services? Current investments of OECD countries in ECEC services are difficult to calculate, as reliable figures for childcare expenditure by governments are often not available. In addition, the available International Standard Classification of Education (ISCED) level 0 figures²⁹ for pre-primary education, supplied to the OECD by governmental statistical offices, are often not comparable because of the different interpretations of 'pre-primary' by countries that supply these data. For example, expenditure figures per child (3-6 years) in France of US\$4,938, in Sweden of US\$4,417 and in the United States of US\$7,896 are cited. Even a slight acquaintance with services in these countries suggests that the Swedish figure is grossly underestimated: Child:staff ratios are significantly lower in Sweden than in the other countries and 50 per cent of preschool staff (1-6 years) are trained (and paid) to university level. The duration of work is also much longer than in the United Kingdom or the United States, as centres open 10 hours per day, during the whole working year.

The figure below, based on OECD data sources, provides an indication of the amount that countries are investing in services for both families and young children in percentages of GDP. The white lines referring to early education and care need to be interpreted with caution, as the note indicates:

²⁹ ISCED level 0 programmes are defined as centre or school-based programmes that are designed to meet the educational and developmental needs of children at least 3 years of age, and that have staff that are adequately trained to provide an educational programme for the children.

Figure 14: Public investment in services for families and young children in percentages of GDP



Source: OECD (2005b) Education at a Glance, DELSA/ELSA (2004)8.

Note: Public expenditure on ISCED level 0 in Portugal also includes private expenditure. For Denmark and Sweden, expenditure levels on ISCED level 0 – as represented on this chart (white portion of the bar) – cover only a small proportion of their actual ECEC expenditure on children 1-6 years. Similarly for the Republic of Korea, where only Ministry of Education expenditure is included.

Where direct services to young children are concerned, figures supplied directly to the OECD by ministries directly responsible for early childhood services generate Figure 2, which was presented in the Introduction to this text. Those figures provide a more realistic picture of public investment by selected countries **in early childhood services** (including out-of-school services but excluding family benefits and parental leave). However, both charts illustrate significant differences in funding between countries, which are then translated into wide differences in the quality and range of services available to parents.

The weakness of public investment in the liberal economies

Investment in childcare services by the liberal economies tends to be weak. In the past, these countries adopted the position that care for children under 3 years was a matter primarily for parents who, in turn, would have recourse to the private market to take in charge their childcare needs. This meant, of course, that parents often paid the major costs of services. In the OECD countries as a whole, parents contribute on average 25-30 per cent of the costs for under-age-three services, varying from a 10-15 per cent parental contribution in Finland, Norway and Sweden to up to the full service costs charged by private providers.³⁰ In several

³⁰ For children under 3 years, costs for services are today generally shared between parents and public authorities (in the Netherlands, with employers also). Public authorities subsidise services through direct local

countries, such as Ireland, the United Kingdom and the United States, these providers take in charge the majority of children under age 3. Other countries, such as Belgium and the Netherlands, may have relatively high costs for infants and toddlers but they then provide universal and free access for older children: from 2.5 years in Belgium, and from 4 years in the Netherlands. The Nordic countries generally retain some parental charges up to the year before entry into compulsory schooling, but these fees are now capped at low levels (with the exception of Denmark where parents can pay up to 30 per cent of costs). In all Nordic countries, charges decrease in relation to family income (or to a low, universal, flat rate in Norway and Sweden), and are often waived completely for low-income and second-language families.

In the liberal economies, provision of childcare is stimulated through funding parents rather than services – a policy that has both advantages and disadvantages. On the one hand, providing money to parents to purchase childcare in the open market attracts private investors into the childcare market. This is less expensive for the public exchequer and, according to defenders of the market, brings job creation, innovation, competition, lower prices and more efficiency to the childcare field. Experience across the OECD countries does not vindicate this optimism (OECD 2006; and see also ‘Modalities of funding’ below). In fact, in many countries, the domination of the ‘childcare market’ by private companies or family day caregivers has often led to part-time and low-paid work, high prices, weak availability, particularly in low-income neighbourhoods, and to low standards and practice. When governments plan services and provide financing either directly or indirectly to providers, they are in a much stronger position to ensure fair access to all children, to regulate and impose necessary standards including with regard to training and wage levels.

