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# **Transforming Early Childhood Education and Care: Sharing International Learning Part 1**

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## About us

The Fawcett Society is the UK's leading membership charity campaigning for gender equality and women's rights at work, at home and in public life. Our vision is a society in which women and girls in all their diversity are equal and truly free to fulfil their potential creating a stronger, happier, better future for us all. We publish authoritative research to educate, inform and lead the debate; we bring together politicians, academics, grassroots activists and wider civil society to develop innovative, practical solutions and we campaign with women and men to make change happen.

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# Transforming Early Childhood Education and Care

Sharing International Learning

Part 1.



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# Introduction

High quality early childhood education and care (ECEC) is part of England’s critical social infrastructure. Since Fawcett published our last study on early education and childcare in 2022<sup>1</sup>, there has been increasing consensus that our system needs substantial reform if it is to meet the demands of the twenty-first century. The Fawcett Society advocates for universal, free, inclusive, high quality ECEC. That is quite a transformation from where we are now. This study is part of a journey towards understanding how we can reach that goal.

In this project, we will compare England to five other countries/territories which have undergone substantial reforms to ECEC—Australia, Estonia, France, Ireland, and the Canadian province of Quebec, to understand how they implemented change and how their systems work now. We will be drawing out the lessons for the UK in the second part of our report in 2024.

We will focus on two priorities:

- a) What **market structures** have other countries adopted? While the needs of children are paramount, if a system doesn’t also work for parents and caregivers, the workforce, ECEC providers, and taxpayers, it is unlikely to be sustainable.

By market structures, we mean the complex interaction between who provides ECEC, under which restrictions and financial support, and to whom. We will have a particular focus on the regulatory and supervisory bodies whose job it is to deliver the ECEC ‘vision’ and ensure it is translated into practice.

We want to learn whether these systems deliver on their promises, and in doing so, what trade-offs have been made. We want to understand whether different quality, and evaluation processes and different subsidy payment models promote quality early years provision, improve women’s employment rates, and shape the choices that families can make about how their children are cared for and educated.

In this report we use ‘supply side funding’ to describe funds paid directly to the institution, independent of whether their available places are filled as operating subsidies, and ‘demand side funding’ to describe funds that ‘follow the child’—either paid to parents to subsidise costs or paid to institutions once parents have selected them.

- b) How have other countries approached ECEC **transformation**—how have they put together a plan, who was involved, and what problems occurred through implementation?

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<sup>1</sup> Ville L, Marren C, Rose J, Parsons S, Bazeley A. Fawcett Society. Childcare and early education systems: A comparative literature review of liberal welfare states. 2022. <https://www.fawcettsociety.org.uk/childcare-and-early-education-systems>

Childcare reform offers a multitude of objectives that could be targeted. Is the aim to get parents (particularly mothers) into work; to improve outcomes for all children, or to close the gap between the most disadvantaged and the least? Different end goals will require different policy choices. We want to learn who made these choices, and how comprehensively they were set out; how long the transition took, and what deviations from the plan were there; and most importantly, what recommendations they have for England as we embark upon our transformation.

This report is the first output in a two-part study whose overall aim is to learn the lessons from abroad and make clear recommendations for how England should approach reforms. This first report—Part 1—aims to provide the key facts about ECEC systems in our chosen countries/territories and understand how change was implemented. Some sections include material from earlier Fawcett society research with updated figures. We will follow this with expert roundtables and interviews, in order to understand how the systems work on the ground in greater depth and begin to apply what we have found out to the English system, providing a series of recommendations. We expect to publish Part 2 in 2024.

*Note.* This study focusses on ECEC in England as a comparator to the international systems. We have not focussed on Wales, Northern Ireland, or Scotland—which offer their own schemes to achieve their own objectives. However, the lessons of transformation are likely to resonate to a greater or lesser extent across the UK.

## England: What are the challenges in the existing ECEC system?

There is a lot of strong practice in the English system, and overall the quality of education and care is high (with 96% of settings rated as good or outstanding).<sup>2</sup> However, it is nevertheless failing to realise its potential, particularly for those who need it most. Much has been written in recent years about the failings of our current system—here we try to summarise the key challenges facing ECEC in England.

### A fair start for all children

Economically disadvantaged children start school, on average, four months behind their peers<sup>3</sup>—with this gap widening over the rest of their school lives. High quality early years education can narrow this gap in educational attainment. However, many disadvantaged two-year-olds are not enrolled in early education despite the Government offer of 15 free hours per week, and many families are locked out of the 30 hour entitlements to early education and care at ages three and four, if caregivers do not work at least 16 hours a week.<sup>4</sup> The Institute for Fiscal Studies has noted that the poorest third of families will see almost no direct benefit from the new entitlements announced at Budget 2023.

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<sup>2</sup> Ofsted. The Annual Report of His Majesty's Chief Inspector of Education, Children's Services and Skills 2021/22. <https://www.gov.uk/government/publications/ofsted-annual-report-202122-education-childrens-services-and-skills/the-annual-report-of-his-majestys-chief-inspector-of-education-childrens-services-and-skills-202122#early-years-and-childcare>

<sup>3</sup> Melhuish E, Gardiner, J. Study of Early Education and Development (SEED): Study of Quality of Early Years Provision in England (Revised). 2018.

<sup>4</sup> Brown E R, Groom M, Zhang K, Angell S. Sutton Trust. A Fair Start? World Class. What England can learn from global experience to make early years policy work for disadvantaged children. 2023. <https://www.suttontrust.com/wp-content/uploads/2023/07/A-Fair-Start-%E2%80%93-World-Class-Global-Learnings-For-England-On-Early-Years-Policy.pdf>

It is also worth noting that research suggests that efforts to drive up the structural quality of ECEC, whether through workforce qualifications, or reducing child:staff ratios, are likely to benefit disadvantaged children most.

## Cost of Childcare

The UK has the highest cost of childcare for parents in the OECD when measured as a percentage of women's full-time median earnings.<sup>5</sup> Unlike most other OECD countries costs are proportionally higher in England for families with lower household incomes than for those on higher incomes.<sup>6</sup> A Freedom of Information Request from the Early Years Alliance in 2021 uncovered that the free provision in nurseries was intentionally funded at less than the cost of delivery<sup>7</sup>, forcing many nurseries to raise prices for non-funded hours. 57% of local authorities report rising childcare prices from providers and 30% have seen providers increase child: staff ratios, with more children looked after by each staff member.<sup>8</sup>

Consequently, 61% of parents with children under age 5 said that they or their partner have reduced the number of hours they work due to lack of availability or high childcare costs, increasing to 67% for Asian parents and 75% for parents of disabled children.<sup>9</sup> This is backed by Fawcett research that shows that 35% of women would like to work more hours than they currently do but are prevented by reasons including a lack of flexible working and unaffordable childcare. This rose to 43% of Black, Asian, Mixed and other women of minoritised backgrounds.<sup>10</sup>

These costs have a direct impact on the long-term finances of families and, in particular, women. The gender pay gap remains stubbornly high (13.2% for all workers in 2023), with around 75% of the gap attributable to the motherhood penalty, which is the phenomenon where mothers see their earnings flatten when they become pregnant, and never recover—let alone catch up.<sup>11</sup> Affordable, accessible, high quality and culturally inclusive ECEC is essential to allow mothers who want to go back to work to do so, and to work the hours, and the types of jobs, that they choose. This is even more important to Black and minoritised women. Only three quarters of Black parents and two thirds of parents of Pakistani and Bangladeshi heritage take up free ECEC places for 3–4-year-olds. The reasons for this include a lack of cultural awareness and inclusivity embedded within ECEC.<sup>12</sup>

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<sup>5</sup> OECD. Is Childcare Affordable? Policy Brief on Employment, Labour and Social Affairs. 2020. <https://www.oecd.org/els/family/OECD-Is-Childcare-Affordable.pdf>

<sup>6</sup> Ibid. Ville et al. Fawcett Society. 2022

<sup>7</sup> Early Years Alliance. Freedom of Information investigation findings. <https://www.evalliance.org.uk/freedom-information-investigation-findings>

<sup>8</sup> Coleman L, Shorto S, Ben-Galim D. Coram Family and Childcare. Childcare Survey 2022. [www.coram.org.uk/wp-content/uploads/2023/01/Coram-Childcare-Survey-2022.pdf](http://www.coram.org.uk/wp-content/uploads/2023/01/Coram-Childcare-Survey-2022.pdf)

<sup>9</sup> Pregnant Then Screwed. The '£50k parent penalty': One in five parents in households earnings under £50k leave the workforce due to childcare costs. 2023. <https://pregnantthenscrewed.com/the-50k-parent-penalty-one-in-five-parents-in-households-earning-under-50k-leave-the-workforce-due-to-childcare-costs/>

<sup>10</sup> Fawcett Society. Equal Pay Day 2022: What does the gender pay gap mean for women in the cost-of-living crisis? <https://www.fawcettsociety.org.uk/equal-pay-day-2022>

<sup>11</sup> Ciminelli G., Schwellnus C, and Stadler B. Sticky floors or glass ceilings? The role of human capital, working time flexibility and discrimination in the gender wage gap. OECD Economics Department Working Papers, No. 1668. 2021. <https://doi.org/10.1787/02ef3235-en>.

<sup>12</sup> Rose J, Li Y, Ville L. The Ethnicity Motherhood Pay Penalty. 2023. <https://www.fawcettsociety.org.uk/news/ethnicity-motherhood-pay-penalty>

## Availability

Even when parents can afford childcare, they may not be able to find it. Coram report that only 50% of local authorities report enough childcare ‘in all areas’ for children aged under two, 66% for 3–4-year-olds eligible for the ‘30 hour free’ entitlement.<sup>13</sup> Childminders and home childcare workers are leaving the profession in significant numbers<sup>14</sup>, reducing the options open to families about of the type of care that best suits their child.

And the situation may be about to get worse based on recent proposals from the Government to expand the number of free hours available to the sector. The Women’s Budget Group have estimated that for funding to cover the true cost of provision of all funded hours in 2025/26 an additional £5.2bn would need to be allocated<sup>15</sup>, and this figure could well rise given increases to the National Minimum Wage. This shortfall may well further exacerbate crises in the sector particularly as providers will no longer be able to ‘cross subsidise’ the shortfall in government subsidies by charging higher prices for younger age groups.

## Workforce Pressures

There is a recruitment and retention crisis in early years, with 94% of local authorities reporting difficulty in finding staff with the right qualifications<sup>16</sup> and Ofsted noting that the profession is losing staff to higher paid or more flexible alternatives.<sup>17</sup> Work by the Early Education and Childcare Coalition found that 57% of nursery staff are considering leaving the early years sector in the next 12 months. This is despite a strong vocational and professional commitment to early years from the workforce. However, the coalition’s research found that the workload for early years practitioners is intensifying as a result of the covid pandemic, increased numbers of children with Special Educational Needs and Disabilities, and staff vacancies. Alongside this, endemic poor pay and poor career progression in the sector mean that it is no longer viable as a career for many.<sup>18</sup>

## Risks of market failure

In England, 49% of ECEC places are delivered through private, group-based settings providers.<sup>19</sup> These are a mix of for-profit, and not-for-profit. Generally, the justification for competitive markets providing public services is that they improve efficiency and therefore reduce costs, and provide higher quality and extra choice, compared with a fully public model. However, it is far from clear that these benefits are materialising in the ECEC market.

