

**Social
Democrats**

Early Years Care & Education

Towards a Public Model of Childcare

For the Future
It Starts Here

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THE PATH TO PUBLIC

INTERIM AFFORDABILITY MEASURES

Cap Fees at €250 per child per month – Cost €200m to €250m, depending on level of take-up from childcare settings.

CAPITAL and CURRENT SPENDING

Conduct an Audit of Existing Services, and Areas of Significant Unmet Need

Invest €100 million per year, in each of the next 5 years, to:

- Build new settings.
- Purchase purpose-built, but long-term vacant, settings.
- Acquire existing operational settings (voluntarily).

We have a target of adding approximately 80 additional settings each year to the scheme, up to 2030.

We estimate running 80 services (with approximately 6,000 children, as an example), would cost roughly €50 million per year at current salary rates.

Ensure that no new schools are being built without an early years setting.

GOVERNANCE

Establish a National Childcare Agency to oversee the building of a public model of early years education, and run it going forward.

Establish a forward planning unit in the Department of Children.

Develop a Pay Grade and Benefits system for public sector early years employees.

Key Points

In Government, the Social Democrats will:

- Begin building a **public model of early childhood education and care (ECEC)**, overseen by a National Childcare Agency.
- Ensure affordability for parents under this model, by **capping fees at €250 per child per month**.
- Use part of the considerable budget surpluses projected over the coming years to **purchase, on a voluntary basis, already-operational childcare settings** as part of building a base level of public capacity in the sector.
- Invest significant capital spending over our term in government to **build additional settings in the areas most in need**, including on the grounds of other educational campuses.
- Ensure that **no new schools in Ireland are built without an early years setting**.
- Recognise that high-quality early childhood education and care is hugely beneficial for the children who participate in it, and that **the benefits go far beyond increasing workforce participation for parents of young children**.
- Focus on using ECEC funding to **disrupt the cycle of poverty and exclusion** which exists in many parts of Ireland.
- Target ECEC funding to ensure access to **high-quality, full-day care throughout the year** for children at risk of poverty and social exclusion.
- Ensure sponsorship under the National Childcare Scheme reflects **the 'real' cost of provision for children facing adversity**.
- Sustain and upscale the important work of the **Area Based Childhood Programmes** and other community care settings.
- Take measures to ensure a highly skilled and **fairly remunerated ECEC workforce**.

Introduction

The Social Democrats have a **clear goal to establish a public model of early childhood education and care (ECEC)**, and a pathway to achieve it.

Overseen by a National Childcare Agency, this would have the triple benefit of guaranteeing quality early years education and care for children, affordability for parents, and appropriate compensation and benefits for workers in the early years sector.

It is important to distinguish between a publicly-funded model, which we have in part, and a public model of ECEC. Investing more money in the sector as it is currently structured – while necessary to make childcare fees affordable for families and to achieve other goals – will not achieve the results we need.

Research suggests that high quality ECEC can have beneficial and long-lasting impacts on children's outcomes, particularly for disadvantaged children. It can have a positive effect on children's educational, cognitive, behavioural and social outcomes, in both the short and long term. **But it is important to emphasise that this is only if it is of high quality.**

Early childhood education and care also play a positive role in raising attainment and closing the gap between outcomes for children from disadvantaged backgrounds and other children. This is why we need to invest adequately in this area, **to ensure that all children have an equal start in life.**

We also acknowledge that Irish parents pay **some of the highest costs in the world for childcare**. Despite some recent improvements, childcare remains a huge expense for many families and yet **a majority of staff within the sector earn below the Living Wage**, with high staff turnover undermining the quality of the service being delivered.

There is still a clear need to **increase the direct state funding to the childcare/early years sector to help improve staff pay and working conditions**, and to increase affordability for parents. However, it is clear the system is not structured in a way that can deliver affordability for parents and sustainability for staff, while ensuring accountability for taxpayer money.

A public model of childcare should be pursued, building capacity for **greater direct state provision** of ECEC, and a **strengthening of community provision**.

Current Context

Ireland's ECEC system is largely privatised. The element of it that is 'public' is more publicly-funded than publicly owned or run. It results in several service providers making large profits from a publicly funded system, while a majority of smaller providers struggle to stay afloat. The Social Democrats believe this represents a significant waste of taxpayer money.

Many large international investment funds, including pension funds, are investing in the Irish childcare sector and, already, many of the largest providers in Ireland are owned by such institutions. They are investing because significant flows of public money into the childcare sector in Ireland have made it an increasingly profitable industry for some.