In sum, with the exception of France and the Nordic countries, investment by governments in early childhood services is relatively low compared to investment in primary, secondary and tertiary education. Yet the situation is improving or at least not deteriorating: Countries with comparatively low public expenditure on children’s services in the past (e.g. Ireland, Netherlands, Portugal, Republic of Korea, United Kingdom) have increased spending significantly in recent years. Portugal, for example, has more than doubled the budget for preschool education since 1996. In the United Kingdom, according to official projections, government expenditure will have quadrupled in the 10 years from 1997-2007, from £1.1billion in 1996/1997 to £4.4billion by 2007-2008, that is by present figures, to about 0.7 per cent of GDP. The Netherlands likewise has greatly increased investment in early education, but the picture in the new Dutch childcare regime is more difficult to evaluate. According to various press analyses, the initial trend seemed to reflect a cutback on public funding with a corresponding demand on parents to pay higher fees.

authority provision (Denmark, Finland, Norway, Sweden), through direct parent childcare subsidies (Netherlands, United Kingdom, where parents receive a child cash benefit) or through indirect subsidies, such as family cash benefits (Australia, United States), tax credits (Austria, Belgium, United Kingdom) and employer contributions (Belgium, Italy, Netherlands, etc.). In only 3 of the 20 countries reviewed (Denmark, Finland, Sweden) is the public provision of high-quality ECEC for children from their first year considered an entitlement for a child, on an equal footing with services for older children.

Modalities of funding

Supply-side funding

Several types of early childhood service funding are in use across rich countries. In general, early education services attached to the primary school system are free. Kindergarten services for 3- to 6-year-olds, under state auspices, may require moderate parental fees, but receive majority funding directly from the State or municipality. This is known as supply-side funding. Public authorities adopting this funding modality provide operating costs to centres and generally make available wage supplements or pay the salaries of personnel (the latter about 70 per cent of the real costs of ECEC services). Because of this direct financial link, services regulation is the norm, with group sizes and staff qualifications being subject to legislation and enforcement by the responsible ministry or local authority. Services receive also the supervision and support of ministry or local authority management units, or are guided by public child agencies. For this reason, more efficient mapping of services, more coherent training and benchmarking are likely to be attained. The mixing of children, valued in public education, can also be achieved more easily in publicly financed services, unless (as is often the case) there is a high degree of spatial segregation in neighbourhoods served by public provision.

The main critique made of the public investment model is that it is expensive, although the argument that high public investment in early childhood services necessarily implies significant tax increases is simplistic (see, for example, the discussion by Kvist 2002). Another criticism, cited in *Early Childhood Education and Care for Children from Low-Income or Minority Backgrounds* (Leseman 2002), is that the presence of well-subsidized public programmes like Head Start, tend to ‘crowd out’ private services. In effect, heavily subsidized projects like Head Start or Sure Start may reduce initiatives by private providers to increase their ECEC activities in a neighbourhood, as they cannot compete in quality with the better-funded public programmes. This critique may explain also a major weakness in public ECEC systems in the conservative European countries, which is the failure of many countries to create sufficient numbers of licensed, publicly supported, childcare places for children under 3 years. It seems more likely, however, that the reason for this failure lies with inaction on the part of government.

Yet another critique often heard is that publicly financed systems create dependency on the state, whereas a competitive childcare system based on private markets and incentives produces more self-reliant families. In addition, it is argued, private services are economically more efficient and function perfectly well when they are freed from equity requirements, controls and standards set by government. Scepticism about such claims is often expressed.

Consumer subsidy funding

The marketization of early childhood services has been promoted in recent years in OECD countries (OECD 2002, 2003, 2004). An effort to limit public expenditure and to allow greater choice and control by parents are among the reasons advanced. Vouchers and parent subsidies are favoured over direct funding of services, in the expectation that parental purchase of services will bring private entrepreneurs, new funding and greater dynamism into the provision of services – all this with less cost to government. In parallel, deregulation

occurs to facilitate commercial suppliers in dealing with child:staff ratios and the qualifications of contact staff. State or local government monitoring is replaced, at least to some degree, by the basic market principle that more information to consumers and competition among providers will eventually bring quality at lower cost. Governments consider that choice is increased if parents are free to opt for the service provider that meets best their child's particular needs. To achieve equity, large, targeted programmes, such as Head Start (United States) or Sure Start (United Kingdom), are maintained, which in principle provide low-income families with childcare and early education to meet their needs.