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<sup>13</sup> Jarvie M, Shorto S, Kunwar Deer L, Goddard E. Coram Family and Childcare. Childcare Survey 2023. [https://www.familyandchildcaretrust.org/sites/default/files/Resource%20Library/Childcare%20Survey%202023\\_Coram%20Family%20and%20Childcare.pdf](https://www.familyandchildcaretrust.org/sites/default/files/Resource%20Library/Childcare%20Survey%202023_Coram%20Family%20and%20Childcare.pdf)

<sup>14</sup> Ibid. Ofsted annual report 2021/22.

<sup>15</sup> Women’s Budget Group response to the childcare measures Spring Budget 2023. <https://wbg.org.uk/wp-content/uploads/2023/03/Response-to-childcare-expansion-Spring-Budget-2023.pdf>

<sup>16</sup> Jarvie M, Shorto S, Kinwar Deer L, Goddard E. Coram Family and Childcare. Childcare Survey. 2023. [https://www.familyandchildcaretrust.org/sites/default/files/Resource%20Library/Childcare%20Survey%202023\\_Coram%20Family%20and%20Childcare.pdf](https://www.familyandchildcaretrust.org/sites/default/files/Resource%20Library/Childcare%20Survey%202023_Coram%20Family%20and%20Childcare.pdf)

<sup>17</sup> Ibid. Ofsted. 2021/22.

<sup>18</sup> Hardy K, Stephens L, Tomlinson J, Valizade D, Whittaker X, Norman H and Moffat R (2023). Retention and return: Delivering the expansion of early years entitlement in England.

<sup>19</sup> Department for Education. Survey of Childcare and Early Year Providers: Main Summary, England. 2022



In particular, there have been concerns that that the rise in ‘chains’ of childcare businesses are not raising quality for all. Instead, there are indications that private, for-profit, chains are less focussed on vulnerable and disadvantaged children, and that staff costs could be as much as 14 per cent lower than the not-for-profit company sector.<sup>20</sup>

Lloyd and Simon have written about the increased private investment in the ECEC sector, creating large chains through opaque financial structures, much of it funded through debt.<sup>21</sup> This ‘financialization’ has failed to increase the number of places or widen access to more disadvantaged communities. Moreover, it replicates what we have already seen in both the adult and children social care markets. Both sectors have been the subjects of recent market studies by the Competition and Markets Authority, with problems found including a lack of places, high prices and profits from the largest providers, and a lack of government funding accompanied with high levels of provider debt, creating large risks to the sector. However, they also note that introducing controls might result in investors exiting the market, leading to fewer places and even less resilience.

### **Value for money**

Drayton et al. estimate that, once the new entitlements are in place, the government will control parent costs for around 80% of ECEC provision in England, as compared to 50% at present.<sup>22</sup> Spending is £5.4billion in 2022-23. Despite this, government controls on ECEC providers are relatively light. There are no guarantees on place numbers, training of workforce, or accountability to parents, and few on provision of SEND (special educational needs and disability) places.

In particular, recent research from the Early Years Alliance finds that one in five children with SEND are being turned away from early years settings, with many settings reporting both a rise in the number of children with SEND, and a lack of space or provision.<sup>23</sup> The EYA highlights the risk of excluding more children with SEND when the new entitlements come into effect, if there is not sufficient funding to support them. As government subsidy of ECEC increases, it is reasonable to expect that taxpayers will want to be clearer about what their money is providing.

## **International analyses – what can we learn?**

This study seeks to understand market dynamics and how regulatory and funding systems work together (or not) to deliver a coherent ECEC offer. In doing so, it builds on a long tradition of international comparative studies of ECEC systems. When selecting our countries, and framing our analysis, we have sought to learn from these reports and build

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<sup>20</sup> Simon A, Penn H, Shah A, Owen C, Lloyd E, Hollingworth K, Quy K. Acquisitions, Mergers and Debt: the new language of childcare. UCL Social Research Institute. <https://discovery.ucl.ac.uk/id/eprint/10142357/7/Childcare%20Main%20Report%20010222.pdf>

<sup>21</sup> Lloyd, Simon A. Large for-profit nursery groups are becoming more common – with negative consequences for parents and the sector. The conversation. 2022. <https://theconversation.com/large-for-profit-nursery-groups-are-becoming-more-common-with-negative-consequences-for-parents-and-the-sector-175759>

<sup>22</sup> Drayton E, Farquharson C, Joyce R, Waters T. Childcare reforms create a new branch of the welfare state – but also huge risks to the market. 2023. IFS. <https://ifs.org.uk/news/childcare-reforms-create-new-branch-welfare-state-also-huge-risks-market>

<sup>23</sup> Pite S, Gibson J. Early Years Alliance. One in five children with SEND being turned away from early years settings, new research finds. 2023. <https://www.eyalliance.org.uk/news/2023/11/one-five-children-send-being-turned-away-early-years-settings-new-research-finds#:~:text=This%2C%20combined%20with%20a%20lack,provision%20for%20children%20with%20SEND>

our analysis out from them. We will continue to test these hypotheses as we undertake our further research.

### Key trends in the research

- **Transformation is not a utopian ideal.** No country has a perfect ECEC system, but other countries have been more willing to grapple with the challenges and potential trade-offs than England. Whilst change can take time, other countries are already reaping the benefits of earlier commitment to reform. England needs a clearer idea of where it wants to get to, and how it wants to get there, rather than continuing with piecemeal reform.

*“Transformative change needs to start at some point; it needs to be guided by a clear answer to the question ‘where to?’, offering a widely understood and agreed goal; and it needs to be sustained by steady, incremental movement towards that goal. The alternative is a constant struggle to make the best of a bad job, endless hole-digging with each fresh excavation dimming the prospects for transformative change.”*

*[Peter Moss, Transforming Early Childhood in England, pp.63-64]<sup>24</sup>*

- **If the goal is to expand provision of childcare, workforce qualifications, ratios and pay must be addressed early in order to deliver more places.** This takes significant time and therefore needs a clear workforce plan in place with transition, monitoring, and upholding of standards. A significant number of nations have found that their attempts to expand or raise the quality of ECEC have met with challenges because of a lack of workforce planning (e.g., Quebec, Wales, New Zealand). Options which raise the quality and qualifications of the workforce have included plans to validate existing competencies e.g. in Estonia and Australia, as well as higher payments to providers to cover more qualified staff (e.g. in New Zealand and Ireland). These attempts have come alongside plans to raise pay across the workforce. These reforms take both money and time, but are critical to the integrity and success of the entire system.
- **Without a clear focus on inclusion for low income, children with special needs and disabilities (SEND), and other vulnerable children, it will not happen. Not accounting for this early exacerbates inequality.** Income-dependent or capped parent fees are used in many countries to maintain affordability and accessibility for low-income families. Other countries target support at children at risk, children of women living in shelters, children who have disabled or ill family members, or children who don't speak the dominant language at home. These groups are significantly more likely to take up ECEC provision countries in countries with a publicly funded universal offer, compared to those with targeted entitlements.<sup>25</sup>
- **Cultural inclusion has been highlighted as a priority in many systems, and there are indicators that this is associated both with higher participation of children from diverse social and cultural backgrounds, and higher outcomes.** Interventions range from legislation to ensure cultural diversity is respected; promotion of diversity e.g. through training or linguistic diversity; specialist staff; extra funding and/or resources, or,

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<sup>24</sup> Cameron C, Moss P. Transforming Early Childhood in England. 4. Towards a unified and unifying ECEC system from birth to 6 years. 2020. UCL Press. <https://discovery.ucl.ac.uk/id/eprint/10105144/1/Transforming-Early-Education-in-England.pdf>

<sup>25</sup> Bertram T, Pascal C. Early childhood policies and systems in eight countries: Findings from IEA's early childhood education study. Springer Nature; 2016.

in the case of New Zealand, a fundamental design of the curriculum.

- **Many countries have attempted to address the regional disparities of provision of places within ECEC—yet it is a persistent problem across the world.** Many countries suffer from a lack of places, often linked to workforce shortages. Shortages are often most acute in rural areas. It is unclear whether decentralisation of governance can help to address these issues.
- **There are widespread concerns, and some evidence, that elements of the ‘for-profit’ sector provides lower quality of education than ‘not -for-profit’ provision.** In Australia, The United Workers Union published a report in 2021 stating that the for-profit childcare sector was delivering poorer safety and lower quality early learning compared to the not-for-profit sector. The Australian Competition and Consumer Commission have found that for-profit providers are less likely to own their land, resulting in higher costs on rent, but also a higher share of costs are spent on interest on money borrowed. Their not-for-profit counterparts invest this saving in employing higher numbers of full-time staff and staff at higher wages.<sup>26</sup> In Quebec and the US evidence suggests that non-profit childcare centres offer higher quality and better outcomes for children.
- **Parent involvement in regulatory systems varies across countries, but is a key feature of some.** For example, in Denmark and Norway parental boards are mandatory as part of the governance of centres. Parental surveys feature as part of wider regulatory systems in many countries. These boards should be inclusive and diverse to avoid replicating societal inequalities.
- **Affordable childcare increases women’s labour market participation.** Quebec’s universal system significantly increased the rates of women’s employment, and other countries have seen smaller, but significant increases in participation following the introduction of more free hours.
- **Parental leave can form an important part of the ECEC offer,** lowering the demand for formalised places particularly in the periods which require the highest child:staff ratios. However, for parental leave to form a genuine part of the system, it needs to be accessible with straightforward entitlements and timing.
- **There is no one model of perfect ECEC provision.** The strongest models are rooted in their own cultural contexts, with priorities that align to wider social values and norm and grapple with their domestic challenges. There is no ‘off the shelf’ model that can be exported to England. We – all of us who are passionate about ECEC - will have to design it ourselves.

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<sup>26</sup> Australian Competition & Consumer Commission. Childcare inquiry Interim report. 2023.

## Research aims

This project seeks to set out a pathway for England to follow which would remedy the problems set out above, and secure better outcomes for all children, parents, the workforce, ECEC settings and taxpayers. We start from the basis of the English system as it is—fragmented, costly, with challenges of inclusion and accessibility, and in the midst of a workforce crisis. What can we learn from other countries that would allow us to identify and put in place the stepping stones required to rapidly transform our market?

In our analysis, we have identified five countries that have recently reformed, or are in the process of reforming their ECEC markets. Our five comparable countries are shown in Table 1.

**Table 1.** Countries compared in this report, with type of provision, funding allocation and transformation.

	Type of provision	Funding allocation mix	Type of transformation
<b>Australia</b>	Private group provision dominant	Mix of demand and supply side funding	Targeting affordability—flat rate paid to providers to cover a proportion of parents’ fee.  Targeting transparency & prudential reforms—limits on who can own a nursery, and ensuring financial viability of large providers to mitigate the risks of large providers exiting the market unexpectedly
<b>Estonia</b>	Mostly public group provision	Supply side	Targeting universality and delivered publicly—focus on places and quality, parents pay a fee capped at 20% national minimum wage  Targeting quality—driving up pay and training of staff.
<b>France</b>	For children under 3—predominantly home based, either family or childminder.  3 years up—public group based care (écoles maternelles)	Mix of demand and supply side subsidies	Targeting universality—compulsory participation from 3-year-old. Before this age, financial support to give significant choice to parents about how best to educate and care for their child.  Complex market and some attempts being made to create a more cohesive system.