This kind of investment **does not result in more affordable childcare for parents, but it does often lead to poorer quality care**, with lower wages for staff. While many of these corporate childcare providers use the language of children's rights when discussing the sector – often talking about the right to an education – it is fair to say that these rights are a secondary concern.

The increasing dominance of the sector by for-profit service providers (especially when many are large international corporations) will give those same providers outsized influence and the ability to exert pressure on government from a policy and regulatory point of view; something we have already seen in action.

The Social Democrats do not believe that the early education and care of our children should be entrusted to large firms whose sole motive is profit. Similarly, we believe the **marketisation of care simply does not work**.

The pandemic taught us that early childhood systems are an essential part of society's critical infrastructure and so much can grind to a halt when we don't have a functioning system.

Significant amounts of public money have been invested in the sector in recent years. Taxpayers have a right to ask where that money is going. Too little of it is benefiting parents or childcare staff. **Allowing large institutional investors and corporate entities to profit significantly as venture capital becomes the owner of Ireland's childcare services is not what Irish people want.**

Meanwhile, hundreds of small independent providers, many at the heart of their communities and with the best interests of children central to their motivations,

are no longer sustainable, or often unable to keep up with the overwhelming bureaucratic demands they must now meet to avail of funding. This current system is not sustainable.

This is also about more than ‘childcare’, which has become a by-word for the problems the sector faces. Education plays at least as prominent a role. But this Government discusses ‘childcare’ almost exclusively. Indeed, too often the driving factor in increasing funding for ‘childcare’ provision is to promote gender equality in the workplace and to increase female participation in the labour market. **It is now better recognised that high-quality early childhood education and care is hugely beneficial for the children who participate in it**, and the benefits extend far beyond those of working parents.

Unfortunately, to date, most of the policy discussion in this area has taken place within the context of a system of private provision, with a goal to improve what we have, but not to change it. **We need system change, not system repair.** We do not believe the current ECEC system is fit for purpose. **Our goal is a universal rights-based public early childhood education and care (ECEC) system.**

As a party, we believe in **a right to early education for all children**, as well as in the need to look at early childhood education and care in the broader context of more integrated support systems for children, including around questions of **well-being, health, nutrition, access to services, and access to training and education for parents.**

We need a public model that values child well-being, child-centredness, play, learning, professionalism, and reducing marginalisation by working towards equal opportunities regardless of background and abilities. **The education of ECEC staff is a crucial factor for translating values into practice.**

The Social Democrats aim to build a **public model of early childhood education and care**, overseen by a National Childcare Agency, to provide for these complex needs.

What the Social Democrats will do Differently

The Social Democrats believe that education begins at birth.

The Citizens' Assembly, in its 2021 report, made a recommendation of 'publicly funded, accessible and regulated model of quality, affordable early years and out of hours childcare', underpinned by an increase of public funding.

However, policy change in the area is about more than funding. **We need to challenge the paradigm that there needs to be an 'industry' to educate and care for young children.** As a country we outsource almost the entire education system for our youngest children to the private sector in a way we would never consider doing for children of primary and secondary school age. There is currently a cultural and political mindset that prioritises private profit in too many areas of public service delivery. This also needs to be challenged and changed.

We must also acknowledge the challenges faced by the sector, including:

- Unsustainable funding
- Unaffordability for parents
- Uncertainty about professional roles and careers
- Untenable working conditions, and
- Insufficient governance.

In Government, the Social Democrats will:

- Begin building a **public model of early childhood education and care (ECEC)** built around three core principles:
 - Universal access
 - High quality
 - Public good
- Create a **National Childcare Agency** that would run this public ECEC service.
- Ensure affordability for parents under this model, by **capping fees at €250 per child per month.**

- Use part of the considerable budget surpluses projected over the coming years to **purchase already-operational childcare settings** as part of building a base level of public capacity in the sector.
- Conduct an **audit of purpose-built childcare and early years education settings lying vacant** around the country, with a view to acquiring a number of these to begin building public capacity.
- Invest significant capital spending over our term in government to **directly build additional settings in the areas most in need**, including, where possible, on the grounds on other educational campuses.
- Ensure that **no new schools in Ireland are built without an early years setting**.
- Focus on using ECEC funding to **disrupt the cycle of poverty and exclusion** which exists in many parts of Ireland.
- Target ECEC funding to ensure access to **high-quality, full-day care throughout the year** for children at risk of poverty and social exclusion.
- Ensure sponsorship under the National Childcare Scheme reflects **the 'real' cost of provision for children facing adversity**.
- Sustain and upscale the important work of the **Area Based Childhood Programmes**.
- Take measures to ensure a highly skilled and **fairly remunerated ECEC workforce**.