As an approach, consumer subsidy funding corresponds well to the current, dominant, 'third way', social welfare model, which sees the creation of markets within the public services as a means of having lighter, less expensive and more responsive public services (Giddens 2003). Because they are set below actual costs, demand-side subsidies to parents are less costly to the public budget, and at the same time bring new suppliers and competition into the childcare systems. Through tying subsidies to the use of licensed providers only, consumer payments can also encourage unlicensed child minders to enter the formal economy and taxation system. The experience of Australia suggests that if sufficient voucher and subsidy money is made available, independent family day caregivers and commercial providers will respond to the business opportunity and quickly expand provision. The rapidity of the small private provider in starting up a service is a considerable advantage, as public systems can take a number of years to plan and build each new early childhood centre.³¹ Independent family day caregivers – and commercial providers with a sound capital base – can come on stream more quickly, a fact appreciated by parents seeking places desperately for their young children, and by governments searching for expedient solutions to childcare shortages.

Proponents of choice also argue that the range of programmes presented to parents is more innovative and responsive to parental wishes than that supplied by public services. In the Czech Republic and Hungary, for example, some of the newer private centres offer English immersion, computer programmes, music lessons, swimming and other extras to young children, with yoga, art and education courses for parents. For affluent parents, in particular, such programming is attractive, but they are often beyond the budgets of the great majority of people in these and other countries. Commercial services have also shown themselves to be successful in certain niche areas of ECEC, in particular, in employer-sponsored, on-site childcare. Commercial services – aiming at consumers – also offer 'flexible places', that is, the possibility of placing children for a few hours or for a few half days in a service, allowing a parent to work part-time or shop at irregular hours. Similar flexibility is generally unavailable in public services, which tend to keep to the foreground the well-being and development of young children. Thus, many public services will not provide 'slot' services and require that each child should be given the opportunity to bond with staff and other children, and to follow integrally a developmental programme.

The advantages of the market approach are often tempting for politicians trying to respond quickly to childcare shortages. In addition, the current economic culture seeks to limit expansion of public services, and many government finance departments would prefer to

³¹ That this is not a necessary characteristic of public systems can be seen from the speed with which Early Excellence and Children's Centres have been constructed and put into operation in England.

have a mixed market of services. This is a legitimate aim if inequities can be avoided and if private services can be held to appropriate public standards. However, in early development and education – not a repeatable process for any child – it is necessary to take a careful and long-term view. Unlike material commodities in a market, parents cannot easily obtain a refund or a new model if they are dissatisfied with their child’s outcomes. An error at country level in the choice of organization of early childhood services may carry serious penalties for certain groups of families and children. Some of the concerns rose about the market model by early childhood policy experts and planners are as follows:

A purely market system moves away from the principle of universality in education, that is, of providing equal opportunity for all children within a universal system in which values of citizenship are inculcated, and a democratic and multicultural mixing of children is practised. In addition, targeting and special supports can be effectively achieved within a universal system. The educational mix of children from all backgrounds is generally positive – both socially and in terms of learning – for both at risk and mainstream children (Jensen and Saint-Martin 2005).

Demand-side funding is, in general, underfunding, and the burden of costs in market-led systems falls essentially on parents, who, in the market economies pay fees ranging from 30 to 100 per cent of the costs of childcare, unless they belong to low-income groups. Families with modest resources, who are not eligible for public funding, are often unable to pay such a proportion. As a result, children from moderate (second quintile) income groups can be excluded from participation in centre-based early childhood services (Fuller et al. 2005).