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<b>Canada/Quebec</b>	Varies by Canadian province. In Quebec, predominantly not-for profit group-based centres and private provision.	Mix of demand and supply side subsidies (more supply side)	Quebec 1997—Initial reforms focussed on affordability (flat rate fee).  Quebec 2021—focussed on expanding provision.  Canada 2021—national federal plan to introduce flat rate C\$10 (£5.82) a day childcare.
<b>Ireland</b>	Predominantly private, group based	Significant demand subsidies	Targeting, affordability, accessibility, and quality. Doubling public funding; with initial focus on driving up workforce participation and quality.

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**Our research questions are:**

- What **market structures** have other countries adopted? By market structures, we mean who provides ECEC, under which restrictions and financial support, and to whom. We will also seek to understand the regulatory and supervisory bodies and processes in place.
- How have other countries approached ECEC **transformation**—how have they put together a plan, who was involved, and what problems occurred through implementation?

This literature review is the first in a two-part study. We will follow this with expert roundtables and interviews in order to understand how the systems work on the ground and to analyse how we might apply our findings to the English system. We expect to publish Part 2, following roundtables and interviews, in 2024.

# Country overviews:

We look at five comparable countries who have been on the journey of attempting to transform their ECEC systems. Each country is at a different point in that journey and had different aims and motivations that set the trajectory. In this report, we explore and compare the mechanics of these systems, identifying key questions for our expert roundtables. This two-pronged approach will enable us to understand how the systems are built and what they look like in practice for different stakeholders.

## England

**Table 2.** Summary of the ECEC system in England.

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<b>Types of provision</b>	Group-based (private and voluntary preschools, playgroups, and nurseries) - 68% School-based nursery classes and government-maintained nursery schools - 21% Childminders - 11% 49% of places are private, 21% school based (public), 15% voluntary. <sup>27</sup>
<b>Entitlements</b>	<b>2-year-olds</b> – 15 free hours per week for 38 weeks per year if parents earn less than £15,400 per year after tax <b>3–4-year-olds</b> – 15 free hours per week for 38 weeks per year, rising to 30 free hours per week if both parents working more than 16 hours a week but neither earning over £100,000 per year. Lower income families can access the childcare element of Universal Credit Working parents earning less than £100,000 per year can access tax-free childcare  <b>Reforms announced at Budget 2023:</b> <ul style="list-style-type: none"><li>- From April 2024 working parents of two-year-olds will be able to access 15 free hours a week for 38 weeks a year</li><li>- From September 2024 working parents of children over nine months will be eligible for 15 free hours a week for 38 weeks a year</li><li>- From September 2025 working parents of children from 9 months to 3 years will be entitled to 30 free hours per week for 38 weeks per year</li><li>- A portion of the childcare element of Universal Credit will be paid upfront, rather than parents needing to seek reimbursement</li></ul>

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<sup>27</sup> Department for Education. Childcare and early years provider survey. 2022.

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## Regulation

All providers must be registered with Ofsted. There are minimum standards for child protection, staff:child ratios, health, safety and suitability of premises, special educational needs, suitable people, staff qualifications, training, support and skills; and record keeping.

Ofsted conducts inspections of each childcare provider at least every 6 years.<sup>28</sup> Inspections evaluate provision in line with the Early Years Foundation Stage statutory framework (EYFS), and report back with grades describing the provision's overall effectiveness, quality of education, child behaviour and attitudes, child personal development, and staff leadership and management.

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## Take up

Estimated take-up of the free 15 hours offer is 94% for 3 and 4-year-olds and 74% for eligible 2-year-olds.<sup>29</sup> 363,000 children are registered for the 30 free hours offer for 3 and 4-year-olds.

Ethnic minority groups, children receiving Free School Meals and children with English as an additional language less likely to take up the extended 30 hours offer.<sup>30</sup>

**In 2018** – 45.1% children aged 0-2 enrolled in formal childcare

**In 2020** – 100% of children 3-5 enrolled in pre-primary or primary education<sup>31</sup>

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## Costs to parents

**For a child under 2**, for 50 hours per week average in England<sup>32</sup>:

- £289.98 at nursery
- £247.72 at childminder
- For a 2-year-old:
- £283.95 at nursery
- £248.00 at childminder

**For a 3–4-year-old:**

- £117.60 at nursery
- £97.73 at childminder

Net childcare cost for a couple with 2 children, partners earnings 67% of average wage (2022) – 25% of average wage<sup>33</sup>

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<sup>28</sup> UK Government. Being inspected as a childminder or childcare provider. <https://www.gov.uk/ofsted-inspection-childcare-provider>

<sup>29</sup> UK Government. Education provision: children under 5 years of age. 2023. <https://explore-education-statistics.service.gov.uk/find-statistics/education-provision-children-under-5>

<sup>30</sup> Children's Commissioner. Vision for childcare. 2022. <https://www.childrenscommissioner.gov.uk/resource/vision-for-childcare/>

<sup>31</sup> OECD Family Database. Accessed 2023. <https://stats.oecd.org/Index.aspx?DataSetCode=FAMILY#>

<sup>32</sup> Ibid. Jarvie et al. Corum Family and Childcare. Childcare Survey. 2023.

<sup>33</sup> Ibid. OECD Family Database.

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**Who is in charge?**

Education is a devolved policy issue — each of the four nations of the UK fund and regulate their own systems. We have focussed on England in this analysis.

The Department for Education sets legislative standards. The Parliamentary Under Secretary of State (Minister for Children, Families and Wellbeing) is directly responsible for ECEC, with the Secretary of State for Education having overall responsibility. However, responsibility for funding sits with HM Treasury, and compatibility with welfare benefits sits with the Department for Work and Pensions.

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**Funding**

**Demand side:** in 2023-4, between £5.63 and £7.56 per free funded hour of childcare for 2-year-olds and £4.87 - £8.73 per free funded hour for 3-4-year-olds, varying by local authority region.<sup>34</sup>

Additional funding is available for children whose parents receive state benefits or who have disabilities.

Funding is delivered by local authorities.

**Supply Side:** Maintained nurseries are funded directly by the local authority.

£3.3 billion was allocated to the universal and additional free hours (15 and 30 hours) for 3–4-year-olds in England in 2023-24, with £450 million for the 2-year-old free entitlements, and £71 million for maintained nursery school supplementary funding.<sup>35</sup>

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**Women's participation in the labour market**

Gender gap in the employment to population ratio 2021 – 6.5%

Median gender wage gap for full time employees 2020 – 11.98%

Employment rates mothers with at least one child under 15 – (2019) 74.2%

Paid maternity / parental leave that can be taken by mothers – 39 weeks

Paid paternity leave reserved for fathers – 2 weeks<sup>36</sup>

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<sup>34</sup> UK Government. Early years funding: 2023 to 2024. <https://www.gov.uk/government/publications/early-years-funding-2023-to-2024>

<sup>35</sup> Ibid. UK Government. Early years funding: 2023 to 2024.

<sup>36</sup> Ibid. OECD Family Database.



## Market structure<sup>37</sup>

In England, EEC is organised by a market system, but with legislative standards set by the Department of Education.

Types of services can be categorised as group-based, which make up the majority (68%) of childcare places including preschools, playgroups, and nurseries; school-based, (21% of places), including school-based nursery classes and government-maintained nursery schools; and childminders, comprising 11% of places.<sup>38</sup> Private group-based settings make up the largest share of the market (45% of places), dominated by large nursery companies, owning from 50 to 300+ nurseries each.<sup>39</sup> This is followed by school-based nursery classes (20%) and voluntary group-based settings (17%).

In 2019, there were an estimated 239,700 child places at childminders (14% of all childcare places), compared with 170,700 in 2023 (11% of places), highlighting a decline in the sector which is reflected by research indicating reduced demand and income for childminders since the pandemic.<sup>40</sup>

Finally, reception classes are available to 4–5-year-olds as part of the school system, prior to the first year of compulsory schooling (Year 1).

## Demand side funding: parent entitlements

**15 hours free childcare.** All 3 and 4-year-olds are currently entitled to up to 15 hours per week of free childcare, regardless of income or working status, under a policy introduced in 2010.<sup>41</sup> Likewise, 2-year-olds from low-income families are entitled to 15 free hours of childcare per week. This free 15 hour entitlement is available for 38 weeks per year, although fewer hours may be spread out across more weeks if parents so choose.<sup>42</sup>

However, from April 2024 all working parents of two-year-olds (not just those on low incomes) will be able to access the 15 free hours of childcare per week (for 38 weeks in a year). This offer will also be expanded to younger children from September 2024, with working parents of children over nine months also eligible for 15 free hours a week.

Estimated take-up of the free 15 hours offer is 94% for 3 and 4-year-olds and 74% for eligible 2-year-olds.<sup>43</sup> 363,000 children are registered for the 30 free hours offer for 3 and 4-year-olds.

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<sup>37</sup> This section includes extracts from Fawcett's 2022 report *Childcare and early education systems: a comparative literature review* by Lizzie Ville, Catherine Marren Dr Julie Rose, Sarah Parsons and Andrew Bazeley. Facts and figures have been updated as of November 2023.

<sup>38</sup> Department for Education. Childcare and early years provider survey. 2022.

<sup>39</sup> Simon, Penn, Shah, Owen, Lloyd, Hollingworth & Quy. Acquisitions, Mergers and Debt: the new language of childcare. UCL Social Research Institute. 2022.

<sup>40</sup> Hardy, Tomlinson, Norman, Cruz, Whittaker, Archer, University of Leeds. Essential but undervalued: early years care & education during COVID-19. 2022.

<sup>41</sup> UK Government. 2010 to 2015 government policy: childcare and early education. 2015.

<sup>42</sup> UK Government. 15 hours free childcare for 3 and 4-year-olds. 2022. <https://www.gov.uk/help-with-childcare-costs/free-childcare-and-education-for-2-to-4-year-olds>

<sup>43</sup> UK Government. Education provision: children under 5 years of age. 2023. <https://explore-education-statistics.service.gov.uk/find-statistics/education-provision-children-under-5>

**30 hours free childcare.** In 2017, the 15 free hours were extended to 30 per week for working parents of 3-4-year-olds, if they earn the equivalent of at least 16 hours per week at the national minimum or living wage, but less than £100,000 per year.<sup>44, 45</sup> From September 2025 this 30 hours free offer will be extended to all working parents of children from 9 months to 3 years (eclipsing the 15 free hours expansions which are due to take place in 2024).

Under statutory regulations the 30 hours can be used any time between 6am and 8pm, and for up to 10 hours per day on any day of the week, allowing flexibility for working parents. However, childcare providers are free to set their own opening hours for childcare; and it is not compulsory for them to offer the free hours.<sup>46</sup> As with the 15 hours, the 30 hours free childcare must be delivered by an Ofsted-registered provider.