Building a Public Model

Ireland lags significantly behind our European counterparts on Government investment in ECEC. Ireland's reliance on market-based systems has resulted in a dysfunctional system with:

- some of the highest childcare fees in Europe,
- poor working conditions for ECEC professionals, and
- problems with staff recruitment and retention.

We will build a public model of early years care and education to remove these problems and assist the disruption of poverty and disadvantage in Irish society.

Oversight

We will **create a National Childcare Agency** to oversee the building and administration of a model of public childcare and early years education delivery.

The Agency will **operate on a regional basis**, allowing it to avail of local knowledge for decisions around the building and acquisition of childcare settings.

Funding

Ireland must strive to increase investment in ECEC. The internationally recognised benchmark is 1 per cent of national income. Ireland currently spends well below that.

We would use part of the considerable budget surpluses projected over the coming years to **purchase already-operational childcare settings** as part of building a base level of public capacity in the sector. We would also invest significant capital spending over our term in government to **build additional settings in the areas most in need**, including on the grounds on other educational campuses.

It is appropriate to use these surpluses for this purpose, as we will be building and acquiring assets to be owned by a state agency to help deliver an important public service.

This level of investment must be carefully managed and monitored to ensure ECEC partnerships for public good that are fiscally accountable and financially transparent, aiming for a highly skilled and fairly remunerated workforce, **with childcare costs of no more than €250 per month.**

Infrastructure

Ireland also needs a sustainable capital infrastructure of accessible purpose-built childcare buildings, suitable for babies and children from 7am to 7pm, 52 weeks per year.

The Exchequer currently has significant projected budget surpluses, and government is constantly reminding us of the capacity constraints in the construction sector that prevent it from spending that money in a way that would benefit Irish society.

In government, if we cannot build crèches and early childhood education settings that we need for our public model, we would use part of that surplus to **purchase (on a voluntary basis) already-operational childcare settings with a view to building a base level of fully public provision.**

Now is the time to do this; not in a few years when the malaise that afflicts a significant part of the sector has taken hold to the extent that staff have departed and the sector is even further down the road to privatisation.

Surplus exchequer funds should be used to acquire ECEC settings on existing and new sites such as Schools, Community Centres, Strategic Housing Developments and Large-Scale Residential Developments.

Local authorities should enforce regulations for developers to implement the *Childcare Facilities: Guidelines for Local Authorities* that recommends one childcare facility providing for a minimum 20 childcare places per approximately 75 dwellings.

These ECEC settings should be publicly owned for the purpose of providing affordable childcare, and fair and equitable staff working conditions. The construction of **early years facilities alongside all newly built schools** should also be mandated.

Fees Under a Public Model

Childcare fees in Ireland are among the most expensive in Europe while government spending on children – in early childhood education and care – is among the lowest in Europe.

Investing in the current system is prolonging a failing one. However, it is currently the only way to reduce costs for families who often have few other options available to them.

Parents have a right to expect that, like other developed European countries, childcare is accessible, affordable and **adequately supported by the state**. Many small for-profit crèches offer a really good service. They can and should be maintained, but with an option to come within a public system.

The current government talks about ensuring that fees do not increase. This is a terrible starting point. Fees are already far too high. Unlike the current government, **the Social Democrats do not accept that high fees should be the norm.**

In Government, the Social Democrats will invest sufficient funding in the public childcare model to achieve affordability for parents, ensuring fees are **capped at €250 per child per month.**

ECEC staff Under a Public Model

Despite high fees and huge government investment in ECEC, **a majority of staff within the sector earn below the Living Wage**, with high staff turnover undermining the quality of the service being delivered.

There is still a clear need to maintain **core funding to the childcare sector to help improve staff pay and working conditions** for those working in the private sector.

In Government, we will create a **public model of ECEC, delivered by a National Childcare Agency (NCA)** with staff under the NCA paid directly by the state, **ensuring decent wages and conditions.**

Far from radical, this is essentially the same model by which the majority of educators in the state are paid, including almost all teachers in primary and secondary schools. There is plenty of evidence to suggest that early years

education is just as important, if not more so, and the way we manage and fund the sector should reflect that. Workers in the sector should be paid in line with their qualifications, with decent benefits and clear career paths.