Parent subsidies can be problematic in that they may not be used efficiently on behalf of children, may not be passed on fully to providers, or more generally, may be insufficient to meet real childcare costs. In sum, if given directly to parents, the subsidies may not be passed on in full to providers. On the other hand, parents with low educational levels and unemployed parents have difficulties in claiming what is due to them (United Kingdom Inland Revenue, Analysis and Research, Child and Working Tax Credits 2004).³² From a planning perspective, demand-side subsidies can also be problematic, as financial flows in a parent subsidy system depend not on the number of eligible children (which can be foreseen) but on how many parents claim tax credit.

Again, when public funding to the childcare system takes the form of subsidies paid directly to parents, *the steering capacity of governments vis-à-vis services is considerably weaker than in funding-to-services systems.* Tax rebates and parent subsidies do not support system coordination or universal provision or even necessarily improve in-service training and salaries for staff. When parental vouchers are used to support informal and unlicensed childcare as well as licensed providers, the result can be a diffuse network of small-scale organizations and individuals offering an array of childcare services (Fuller et al. 2005). Negative practices tend to appear, such as the growth of unregulated services; the selling of services on appearance and the practice of offering ‘slot’ services to parents, which

³² The argument is often made that childcare subsidies should not be paid to unemployed parents, who, in principle, can look after their child at home. However, withdrawal from care can be disruptive for the child, and does not support parents in finding new employment.

undermine all notion of continuity of relationship for young children, of programming or of developmental progress.

The reluctance of market providers to invest in poor neighbourhoods incurs the risk of inequity towards low-income families with young children, which undermines a major rationale for public investment in early childhood services – the attempt to provide a certain equality among young children at the starting gates of school. This risk can be lessened by increased subsidies to parents and providers in low-income areas, as in Australia and the United Kingdom, or through parallel, publicly funded, targeted programmes, such as Head Start or Sure Start. However, these programmes miss not only a significant proportion of the children whom they are supposed to serve, but also the large group of moderate-income families who are unable to afford the programmes that are on offer in a market system. In addition, targeting is generally not responsive enough to children who move in and out of risk, whatever their social, cultural or linguistic status (NIEER 2004; Fuller et al. 2005). As noted by the Daycare Trust analysis of 2003, fully one half of children at risk live outside designated disadvantaged areas in the United Kingdom.

Parent subsidies for childcare generally give rise to a significant increase in family day care, which statistically provides significantly lower quality compared to professional ECEC centres (NICHD 1997). A further difficulty about family day care – unless organized into a public system as in Denmark – is that financial control of the system is taken out of the hands of management, making planning and steering problematic.

The conclusion reached in the PricewaterhouseCoopers report (2004), on financing a universal ECEC for the United Kingdom by the year 2020, finds that:

“Supply-side funding tends to be the dominant form of finance in countries with the best developed systems of early years education and care, such as Sweden, Denmark, France and New Zealand, whereas means-tested, demand-side funding is more typical of countries with less well-developed systems, such as the UK and the United States” (Daycare Trust 2004).

The liberal economies adopting a market model of childcare seem to do little better than the conservative (European continental) countries in increasing licensed provision for younger children because of ‘churning’, that is, a high turnover of providers. This can be seen quite readily from the provision statistics that are available. In addition, the liberal economies often fail to achieve adequate regulation, monitoring structures and quality standards in their childcare sectors (Kagan and Rigby 2003).

A more focused review of the economic arguments can be found in the PricewaterhouseCoopers report referenced above or in the work of the Canadian economists, Cleveland and Krashinsky (2002, 2003), who remark: “*The debate over demand-side and supply-side (funding) is often really a debate over what kind of quality will be provided and what kind of standards will be set.*” According to this team, early childhood services are not appropriate for marketization. For them, ECEC is a public good, delivering externalities beyond the benefit of immediate, personal consumption. Important national goals are achieved through early education and care, in particular, a significant contribution to the health, development and learning of a nation’s children. If this is the case, it is appropriate for

governments to intervene in the field, through funding and quality control, particularly if the benefits gained by society are greater than the costs incurred.