Notably, funding levels for the existing offer have been highlighted as below the cost of delivery by many in the childcare sector.<sup>47</sup> Many organisations are concerned about the extension of the free hours to younger children announced in the Spring Budget 2023, highlighting the need for sufficient funding to accompany the expansion and a workforce strategy to recruit and retain enough staff to meet demand and maintain high quality standards.<sup>48</sup>

Of 3- and 4-year-olds accessing any free hours of childcare, those in ethnic minority groups were less likely to take up the extended 30 hours offer. 25% of Black children, 14% of Asian children, and 23% of those in the Mixed / other ethnicity groups did so, compared to 35% of white children.<sup>49</sup> Similarly for 2-year-olds, take-up of the 15 hours free childcare entitlement is lower for ethnic minority groups, particularly children from Bangladeshi (30%), Indian (45%), Gypsy/Roma (34%) and Irish Traveller (38%) families, compared to white British children (64%).<sup>50</sup>

Despite the free hourly entitlements, costs to parents for childcare remain high, with average weekly costs for a full-time childcare place for a 3- or 4-year-old ranging from £91.68 at a childminder to £101.58 at nursery.<sup>51</sup> Costs are proportionately highest for the lowest-earning parents, unless they are single parents.

**Universal Credit.** To support working parents on low incomes, those eligible for Universal Credit can claim up to 85% of their childcare costs (with caps of £950.92 for one child and £1630.15 for 2 or more children under 16) and have this paid directly to them as a benefit payment. Additional amounts for third or subsequent children cannot be claimed (known as the “two-child limit”), with evidence indicating that this policy may be linked to rises in poverty

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<sup>44</sup> Ibid. 30 hours free childcare. UK Government. 2022.

<sup>45</sup> Department for Education & Greening. 30 hours free childcare launches. 2017.

<sup>46</sup> Department for Education, UK Government. Early years entitlements: operational guidance for local authorities and providers. 2018.

<sup>47</sup> Lawler. New data shows ministers knew early years was underfunded. Early Years Alliance. 2021.

<sup>48</sup> Coram Family and Childcare. The Spring Budget: reasons for celebration and caution. 2023. <https://www.familyandchildcaretrust.org/spring-budget-blog>

<sup>49</sup> Paull & La Valle. Evaluation of the first year of the national rollout of 30 hours free childcare. 2018.

<sup>50</sup> Teager & McBride. An initial assessment of the 2-year-old free childcare entitlement: Drivers of take-up and impact on early years outcomes. 2018.

<sup>51</sup> Jarvie, Shorto & Parlett. Coram Family and Childcare. Childcare Survey. 2021.

levels among larger families.<sup>52</sup> However, recent changes mean that parents who are entering work or increasing their hours can now receive costs back before their next month's bills are due, providing the money for them to pay childcare costs upfront. The previous model whereby costs were reimbursed through Universal Credit has been a significant barrier to childcare access for families with low incomes.<sup>53</sup>

**Tax-free childcare.** In addition, the government offers up to £2000 per year for working parents to support the cost of childcare (or £4000 per year if a child is disabled), whereby parents set up an online account and for every £8 they pay in, the government adds £2.<sup>54</sup> This is equivalent to the 20% rate of tax, meaning that parents are, in essence, not having to pay income tax on the money that they put into this account.

## Supply side funding

Most state funding for childcare goes toward the 15- and 30-hour entitlements.<sup>55</sup> Local authorities, who receive funding from central government, provide funding for the free childcare hours directly to the childcare providers, using rates calculated via the government's Early Years National Funding Formula (EYNFF). The formula is made up of a universal base rate, plus an amount based on the number of primary school children in the local authority eligible for free school meals (an indicator of deprivation), receiving disability allowance, or speaking English as an Additional Language. For 2023-4, this was between £5.63 and £7.56 per free funded hour of childcare for 2-year-olds and £4.87 - £8.73 per free funded hour for 3-4-year-olds, varying by local authority region.<sup>56</sup>

In addition to the above funding, supplementary funding is available for nursery schools known as 'maintained nursery schools', which are controlled by the local authority; this is allocated to protect the level of funding that they received prior to the introduction of the Early Years National Funding Formula in 2017-18.<sup>57</sup> Other forms of funding that providers receive include the Early Years Pupil Premium (currently up to £353 per year), which can be paid to childcare providers for children who are aged 3-4 and whose parents receive particular state benefits and a Disability Access fund (£828 per year) for additional support for 3-4 year olds with a disability.<sup>58</sup>

Overall, public spending on childcare and pre-primary education in the UK represents 0.5% of GDP (note that this is for the UK, including all four countries).<sup>59</sup> For England only, the government allocated £3.3 billion to the universal and additional free hours (15 and 30 hours) for 3-4-year-olds in England in 2023-24, £450 million for the 2-year old free entitlements, and £71 million for maintained nursery school supplementary funding.<sup>60</sup>

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<sup>52</sup> House of Commons Library. The impact of the two-child limit in Universal Credit. 2022. <https://commonslibrary.parliament.uk/research-briefings/cbp-9301/>

<sup>53</sup> UK Government. Press release: Working parents to benefit from childcare boost worth up to £1,630 per month. 2023. <https://www.gov.uk/government/news/working-parents-to-benefit-from-childcare-boost-worth-up-to-1-630-per-month>

<sup>54</sup> Tax-Free Childcare. UK Government. 2022. <https://www.gov.uk/tax-free-childcare#content>

<sup>55</sup> Foster. Early Years Funding (England). 2022.

<sup>56</sup> Ibid. UK Government. Early years funding: 2023 to 2024.

<sup>57</sup> Ibid. Tax-Free Childcare. UK Government. 2022.

<sup>58</sup> UK Government. Get extra funding for your early years provider. <https://www.gov.uk/get-extra-early-years-funding>

<sup>59</sup> OECD. Public spending on childcare and early education. 2023. [https://www.oecd.org/els/soc/PF3\\_1\\_Public\\_spending\\_on\\_childcare\\_and\\_early\\_education.pdf](https://www.oecd.org/els/soc/PF3_1_Public_spending_on_childcare_and_early_education.pdf).

<sup>60</sup> Ibid. UK Government. Early years funding: 2023 to 2024.

## Market regulation

The government's Early Years Foundation Stage framework (EYFS)<sup>61</sup> sets out the standards and curriculum areas for EEC in England for children from birth to school age. Centre-based childcare providers are legally required to register with Ofsted and childminders must register either with Ofsted or with a childminding agency (nannies, babysitters, and au pairs are not required to register).<sup>62</sup> Ofsted conducts inspections of each childcare provider at least every six years.<sup>63</sup> Inspections evaluate provision in line with the EYFS, and report back with grades ('outstanding', 'good', 'requires improvement' or 'inadequate') describing the provision's overall effectiveness, quality of education, child behaviour and attitudes, child personal development, and staff leadership and management. Inspections include a 'learning walk' around the premises with practitioners, as well as feedback from parents and children on the nursery.<sup>64</sup>

**Staff: child ratios and staff qualifications** are set out in the EYFS framework. In childcare settings, there must be at least one staff member for every three children aged under two, and for every five children aged two (until September 2023 this was 1:4 staff: children aged two). For children aged three and over in group-based settings, ratios must be 1:13 or better where there is a qualified teacher or early years professional (Level 6 qualification) working directly with the children, or 1:8 where there is not.<sup>65</sup> Childminders must care for no more than six children at a time, including a maximum of three children aged under five and one child under the age of one.<sup>66</sup>

Qualification requirements are relatively low; in most group and school-based settings, at least one staff member must hold an approved ISCED Level 3 qualification (equivalent to A Level) in early childhood care or education, and half of all other staff must hold an approved Level 2 qualification (equivalent to GCSE), with requirements for additional training and experience for staff working with under 2s. Maintained nursery schools have slightly higher requirements – at least one staff member must be a qualified teacher.<sup>67</sup> Childminders are not required to hold any particular qualifications. In practice, 80% of staff employed by group-based settings, 82% in school-based settings, and 74% of childminders, were qualified to level 3 in 2022. Staff were qualified to Level 6 (degree level) at much lower rates: 11% in group-based settings, 34% in school-based settings, and 10% of childminders.<sup>68</sup>

**Staff training** requirements include induction training at the beginning of employment at a childcare provider, relevant professional development to ensure the quality of childcare provision, and supervision for staff who have contact with children and families, to provide support and coaching. In addition, childminders must complete training to understand and

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<sup>61</sup> Department for Education. Statutory framework for the Early Years Foundation Stage. 2023. <https://www.gov.uk/government/publications/early-years-foundation-stage-framework--2>

<sup>62</sup> UK Government. Childminders and childcare providers: register with Ofsted. 2018. <https://www.gov.uk/guidance/childminders-and-childcare-providers-register-with-ofsted/childcare-and-the-law>

<sup>63</sup> UK Government. Being inspected as a childminder or childcare provider. <https://www.gov.uk/ofsted-inspection-childcare-provider>

<sup>64</sup> Early years inspection handbook for Ofsted-registered provision. UK Government. 2021.

<sup>65</sup> Ibid. DfE Statutory framework. 2023.

<sup>66</sup> Ibid. DfE Statutory framework. 2023.

<sup>67</sup> Ibid. DfE Statutory framework. 2023.

<sup>68</sup> Ibid. DfE Survey of Childcare and Early Year Providers. 2022.

implement the EYFS, and at least one staff member in all settings must be trained in paediatric first aid.<sup>69</sup>

**Wages and workforce characteristics.** Childcare workers are majority (96%) female and low-paid, with an average rate of £7.42 per hour in 2020 – less than the National Living Wage (NLW), which was £8.72 in that year.<sup>70</sup> A young workforce (40% are under thirty) may partly explain how this is possible—however, many workers aged over 23 earn less than the NLW despite being entitled to it, which is unexplained. In 2022, 16% of school-based childcare staff, 14% of group-based childcare staff and 37% of childminder assistants aged 23 and over received less than the NLW.<sup>71</sup>

**Curriculum** guidelines are set out in the EYFS framework, with a focus on seven areas of learning and development: communication and language, physical development, social and emotional development, literacy, mathematics, understanding the world, and expressive arts and design.

Whilst noting the importance of play and of staff responsiveness to child interests, goals, and needs, there is a greater focus on outcomes than in other countries; the EYFS framework emphasizes a set of defined early learning goals and expected levels of development, against which progress is checked, at age 2 and again at age 5.<sup>72</sup> Stewart and Reader highlight the concern shared by Palmer<sup>73</sup> that a narrow focus on maths and literacy outcomes prior to the start of schooling may in fact adversely impact these outcomes later on, suggesting that:

*“...it is by fostering confidence, resilience, enquiry and communication that early years provision can enhance child development for the long-term, rather than through an early introduction to letters and numbers.”*

*[Kitty Stewart & Mary Reader, The Conservatives' record on early childhood: policies, spending and outcomes from May 2015 to preCOVID 2020, p. 78]<sup>74</sup>*

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<sup>69</sup> Ibid. DfE Statutory framework. 2023.

<sup>70</sup> Social Mobility Commission. The stability of the early years workforce in England: An examination of national, regional, and organisational barriers. 2020.

<sup>71</sup> Ibid. DfE Survey of Childcare and Early Year Providers. 2022.

<sup>72</sup> Ibid. DfE Statutory framework. 2023.

<sup>73</sup> Palmer S. Upstart: The case for raising the school starting age and providing what the under-sevens really need. Floris Books; 2016.

<sup>74</sup> Stewart & Reader, London School of Economics. The Conservatives' record on early childhood: policies, spending and outcomes from May 2015 to preCOVID 2020. 2020.