This increase in direct funding to the sector would achieve the main aims of policymakers: improving pay and conditions for workers within the sector, and leading to far greater affordability for parents.

Summary of Actions to Build a Public Model of ECEC

In Government, the Social Democrats will:

- **Create a National Childcare Agency** to oversee the building and administration of a public model of childcare and early years education.
 - This will help cap childcare fees at no more than €250 per month.
- Pursue **increased public ownership** of purpose-built ECEC infrastructure.
 - We will use part of the exchequer surplus to purchase already-operational childcare settings with a view to building a base level of fully public provision.
 - We will acquire ECEC settings on existing and new sites such as Schools, Community Centres, Strategic Housing Developments and Large-Scale Residential Developments.
 - We will conduct an audit of purpose-built childcare and early years education settings lying vacant around the country, with a view to acquiring a number of these to build public capacity.
 - Where possible, we will directly build new ECEC settings under public ownership.
 - We will ensure that no new schools in Ireland are built without an early years setting.

Every child in Ireland qualifies for a pre-school place since 2008. There is no reason that schools being built since then are being built without spaces that could accommodate and vindicate that right.
- Invest sufficient funding to achieve affordability for parents by **ensuring fees are capped at €250 per child per month.**
- Increase direct state funding to the childcare sector to **help improve staff pay and working conditions.**

- A reformed public model of care should see staff becoming direct employees of the state, **ensuring decent wages and conditions**, and greater affordability for families.
- Ensure parents using registered childminders can continue accessing **financial supports from the National Childcare Scheme**.

Private Sector Childcare

A public model of ECEC doesn't mean the childcare and early years sector in Ireland is *fully* state owned or *fully* state funded. We recognise that demand will remain for private options, but it is important that government policy **facilitates the provision of ECEC that is high quality, universally accessible, and delivered as a public good for the majority**.

A public service of ECEC, delivered by the National Childcare Agency, would be built over time, operating in parallel to the private sector (and community sector) as it currently exists.

However, we believe that eventually our public model will crowd out a significant portion of the private sector as the model is gradually expanded, as it will likely be **more affordable to parents**.

In Ireland over 75 per cent of childcare is delivered by the private sector, and increased numbers of private providers are being 'bought-out' by large multinationals or by capital management companies. Significant amounts of taxpayer money are being invested in the sector and while some of that money is being realised as savings for parents, improvements in working conditions for staff, and assistance for small providers to continue operating, there is also huge waste as public funds are taken as profit for investment funds, rather than being reinvested in the service.

It is imperative that funds invested by Government should not lead to increased private profit and come with strict provisions around quality of care and maximum charges.

An example exists in Canada, where the government provides a significant amount of what is referred to as 'core funding' here in Ireland, but recipient providers must sign up to principles that are in-keeping with public provision.

As a result, multinationals and investment funds are not interested in childcare in Canada as profit extraction is capped, there are clear rules about how much parents pay, and providers must “open their books” to show what they are paying staff.

This is fair. If 60 or 70 per cent of a business’s turnover is coming from the taxpayer, government should have a right to talk to those businesses about profit caps and staff working conditions.

Parents using registered childminders will be able to continue accessing financial supports from the National Childcare Scheme.

We also believe that the potential of County Childcare Committees needs to be recognised. They should be the point of contact for educators, setting providers, and parents to access supports, and can act as an umbrella support group for small providers. We need to recognise one shoe does not fit all approaches and County Childcare Committees have the insight as to what supports are required for their areas.

ECEC: Disrupting Poverty and Disadvantage

High quality, accessible and affordable early childhood education and care (ECEC) is an essential social and economic good that can enhance children's development, educational outcomes, and health trajectories across the lifespan.

Access to and participation in ECEC can also reduce inequality and social exclusion, and remove barriers to parental employment.

In Government, it would be a Social Democrats priority **to establish a public model of childcare through investment in a competent system that recognises ECEC as a public good rather than a commodity.**

Providing early childhood education and care in areas of deprivation is done, in large part, to help families to 'disrupt' the cycle of poverty, exclusion and disadvantage. This is particularly the case when dealing with children experiencing difficult situations including poverty or homelessness, coming from households where there are addiction issues, or where the family is affected by incarceration.