CHAPTER 6. CONCLUSION: TOWARDS A DYNAMIC SOCIAL MARKET

The experience of the OECD reviews suggests that for the moment at least, a public, supply-side investment model, managed by public authorities, brings more uniform quality and better coverage of child populations (1-6 years) than parent subsidy models. The more uneven quality in marketized systems may be due to weaker regulation of private provision, the predominance of family day care, and to the reluctance of private providers to employ sufficient numbers of highly qualified staff.³³ It may also be caused by the newness of parent subsidy models, and the relative inexperience of administrations in dealing with marketized childcare services.

The 2004 evaluation of the Swedish ECEC system would also suggest that variability in quality may come from displacing management control from central government towards municipalities or parents. Direct or earmarked funding from the centre allows more direct control and steering by government. Governmental control can be weakened by block grant systems that do not earmark funds for educational purposes (the case of Sweden), leaving it to municipalities to decide what and how to fund (Bjorklund et al. 2004).³⁴ A fortiori, the stratagem of directly funding parents, while politically attractive, may further weaken governmental steering of the early childhood field.

Whatever the reason, the OECD *Starting Strong* reviews suggest that direct public funding of services brings, in the majority of countries reviewed, more effective control, advantages of scale,³⁵ better national quality, more effective training for educators and a higher degree of equity in access and participation than consumer subsidy models. The comparison is striking when the organization of public early education – generally a public education responsibility – is compared with that of childcare. A similar difference in coverage and quality is also apparent, when marketized childcare models are compared with the predominantly public service model of the Nordic countries. The experience of Finland, Norway and Sweden also suggests that a public service model can accommodate private providers when they are properly contracted, regulated and supported by public funding.

In the liberal economies, further thinking about the place of the market in essential personal services seems to be needed, and in particular, reflection on a central issue: Can a market-

³³ Quality in services depends to a great extent on the ability to retain experienced, certified staff. This can be difficult if salaries are pushed down.

³⁴ The argument in favour of decentralization of ECEC management is strong (see Chapter 2): Decentralization greatly strengthens administrative capacity across a country, is (in principle) more sensitive to local need and corresponds better to contemporary notions of democratic participation. Weaknesses appear when local authorities cater primarily for majority interest groups at local level and neglect state goals for equity and quality. As shown in the Swedish evaluation above, the OECD review of Hungary called attention to such weaknesses at municipal level in Hungary.

³⁵ To be distinguished from economies of scale. Some, but rather few economies of scale can be achieved through the purchase of supplies in public ECEC systems, but these economies are minor. Most expenditure in ECEC is devoted to salaries (about 70 per cent). Advantages of scale can be considerable, however: Public systems make it easier to enforce regulations, support educators, monitor quality and communicate good practice within the system.

based approach effectively reform health and education services or are we really talking about better forms of governmental organization and management for these very large systems? At least, in the early childhood field, an unregulated market approach seems to be insufficient in terms of equity and efficiency, as the timespan to eliminate poor-quality providers takes much longer than the few years that a child will be present in these services. As in other markets, government intervention is amply justified in the case of market failure, which, in fact, occurs frequently in marketized childcare systems. Ball and Vincent conclude, for example, that the childcare market in the United Kingdom “*does not work as markets are meant to do; it does not guarantee quality or efficiency, and in fact dispenses services in a highly inequitable fashion*” (Ball and Vincent 2005). In sum, despite the attractions of lower public spending and more rapid service provision brought by marketization, governments need to fund, supervise and regulate private providers, if quality for all young children, including children with special and/or additional learning needs is to be maintained. The evidence from cost-benefit analyses does not indicate that **any** expenditure will generate benefits greater than costs, but rather that the benefit-to-cost ratio is greatly influenced by the quality of services provided (Lamb 1998).

That being said, the benefits of greater choice and market innovation should not be overlooked. In this regard, the relative stagnation of some public ECEC systems, in terms of creativity and development, needs to be examined, for example, the unfavourable child:staff ratios for children 3-6 years that are maintained in government-run early education systems or the lack of renewal of pedagogical approaches. Further research is needed on how to create effective *social markets*, that is, networks of mixed provision in which choice and innovation exist, while maintaining equity and a sense of national and community responsibility for essential services. Widely different levels of purchasing power may be acceptable in the case of commodities or personal convenience, but in democracies, a strong degree of equity and social solidarity is also desirable in the fields of public health and education.

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