# Australia

**Table 3.** Summary of the ECEC system in Australia.

<b>Types of provision</b>	<p>Centre-based day care, family day care services, outside school hours care, in-home care services and in the year before starting school, pre-school.</p> <p>For-profit providers – 50%</p> <p>Not-for-profit - 39%</p> <p>Government provision – 11%</p>
<b>Entitlements</b>	<p>No legal entitlements pre-school aged 6</p> <p><b>Temporary Financial Hardship Subsidy amount</b> – families experiencing significant financial stress due to exceptional circumstances can access 100 hours of subsidised care each fortnight</p> <p><b>Child Wellbeing Subsidy</b> – this provides access to 100 hours of subsidised care each fortnight if a child is on a long-term protection order, is in formal foster care or is in a formal kinship care arrangement</p>
<b>Regulation</b>	<p>The Australian Children’s Education &amp; Care Quality Authority (“ACECQA”) is the national regulator that implements the National Quality Framework. Each State and Territory also has its own regulator responsible for licencing services, assessing and rating services, ensuring compliance and investigating complaints.</p>
<b>Take up</b>	<p>2020 – 44.9% children aged 0-2 enrolled in formal childcare</p> <p>2020 – 81.6% of children 3-5 enrolled in pre- primary or primary education.<sup>75</sup></p>
<b>Costs to parents</b>	<p>Government subsidies are paid to providers as a proportion of the cost of care up to an hourly fees cap and a limit on the hours of care subsidised, determined by parent participation in specific activities. The cap rate tapers from 90 per cent, with increasing income.</p> <p>Net childcare cost for a couple with two children, with one partner earning average wage and second partner earnings 67% of average wage is 17% of the average wage.</p>
<b>Who is in charge?</b>	<p>The Australian Government Department of Education, Skills and Employment (DESE) is responsible for the Child Care Package.</p>

<sup>75</sup> Ibid. OECD Family Database.

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**Funding**

Total Australian, State and Territory real government funding for ECEC services was AUD \$12.4 billion (£6.48bn in 2020-21).<sup>76</sup> Mix of demand and supply side funding.

Australian Government provides funding to state and territory governments, who then set out costs.

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**Women's participation in the labour market**

73% of women participating in labour market (2020). This is made up of substantial part-time employment; the average woman with pre-teenage children in Australia works 2.5 days a week.<sup>77</sup>

Gender employment gap (2021) 7.6%

Gender wage gap median full time (2019) 15.31%

Employment rates mothers with at least one child under 15 (2020) 68%

Paid maternity/parental leave mothers can take – 18 weeks

Paid paternity leave reserved for fathers – 2 weeks

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Australia introduced major reform to its ECEC system in 2018 with the introduction of the Child Care Package which was framed as the 'Job for Families' Child Care Package with the explicit objective 'to help parents who want to work or work more'.<sup>78</sup> Minister Porter – the Minister for Social Services at the time – articulated the following objectives for this intervention, giving some insight into the priorities of the Package:

1. *"continue to assist families in raising their children and provide access to quality early learning opportunities over the long term*
2. *enable and encourage greater workforce participation; and*
3. *simplify our child care payments and social security systems."*

*[Porter, Minister for Social Services, 2016]<sup>79</sup>*

A particular focus was the desire to improve outcomes for 'vulnerable and disadvantaged' children, one of the key outcomes that the initial evaluation has tried to measure success against.<sup>80</sup> The framing and focus of Australia's childcare reform and the fact that it has been in place long enough for some evaluation to have happened makes it a particularly interesting comparator for this study.

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<sup>76</sup> Australian Government Productivity Commission. Report on Government Services 2022: Early childhood education and care. 2022. <https://www.pc.gov.au/ongoing/report-on-government-services/2022/child-care-education-and-training/early-childhood-education-and-care>

<sup>77</sup> Labour market participation figures from: OECD. Labour Market Statistics: Labour force statistics by sex and age: indicators, OECD Employment and Labour Market Statistics (database). 2022

<sup>78</sup> Australian Government. Job for Families child care package delivers choice for families. 2015. <https://formerministers.dss.gov.au/15859/job-for-families-child-care-package-delivers-choice-for-families/>

<sup>79</sup> Parliament of Australia. Family Assistance Legislation Amendment (Jobs for Families Child Care Package) Bill 2016: Second reading. 2016. <https://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=id:%22chamber/hansardr/5ad84e4d-3946-42fa-bf30-ffdec783bc3d/0065%22>

<sup>80</sup> Australian Government, Australian Institute of Family Studies. Child Care Package Evaluation: Final report. 2022. <https://aifs.gov.au/research/research-reports/child-care-package-evaluation-final-report>

## Market structure

Responsibility for ECEC in Australia is distributed between the Commonwealth Government and the States and Territories, and they work in partnership to monitor, regulate and fund childcare and early years education. The Australian ECEC system is a mixed system with a combination of for-profit, not-for-profit and public providers. Total funding in 2020-21 was significantly higher than that in previous years – a total of AUS \$12.4 billion (£6.28 billion) including federal and State and Territory funding.<sup>81</sup> This includes Australian Government funding of AUD \$10.1 billion, (equating to £5.28bn; 81.2 per cent) and State and Territory government expenditure was AUD \$2.3 billion (£1.2bn).

### Types of provision

Compulsory education starts from 6-years-old and there is no legal obligation to attend ECEC before then. Children are required to be in compulsory schooling by their 6th birthday but ECEC prior to this is not compulsory.<sup>82</sup>

Childcare provision includes family day care, long day care, and preschool. The introduction of the Child Care Package also reclassified childcare services, with Long Day Care (LDC) and Occasional Care Services brought under one category of Centre Based Day Care. There are four types of services identified in Australia, in addition to pre-school:<sup>83</sup>

- **Pre-school:** This usually starts from the age of 4 although some states and territories include 3-year-olds. Pre-schools tend to operate during school hours and school terms. In 2017, almost 90% of eligible children were enrolled in pre-school and the majority (96%) attended for 15 hours per week or more.<sup>84</sup>
- **Centre-based day care (previously ‘long day care’):** This brings together what was previously Long Day Care and Occasional Care Services, catered mainly to ages 0-6, characterised typically by the provision of ‘long continuous care’.<sup>85</sup>
- **Family day care:** These are services provided by individual educators, usually in their own homes. These individuals are contracted by Family Day Care Providers, rather than parents and therefore the service is not actually provided in practice by the ‘service provider’.
- **Outside school hours care:** Provision for care before and after school hours or during school holidays.
- **In-home Care:** Services provided when there is a lack of access to other provision. This may be due to geography, availability, or the circumstances of parents and is only available when other care is not accessible.

### Types of providers

A review of ECEC provision in Australia by Grudnoff (2022) found that for-profit providers account for 50% of ECEC service ownership in Australia, with just 11% provided directly by government and 39% by not-for-profit providers. A report by Victoria University has attempted to estimate the extent of provision provided either directly by the government or

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<sup>81</sup> Australian Government Productivity Commission. Report on Government Services 2022: Early childhood education and care. 2022. <https://www.pc.gov.au/ongoing/report-on-government-services/2022/child-care-education-and-training/early-childhood-education-and-care>

<sup>82</sup> OECD. Organisation for Economic Co-operation and Development Policy Review: Quality Beyond Regulations in ECEC Country Background Report – Australia. 2020.

<sup>83</sup> Ibid. Australian Government, Australian Institute of Family Studies. Child Care Package Evaluation: Final report. 2022.

<sup>84</sup> Australian Institute of Health and Welfare. Australia’s Children. 2020.

<sup>85</sup> Ibid. Australian Government, Australian Institute of Family Studies. Child Care Package Evaluation: Final report. 2022.



through subsidies and rebates and estimated that around \$3.8 billion (roughly £1.9bn in GBP) was funded privately in 2018 (as opposed to the c. \$10 billion [£5.2bn] funded through the public sector). Other reports have estimated that the money spent by parents on ECEC is as much as \$6.8 billion (approximately £3.8bn in GBP) in 2018 (Hurley, Jackson & Noble (2020).

In total, there are 6,152 approved childcare service providers and 14,197 approved services according to data published by the Department of Education. This includes 4,219 for-profit providers and 1,933 non-for-profit providers. As of December 2022, over 1.4 million children in Australia from 1,045,330 families attended a CCS-approved service.

Data taken from the December 2019 report highlighted that while 37.5% of services operate independently, the remainder are part of a larger provider structures. The 15 largest providers in the country each operate more than 100 services, for a combined total of around 3600 services (the total approved services that providers can operate is around 17,000 services).

The not-for-profit sector ranges from very large social enterprises (such as Goodstart) to small community-based organisations and local governments. The funding models used by these different entities vary greatly dependent on the type of organisation in question. Voluntary/not-for-profit providers are funded through a combination of Australian Commonwealth Government funding and/or state and territory funding. Whilst the government funds some ECEC providers, others are privately funded. A 2021 report from United Workers Union found that the five biggest for-profit services providing 18% of for-profit long day care in Australia, three were owned by international private equity firms<sup>86</sup>.

In their (ongoing) inquiry into childcare, the Australian Competition and Consumer Commission have found that large not-for-profit centres have lower land costs, resulting in them investing more money into labour costs. They also found that when making decisions about childcare, distance and availability are the most important factors to parents. Quality is also a key factor but parents are more reliant on informal measures such as word of mouth and visits than National Quality Standard ratings. They also note that market forces alone are unlikely to ensure equitable development outcomes across all children, nor increase workforce participation of mothers and essential workers.<sup>87</sup>

## Demand side funding: parent entitlements

The Child Care Package has two elements that relate to this: Child Care Subsidy, and Additional Child Care Subsidy.

### Child Care Subsidy (CCS)

This is the main form of financial support to parents for childcare costs, usually paid by the Australian Government to providers as a proportion of the cost of care - to offset parent's fees (i.e. demand side). This is paid up to an hourly fees cap which tapers from 90 per cent, with increasing parent income.

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<sup>86</sup> United Workers Union 'Spitting off cash: Where does all the money go in Australia's early learning sector?' <https://bigsteps.org.au/wp-content/uploads/2022/08/spitting-off-cash-uwu-report.pdf>

<sup>87</sup> Australian Competition & Consumer Commission. Childcare inquiry Interim report. 2023.

The amount received depends on the income and activity level of families, with recognised activities including paid work, paid or unpaid leave, volunteering, training and job-seeking. The higher the level of activity, the more hours of subsidised care families receive. For families with two parents, the person with the lowest level of activity is taken into consideration when calculating the discount.<sup>88</sup> The maximum hourly cap on the subsidies depends on the type of service and is shown in Table 4.

**Table 4.** Hourly rate caps, from Australian Government, 2022. Copyright note: in the public domain.<sup>89</sup>

<b>Service type</b>	<b>Hourly cap – children below school age</b>	<b>Hourly cap – school-aged children</b>
Centre Based Day Care	AUD \$12.31	AUD \$10.77
Outside School Hours Care	AUD \$12.31	AUD \$10.77
Family Day Care	AUD \$11.40	AUD \$11.40
In Home Care (per family)	AUD \$33.47	AUD \$33.47

#### **Additional Child Care Subsidy (ACCS)<sup>90 91</sup>**

Additional Child Care Subsidy is financial support with ECEC fees for families facing additional barriers to accessing affordable childcare. The Additional Child Care Subsidy may cover the full cost of ECEC services for some groups. There are 4 different types:

- **The Grandparent Subsidy amount** – available to grandparents receiving income support, who are the primary carer for their grandchild with 65% or greater caring responsibilities. This provides access to 100 hours of subsidised formal care each fortnight for the grandchild.
- **Transition to Work Subsidy amount** – available to those who are transitioning to work from income support (through work, study or training activities) who receive a Parenting Payment, Newstart Allowance, Disability Support Pension, Youth Allowance or a payment prescribed by the Minister’s rules. The amount received depends on the activity level of the claimant.
- **Temporary Financial Hardship Subsidy amount** – enables access to 100 hours of subsidised care each fortnight for a child to families who are experiencing significant financial stress.
- **Child Wellbeing Subsidy** – this provides access to 100 hours of subsidised care each fortnight if a child is on a long-term protection order, is in formal foster care or is in a formal kinship care arrangement.