With record levels of State funding for ECEC, it is essential that this investment generates the best possible social return through a sustainable infrastructure that ensures high-quality ECEC for children, affordability for families, and a highly skilled and fairly remunerated ECEC workforce.

The complex ECEC ecosystem requires ambitious investment and approaches to create a sustainable, accountable, and affordable public ECEC system. This should include **investment of surplus exchequer funds in a sustainable capital ECEC infrastructure.**

Our priorities include:

- More **Community-based infrastructure** of ECEC in Ireland.
- Equal Participation in ECEC for Children **experiencing Poverty and Social Exclusion.**
- **Adequate levels of Sponsorship** for children experiencing extreme vulnerability.

Community-based ECEC infrastructure

Community-based, not-for-profit childcare settings are a critical asset to children, families, and communities across Ireland. **Despite this they are inadequately supported**, and many are under threat of service reduction and closure.

Charities, not-for-profit organisations, and social enterprises that provide ECEC should be sustained, encouraged and further developed. In Government we would **ensure that the community-based, not-for-profit, and social enterprise infrastructure is adequately supported** to make provision for all children and families, particularly those at risk of poverty.

Purpose-built community childcare settings should not be vacant in the afternoons or during school holidays and settings should be funded and supported to ensure that children can attend on a daily basis, throughout the year.

Boards of Management, volunteers and social entrepreneurs should be **adequately supported** to ensure their compliance with the Governance Code and requirements of the Charities Regulator.

Equal Participation in ECEC

The National Childcare Scheme (NCS), consistently presented as a landmark universal scheme, is **entirely inadequate to meet the needs of children experiencing poverty**.

Young children are particularly vulnerable to the negative impact of poverty in early childhood. Material deprivation and social exclusion have both immediate and long-term causal negative effects on children's health, socioemotional well-being, academic achievement, and participation. **Children experiencing poverty benefit significantly from access to high-quality early childhood care and education.**

In government, we would target ECEC funding to ensure access to high-quality, full-day care throughout the year for babies and children at risk of poverty and social exclusion. These services should be able to provide favourable adult-child ratios, three meals per day, rest spaces, well-equipped outdoor spaces and

access to family rooms that can be used for parent support and/or education purposes.

Such provision requires dedicated funding per child, per week (not deductible based on attendance) and should reflect 'real' provision costs. **The capitation per child per week in areas of deprivation should be a minimum of €250, with enhanced capitation based on the level of deprivation in the local area as defined by the Pobal Deprivation Indices.**

We must also sustain and upscale the important work of the Area Based Childhood Programmes.

Adequate levels of Sponsorship for Children in Extreme Vulnerability

Community-based settings in Ireland provide most Sponsored places for children experiencing extreme vulnerability, with 65 per cent of all sponsored places in 2022 provided in community-based settings; this equates to 3,352 out of 5,195 NCS Sponsorship Claims.

Community-based settings account for only 26 per cent of all settings in Ireland, meaning there is a disproportionate burden on community-based and not-for-profit settings to respond to the needs of children experiencing extreme vulnerability, and the majority make provision at an operational loss to their settings.

Sponsorship under NCS should reflect the 'real' cost of provision for children facing adversity. These children require additional care, attention and nurturing, and funding should reflect more favourable adult-child ratios, adequate nutrition and access and availability of advice and support to meet needs, including access to services such as play therapy, psychology, speech and language therapy, occupational therapy and social work teams as required.

Sponsorship should be automatically funded as full-day care (min 40 hours per week) with a minimum capitation rate of €350 per child, per week, for a minimum of 50 weeks per year.

Conclusion

It is time to ask; is our childcare for the corporate good, or for the good of children?

By moving towards a fully public model of early childhood education and care, we can ensure affordability for parents, and a highly skilled and fairly remunerated ECEC workforce, whilst also disrupting the cycle of poverty and exclusion which exists in many parts of Ireland.

ECEC can have positive and long-lasting impacts on children's outcomes, particularly for disadvantaged children, but only if it is high quality. This is why we need to invest adequately in this area, to ensure that all children have an equal start in life.

The Social Democrats do not believe that the early education and care of our children should be entrusted to large firms whose sole motive is profit. Nor do we believe the marketisation of care works for those who need it most.

We would build a public model, overseen by a National Childcare Agency, that would offer early years education and care to children at affordable rates and would hire staff at appropriate levels of pay and compensation, commensurate with qualifications.

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