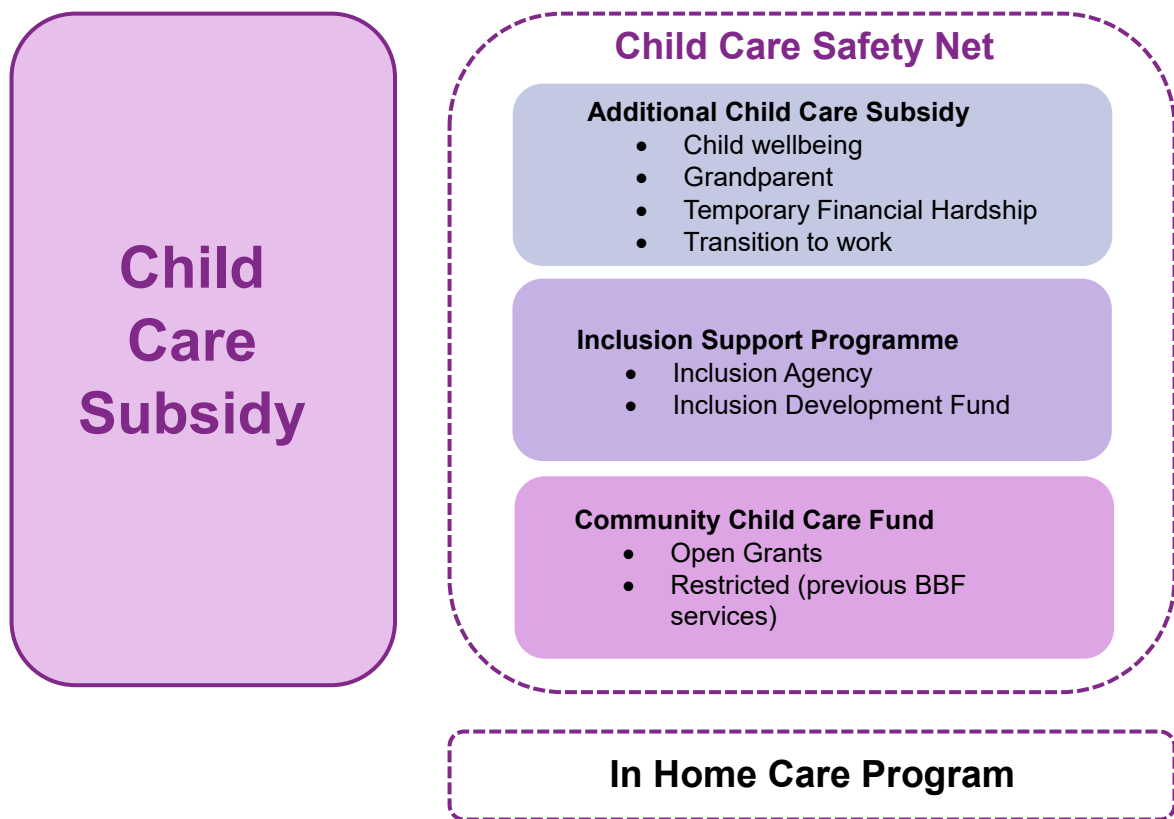
<sup>88</sup> Activity test. Department of Education, Skills and Employment. 2022. <https://www.dese.gov.au/child-care-subsidy/activity-test>

<sup>89</sup> Australian Government Department of Education. Child care subsidy rates from 12 July. 2022. <https://www.education.gov.au/early-childhood/announcements/child-care-subsidy-rates-12-july>

<sup>90</sup> Australian Government, Department of Education. Additional Child Care Subsidy. <https://www.education.gov.au/early-childhood/additional-child-care-subsidy>

<sup>91</sup> Ibid. Australian Government, Australian Institute of Family Studies. Child Care Package Evaluation: Final report. 2022. <https://aifs.gov.au/research/research-reports/child-care-package-evaluation-final-report>

**Figure 1.** The structure of the Australian Child Care Package, from Child Care Package Evaluation Final report, by Australian Institute of Family Studies, 2022, p. 2. CC by 4.0.<sup>92</sup>



*Note:* Commonwealth of Australia is the copyright holder for this figure.

States and Territories also implement subsidy programs to assist with obtaining childcare at a reduced cost. For example, in New South Wales, the State Government is investing \$1.3 billion (£0.679bn) over a 4-year period to provide fee relief of up to AUD \$2,110 (£1103.39) to families with children over 4 years old through long day care services.

<sup>92</sup> Ibid. Australian Government, Australian Institute of Family Studies. Child Care Package Evaluation: Final report. 2022. <https://aifs.gov.au/research/research-reports/child-care-package-evaluation-final-report>

## Supply side funding

The Australian ECEC system includes the following sources of supply side funding.<sup>93</sup>

**Inclusion Support Program (ISP):** This provides financial support for mainstream services to improve their capacity to include children with additional needs.

**Community Child Care Fund (CCCF).** This provides grants to help services address barriers to participation, and for services in places with high unmet demand.

The Community Child Care Fund (“CCCF”), which provides a range of grants, is available to support ECEC services. This does not tend to be split based on type of providers but is available when they are particularly disadvantaged, in regional and remote areas and serve Indigenous communities. The grants that form part of this fund are:

- **The special circumstances grant:** This helps services stay open under unexpected or emergency circumstances e.g., local emergencies or natural disasters.
- **The disadvantaged and vulnerable communities grant:** This provides funding for services in disadvantaged and vulnerable communities to stay open and increase their capacity.
- **The limited supply grant:** This assists CCS-approved providers who want to set up early childhood education and care services, for both new centre-based day care and family day care services, in disadvantaged regional and remote areas and where there are limited services.
- **The restricted grant:** This is a grant for 20 new services in mainly remote locations, to increase the numbers of Aboriginal and Torres Strait Islander children in ECEC.
- **The connected beginnings:** This provides integrated services with schools for children in Aboriginal and Torres Strait Islander communities, including early childhood, maternal child health and family support. This program has an annual budget of around \$12 million (£6.2m), funded jointly by the Department of Education, Skills and Employment, and the Department of Health.<sup>94</sup>

In addition, the Department of Education offers business support to help CCCF grant recipients improve and maintain their financial viability and sustainability. This can include experts assisting to conduct a business review, identify cost drivers and savings and to give advice on the best business and service delivery models.

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<sup>93</sup> Australian Government, Department of Education. Child Care Provider Handbook. 2023. <https://www.education.gov.au/early-childhood/resources/child-care-provider-handbook>

<sup>94</sup> Ibid. Australian Government, Australian Institute of Family Studies. Child Care Package Evaluation: Final report. 2022

## Market regulation

The National Quality Framework (NQF) was introduced in 2012 (and updated in early 2023) to create an outcomes focused system of regulation for the children’s education and care sector with the ‘National Quality Standard’ (NQS).<sup>95</sup> The Australian Children’s Education & Care Quality Authority (“ACECQA”) is the national regulator that implements the National Quality Framework although each State and Territory also has its own regulator that is responsible for approving providers and services, assessing and rating services, ensuring service compliance and investigating complaints. In 2021-23 the ACECQA was provided approximately \$14.5 million (£7.5m) for their core operational activities. In addition to this, they also sourced their own revenue of approximately \$14.7 million (£7.6m), through delivering programs and services for government partners and through the sale of educational resources.

The National Quality Standard is a benchmark that services are assessed against, and consists of 7 areas:

1. *Education program and practice;*
2. *Children’s health and safety;*
3. *Physical environment;*
4. *Staffing arrangements;*
5. *Relationships with children;*
6. *Collaborative partnerships with families and communities; and*
7. *Governance and leadership.*

*[Australian Children’s Education & Care Quality Authority]<sup>96</sup>*

An overall rating is produced based on ratings for each of the 7 areas. The highest rating for exceptional ECEC providers is ‘excellent’ and the lowest rating is ‘significant improvement required’, when services do not meet one of the seven quality areas and where there is a significant risk to the safety, health and wellbeing of children. The regulatory authority for each state and territory is responsible for assessing and rating service providers and the framework for assessing performance is not linked to funding. Parents and children are not involved in the assessment process.

### Ratios

For family day care, there is a set 1:7 educator to child ratio with a maximum of four children that are preschool age or under, including the educator’s own children younger than 13. For centre-based care, ratios of educator to child are calculated across the whole service (and not by individual rooms) and vary by state and territory.<sup>97</sup>

### Staff qualification and training

The NQF sets out the minimum educator qualification requirements for centre-based services (including long day care, preschools and kindergartens in most states and territories):

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<sup>95</sup> Australian Children’s Education & Care Quality Authority. What is the NQF? <https://www.acecqa.gov.au/nqf/about>

<sup>96</sup> Australian Children’s Education & Care Quality Authority. National Quality Standard. <https://www.acecqa.gov.au/nqf/national-quality-standard>

<sup>97</sup> Australian Children’s Education & Care Quality Authority. Educator to child ratios. <https://www.acecqa.gov.au/nqf/educator-to-child-ratios>

- At least 50% of the educators must be diploma level qualified or higher (ISCED Level 5B);
- All other educators must be certificate III level qualified (ISCED Level 3C);
- Services must engage or have access to an early childhood teacher (ISCED Level 5A) based on the number of children in attendance at the service;
- Approved providers must have a second early childhood teacher or a 'suitably qualified person' when 60 or more children preschool age or under are being educated and cared for.<sup>98</sup>

## Curriculum

Under the NQF, there are two nationally approved learning frameworks that outline principles, practises and learning outcomes that guide educators in curriculum decision-making.<sup>99</sup> Whilst originally in operation since 2012, these two frameworks have been updated in early 2023. Educators at the moment can currently still use the previous frameworks which will be in operation alongside the updated versions until early 2024 to allow time for planning and adjustments.

The two frameworks are:

1. Belonging, Being and Becoming: The Early Years Learning Framework for Australia.<sup>100</sup> This national approved framework is for young children from birth to 5-years-old.
2. My Time, Our Place: Framework for School Age Care in Australia.<sup>101</sup> This national approved framework is for school age children.

## Financial regulation

Providers which operate 25 or more services must provide the Department of Education with information about revenue, profits and leasing arrangements on an annual basis. The Department of Education uses this information to assess the financial viability of large providers, and identify and mitigate the risks of large providers exiting the market unexpectedly.<sup>102</sup> Persons with management control must be considered 'fit and proper' i.e. with no evidence of law breaking, evidence of fraud or dishonesty, or poor record of financial management or conflict of interest.<sup>103</sup>

This followed the collapse in 2008 of ABC learning, which ran over 1000 centres in Australia, leaving thousands of families without childcare overnight. The collapse of ABC Learning has been attributed to 'prudential reasons' such as high levels of debt and acquisitions, and complicated business practices by a representative for the Australian Competition and Consumer Commission.<sup>104</sup>

<sup>98</sup> Australian Children's Education & Care Quality Authority. Qualifications for centre-based services with children preschool age or under. <https://www.acecqa.gov.au/qualifications/requirements/children-preschool-age-or-under>

<sup>99</sup> Australian Children's Education & Care Quality Authority. Approved learning frameworks. 2023. <https://www.acecqa.gov.au/nqf/national-law-regulations/approved-learning-frameworks>

<sup>100</sup> Australian Children's Education & Care Quality Authority. Belonging, Being & Becoming, The Early Years Learning Framework for Australia. 2023. <https://www.acecqa.gov.au/sites/default/files/2023-01/EYLF-2022-V2.0.pdf>

<sup>101</sup> Australian Children's Education & Care Quality Authority. My Time, Our Place. Framework for School Age Care in Australia. <https://www.acecqa.gov.au/sites/default/files/2023-02/MTOP-2022-V2.0.pdf>

<sup>102</sup> Australian Government, Department of Education. Financial reporting obligations for large providers. <https://www.education.gov.au/early-childhood/provider-obligations/financial-reporting-obligations-large-providers>

<sup>103</sup> Australian Government, Department of Education. Fit and proper. <https://www.education.gov.au/early-childhood/provider-obligations/fit-and-proper>

<sup>104</sup> Grimwade T. Economics Committee Hansard. 22<sup>nd</sup> June 2009, p.24.

# Estonia

**Table 5.** Summary of the ECEC system in Estonia.

<b>Types of provision</b>	91% public provision.
<b>Entitlements</b>	Local governments required to provide all children aged 1.5 to 7 years old with the opportunity to receive ECEC services.
<b>Regulation</b>	<p>Each pre-school is responsible for internal evaluation and must produce an internal evaluation report, published online, at least once every 3 years listing their strengths, areas for improvement and performance indicators. Pre-schools can also apply for compensation from the Ministry for external advice on internal evaluation.<sup>105</sup></p> <p>Ministry conducts external evaluations.</p> <p>From 2016, the Estonian Ministry of Education began to prepare parent satisfaction surveys, which have fed into policy decisions (as described in further detail below).</p>
<b>Take up</b>	<p>Participation of children aged 3-7 years was 91.9% in 2020 (7 years is the starting age of compulsory education).</p> <p>2020 – 25.8% children aged 0-2 enrolled in formal childcare 2020 - 91.3% of children 3-5 enrolled in pre-primary or primary education.<sup>106</sup></p>
<b>Costs to parents</b>	<p>In most cases parents pay a fee capped at 20% of the Estonian minimum wage.</p> <p>Average fees for local authority run provision were <b>€70–75/month</b> (roughly £60.9 - £65.2 in GBP) in 2020, and 2-3 times that sum for private provision.</p> <p>A cap does not apply for private providers.</p> <p>Net childcare cost for a couple with 2 children, partners earnings 67% of average wage – 0% of average wage.<sup>107</sup></p>

<sup>105</sup> OECD iLibrary. Early Learning and Child Well-being in Estonia. Chapter 2. The context of early learning in Estonia. 2020. <https://doi.org/10.1787/15009d8e-en>

<sup>106</sup> Ibid. OECD Family Database.

<sup>107</sup> Ibid. OECD Family Database.

<b>Who is in charge?</b>	Ministry of Education and Research – Minister Kristina Kallas
<b>Funding</b>	<p>Predominantly supply side.</p> <p>Local authority spending was EUR 370.6m (£275.2m) in 2020 and government expenditure on preschool education was 1.36% of GDP.<sup>108</sup></p>
<b>Women’s participation in the labour market</b>	<p>Gender employment gap: 3.2%</p> <p>Gender wage gap median for full time employees (2020) 19.6%</p> <p>Employment rates for mothers with at least one child under 15 – 69%</p> <p>Paid maternity / parental leave accessible to mothers – 82 weeks</p> <p>Paid paternity leave reserved for fathers – 4.3 weeks<sup>109</sup></p>

In 2014, the Estonian Government introduced an entitlement to ECEC provision for all children from 1.5-7 years with a legal obligation for local governments to provide these places. This was in response to a shortage of ECEC places, especially in Tallinn and Tartu, the two largest cities in the country. This includes crèches for children aged 1.5–3 years and preschool groups for children of 3–6 years in the same institutions. Through this initiative, EUR 47 million (£40.87m) was invested between 2014-2020, via the European Social Fund and the European Regional Development Fund, to help local governments create around 3,200 new ECEC places, with 1,000 new preschool and childcare places in Tallinn, Tartu and Pärnu alone.<sup>110</sup>

Currently, the ECEC strategy falls within the general 2021-2035 education and research strategy.<sup>111</sup> More specifically, the Estonian Lifelong Learning Strategy 2020 sets out the government’s ambition to provide all people in Estonia with tailored learning opportunities. This strategy places responsibility on local governments to provide access to quality ECEC and any relevant support services. The OECD highlights other measures which relate to early childhood education and care, including:

- *“Developing an in-service education system for teachers to achieve high-quality courses based on the specialised nature of the educational institution;*
- *Requiring local governments to create an appropriate number of childcare and preschool places, to fulfil the objectives of preschool curricula, and to offer opportunities to all children to participate in preschool education at least one year before starting school; and*

<sup>108</sup> European Commission. Estonia: Funding in Education. 2022. [https://eurydice.eacea.ec.europa.eu/national-education-systems/estonia/funding-education#:~:text=In%20addition%2C%20at%20a%20request,municipalities%20\(data%20from%202020\).](https://eurydice.eacea.ec.europa.eu/national-education-systems/estonia/funding-education#:~:text=In%20addition%2C%20at%20a%20request,municipalities%20(data%20from%202020).)

<sup>109</sup> Ibid. OECD Family Database.

<sup>110</sup> OECD. Early Learning and Child Well-Being in Estonia. 2020. [https://www.oecd-ilibrary.org/sites/24d65b83-en/index.html?itemId=/content/component/24d65b83-en#:~:text=In%202014%2C%20Estonia%20suffered%20a,%2C%202017%5B16%5D\).](https://www.oecd-ilibrary.org/sites/24d65b83-en/index.html?itemId=/content/component/24d65b83-en#:~:text=In%202014%2C%20Estonia%20suffered%20a,%2C%202017%5B16%5D).)

<sup>111</sup> Republic of Estonia Ministry of Education and Research. Strategic Planning for 2021-2035. <https://www.hm.ee/en/ministry/ministry/strategic-planning-2021-2035>



- *Requiring preschool institutions to apply appropriate age-related measures to provide good quality Estonian language learning. Children are offered activities in the Estonian language, and children with other languages are provided with additional support.”*

*[OECD, Early Learning and Child Well-being in Estonia, The context of early learning in Estonia, 2020, p. 25]<sup>112</sup>*

This strategy sets out a number of strategic goals and a roadmap for achieving these by identifying smaller ‘sub-goals’ and detailed actions.

## Market structure

As described above, Estonian national policies require local authorities to provide ECEC services to all children from 1.5-7 years. Children under the age of 1.5 years are mostly cared for at home, due to the generous parental leave on offer in Estonia. In most cases, parents must pay a small attendance fee (the amount of which (per child) cannot exceed 20% of the minimum wage). Fees are set by individual local authorities and in some areas, parents do not have to pay at all. Most local authorities provide full-time places five days a week but if there is greater demand than places available, a part-time place is offered.

Some flexibility is available to parents through amendments to the Preschool Child Care Institutions Act and they can request to access day care places instead of the publicly provided ECEC place for their children.<sup>113</sup> There are other alternative childcare structures for children aged 2 to 8 months which operate within the private sector, and are focused on a child's creativity (as opposed to the centrally set national curriculum).

Parents have to apply for places, with allocation based on catchment areas and the proximity to the child's home or parents' workplace. Children with siblings at an ECEC institution are given preference where possible and remaining places can be allocated to children outside the catchment area.<sup>114</sup>

## Types of provision

Estonia's ECEC system is primarily funded through public expenditure, with local authorities running or funding ECEC institutions. Whilst there are some private providers that local authorities work with to increase capacity, in 2020 municipal ECEC providers represented 91% of the total number of childcare institutions and places.<sup>115</sup>

Whilst precise details on the number of spaces for each of these providers is not available, the total number of children in preschool institutions was 68,983 in 2022.<sup>116</sup> In 2019, the vast majority (90%) of children in ECEC attended state run pre-schools.<sup>117</sup>

<sup>112</sup> Ibid. OECD iLibrary. Early Learning and Child Well-being in Estonia. Chapter 2. 2020.

<sup>113</sup> European Commission. Early childhood education and care. 4.1 Access. 2022. <https://eurydice.eacea.ec.europa.eu/national-education-systems/estonia/access>

<sup>114</sup> European Commission. Early childhood education and care. 4.2 Organisation of centre-based ECEC. 2022. <https://eurydice.eacea.ec.europa.eu/national-education-systems/estonia/organisation-centre-based-ecec-0>

<sup>115</sup> OECD. Education Policy Outlook: Estonia. 2020. <https://www.oecd.org/education/policy-outlook/country-profile-Estonia-2020.pdf>

<sup>116</sup> Statistics Estonia. Pre-primary Education. 2022. <https://www.stat.ee/en/avasta-statistikat/valdkonnad/haridus/preprimary-education>

<sup>117</sup> Ibid. Estonian Centre for Applied Research. ECEC Study. 2021.

ECEC institutions structure provision as crèche for children up to 3 years old and preschool groups for children older than 3. There is also a regulated system of childminding and/or babysitting under the Social Welfare Act. If home-based provision is taking place outside the home of the child, the premises also have to meet certain requirements under law (explored in more detail in the section on market regulation below).

## Supply side funding

ECEC institutions are funded through a mixture of state and local budgets. For public institutions, local government covers a number of costs relating to the management of the institution including staff remuneration.<sup>118</sup> ECEC providers can, however, charge a study place fee to parents, which cannot exceed 20% of the minimum wage.

- Private ECEC institutions also receive public funding especially to pay for salaries and professional development of teachers, as well as to fund Estonian language teaching for non-Estonian speaking children.<sup>119</sup> A number of local authorities offer further support to families by subsidising the costs of a child's catering by 50% to 100%.

Since 2017, government has provided additional funds to local governments to spend on increasing the salaries of qualified preschool teachers. As a result, the average gross salary rose from €936 per month (approximately £805) in 2017, to €1,125 in 2019 (approximately £970), and preschool teachers with a masters degree now receive the full minimum salary of primary teachers €1,350 euros (approximately £1,160). For context, the median gross monthly wage in Estonia in 2023 is EUR 1,524 (£1,323)<sup>120</sup>.

ECEC institutions are also required to provide speech therapists and special education teachers for children and in 2021/22, €15 million (£13.04m) was provided to local authorities to fund support specialists.<sup>121</sup>

## Demand side funding: parent entitlements

The Estonian system is based around public provision of ECEC with a small 'study place fee' charged by local authorities. This varies between different authorities and often concessionary rates or waivers are available on certain criteria linked to disadvantage or number of children attending from one family for example.<sup>122</sup>

However, a generous paid parental leave and 'parental benefit' system is in place in Estonia, which, although it falls outside the formal ECEC system, still forms an important part of the picture relating to the provision of childcare. This is paid at 100% of personal average earnings for 435 days after the end of maternity leave, which is 140 calendar days.<sup>123</sup>

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<sup>118</sup> Ibid. OECD iLibrary. Early Learning and Child Well-being in Estonia. 2020.

<sup>119</sup> Ibid. OECD iLibrary. Early Learning and Child Well-being in Estonia. 2020

<sup>120</sup> Ibid. Brown E R, Groom M, Zhang K, Angell S. Sutton Trust. A Fair Start? World Class.

<sup>121</sup> European Commission. Education and Training Monitor 2022. [Education and Training Monitor 2022 \(europa.eu\)](https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&plugin=1)

<sup>122</sup> Estonian Centre for Applied Research. ECEC Study. 2021. ECEC study (centar.ee)

<sup>123</sup> Pall, K. and Karu, M. Estonia country note, in Koslowski, A., Blum, S., Dobrotić, I., Kaufman, G., and Moss, P. (eds.) International Review of Leave Policies and Research 2021. Available at: <https://www.leavenetwork.org/annual-review-reports/>

## Market regulation

ECEC institutions are regulated by the Ministry of Education and Research (the "Ministry") which sets the National Curriculum for Preschool Childcare Institutions and provides administrative supervision of teaching. It is also responsible for ensuring that preschool education is equally available and accessible and supervises the quality of teaching and learning.<sup>124</sup>

Since 2006, there has been a legal obligation on ECEC institutions to create internal quality assurance mechanisms with an evaluation report produced once every three years at a minimum and published online. The responsibility for this lies with the head of the institution and funding is available to use external evaluators or support to conduct this. This report must include an evaluation of strengths, areas for improvement and performance indicators.<sup>125</sup>

The Ministry also conducts external assessments to give comparable feedback on attainment relating to the learning outcomes provided in the national curricula.<sup>126</sup> The inspection can include visits to the school, participation in administrative and governance meetings, access to documentation and inspectors also have the power to propose termination of contracts for head teachers in the event of serious concerns.<sup>127</sup>

Whilst the extent to which parents are involved in the process of internal QA varies from institution to institution, as part of external administrative supervision, the relevant official will have conversations with parents and children.<sup>128</sup> On a national level, the Ministry introduced 'Satisfaction with Education Surveys' in 2017 that are aimed at both parents and teachers to evaluate their experiences of ECEC institutions and to monitor quality. The feedback is focused on six components and is fed back to the institutions, enabling them to adapt their services to better meet needs.<sup>129</sup>

## Curriculum

Estonia has a 'National Curriculum for Preschool Childcare Institutions' that provides a basis on which ECEC providers can create their own specific curricula according to the needs of the children accessing the service. The national curriculum provides principles and objectives, the expected outcomes for child development at different ages, and guidance to support the creation of the institutions' own curricula.<sup>130</sup> Children under 3-years-old who do not speak Estonian at home are also supported with Estonian language classes and ECEC institutions are required to make these available.<sup>131</sup>

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<sup>124</sup> Republic of Estonia: Ministry of Education and Research. <https://www.hm.ee/en/education-research-and-youth-affairs/general-education/general-education-estonia#speech-therapists-an>

<sup>125</sup> Ibid. OECD iLibrary. Early Learning and Child Well-being in Estonia. 2020.

<sup>126</sup> Ibid. OECD iLibrary. Early Learning and Child Well-being in Estonia. Chapter 2. 2020.

<sup>127</sup> European Commission. Estonia: Quality assurance in early childhood and school education. 2023. <https://eurydice.eacea.ec.europa.eu/national-education-systems/estonia/quality-assurance-early-childhood-and-school-education>

<sup>128</sup> European Commission. Quality assurance in early childhood and school education. 2022. <https://eurydice.eacea.ec.europa.eu/national-education-systems/estonia/quality-assurance-early-childhood-and-school-education>

<sup>129</sup> Ibid. OECD iLibrary. Early Learning and Child Well-being in Estonia. Chapter 2. 2020.

<sup>130</sup> European Commission. Early childhood education and care. 4.3 Educational Guidelines. 2022. <https://eurydice.eacea.ec.europa.eu/national-education-systems/estonia/educational-guidelines>

<sup>131</sup> Ibid. European Commission. Early childhood education and care. 4.3 Educational Guidelines. 2022.

## Ratios

Group sizes are set as follows<sup>132</sup>:

- Crèche for children up to 3 years old – maximum of 14 children in a group.
- Preschool group – maximum of 20 children (ages from 3 – 7)
- Mixed age group – maximum of 18 children

Regulations also exist for staff managing groups:

- A child carer or an assistant - crèche group of 7 children, a preschool group of 10 children, a mixed group of 8 children and a group for children with special needs of between 2 to 6 children (depending on the special needs of the children).<sup>133</sup>
- An at-home babysitter - 5 children if in the child's home and a maximum of 10 children in other premises (incl. their own home).<sup>134</sup>

## Workforce qualifications and training<sup>135 136</sup>

There are three main categories within the ECEC workforce in Estonia: teachers, 'child carers' and assistants. The qualification requirements for an ECEC teacher are higher education (ISCED 6), high level (C1-level) Estonian and pedagogical competence. To become a teacher an individual will also need to hold a teacher's diploma and complete a teacher training curriculum.

The requirements to become a child carer include:

1. Receiving the profession of a child carer under the Professions Act;
2. Having at least secondary or vocational education, work experience with children and suitable personal characteristics as assessed by the employer;
3. Attending a 16-hour first aid training during the preceding 36 months.

There are no minimum qualification levels for an individual to become an assistant.

Recent policy reforms mean that preschool teachers will receive an average of 35 hours of professional development each year, funded by the government and employers. Furthermore, the Teacher and Leadership Programme provides professional development to senior teachers and leaders of preschools.

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<sup>132</sup> European Commission. Early childhood education and care. 4.2 Organisation of centre-based ECEC. 2022.

<https://eurydice.eacea.ec.europa.eu/national-education-systems/estonia/organisation-centre-based-ecec-0>

<sup>133</sup> Ibid. European Commission. Organisation of centre-based ECEC. 2022.

<sup>134</sup> Ibid. European Commission. Organisation of centre-based ECEC. 2022.

<sup>135</sup> Ibid. OECD iLibrary. Early Learning and Child Well-being in Estonia. Chapter 2. The context of early learning in Estonia. 2020.

<sup>136</sup> Riigi Teataja. Social Welfare Act. 2017.

[https://www.riigiteataja.ee/en/compare\\_wordings?grupild=100619&vasakAktId=507072017009](https://www.riigiteataja.ee/en/compare_wordings?grupild=100619&vasakAktId=507072017009)

# France

**Table 6.** Summary of the ECEC system in France.

<b>Types of provision</b>	<p>Centre-based settings – including different types of crèches, multi-reception establishments and kindergartens</p> <p>Home-based settings – childminders and au pairs. These are the most common.</p> <p>Compulsory pre-school education from 3 years old – <i>École Maternelle</i>. Public or private.</p>
<b>Entitlements</b>	<p>Compulsory school education, classified as ‘pre-primary’ education is free from 3-years-old (24 hours per week) through the <i>École Maternelle</i> system. 2-year-olds can sometimes access this in priority areas or depending on availability.</p> <p>Various income-based subsidies and tax credits are available for under 3-year-olds, with an emphasis on providing choice for parents.</p>
<b>Regulation</b>	<p>Ministry of Social Affairs and Health (<i>Ministère des Affaires sociales et de la Santé</i>) for children up to 3 years, as the regulator for childcare.</p> <p>Ministry of National Education (<i>Ministère de l'Éducation nationale</i>) for children in compulsory pre-primary education aged between 2-3 and 6 years, as this falls within the education system.</p>
<b>Take up</b>	<p>Under 3: looked after within the family (56%), childminders (20%), attending centre-based care (18%) in 2021.<sup>137 138</sup></p> <p>2020 – 51.8% children aged 0-2 enrolled in formal childcare 2020 100% of children 3-5 enrolled in pre-primary or primary education<sup>139</sup></p>
<b>Costs to parents</b>	<p>Varies greatly depending on the type of setting being accessed, the employment status and income levels of the parents, and family structure (e.g. single parent).</p> <p>Net childcare cost for a couple with 2 children, partners earnings 67% of average wage – 9% of average wage<sup>140</sup></p>

<sup>137</sup> Drees. Etudes et Resultants. La part des enfants de moins de 3 ans confiés principalement à une assistante maternelle ou une crèche a presque doublé entre 2002 et 2021. 2023. <https://drees.solidarites-sante.gouv.fr/sites/default/files/2023-02/ER1257EMBMAJ.pdf>

<sup>138</sup> HCFEA. Accueil des enfants de moins de 3 ans : relancer la dynamique. 2023. [https://www.hcfea.fr/IMG/pdf/hcfea\\_-\\_accueil\\_du\\_jeune\\_enfant.pdf](https://www.hcfea.fr/IMG/pdf/hcfea_-_accueil_du_jeune_enfant.pdf)

<sup>139</sup> Ibid. OECD Family Database.

<sup>140</sup> Ibid. OECD Family Database.

<b>Who is in charge?</b>	Ministry of National Education. This nursery education is provided by local authorities and comes out of local authority budgets.
<b>Funding</b>	1.3% of GDP
<b>Women's participation in the Labour market</b>	<p>Gender employment gap: 5.6%</p> <p>Median gender wage gap (2018) 11.82%</p> <p>employment rate for mothers with at least one child under 15 (2020 – 73%<sup>141</sup>)</p> <p>Paid maternity / parental leave accessible by mothers – 16 weeks (more if complications, multiple births and third child or mor<sup>142</sup>e)</p> <p>Paid paternity leave reserved for fathers – 28 days</p>

The development of the ECEC system in France goes back to the nineteenth century and is rooted in what have been described as ‘Republican ideals’<sup>143</sup> —with aims relating to the participation of women in the labour market, the role of the State in providing children with education to develop them into ‘French citizens’<sup>144</sup> and freedom of choice for parents.<sup>145</sup> Labour force participation, especially that of women, has been a key policy objective in France, leading to a complex system that combines ECEC with other social security measures starting from when children are born all the way to when they start primary education at the age of 6 or 7.

Over the past few years, three initiatives that focus on reforming ECEC have emerged from different policy arenas, giving us an insight into the key priorities and aims that are guiding changes to the ECEC system in France<sup>146</sup>. These are:

1. Interministerial Strategy for the Prevention of and Fight Against Poverty – this strategy aimed at countering poverty was introduced in 2018 and identified inequalities in early years as a key pillar. Consequently, it included a focus on early years reform with an emphasis on quality as well as access.
2. Lowering the age of compulsory education – in 2019, the age of compulsory education was lowered to 3 years old, with children required to attend pre-school with some provision for homeschooling.

<sup>141</sup> Ibid. OECD Family Database.

<sup>142</sup> Republique Francaise. Maternity leave of a private sector employee. 2023. <https://www.service-public.fr/particuliers/vosdroits/F2265/personnalisation/resultat?lang=en&quest0=0&quest1=0&quest=>

<sup>143</sup> Scottish Government Social Research. Early Childhood Education And Care Provision: International Review Of Policy, Delivery And Funding. 2013. <https://www.gov.scot/binaries/content/documents/govscot/publications/research-and-analysis/2013/06/early-childhood-education-care-provision-international-review-policy-delivery-funding/documents/early-childhood-education-care-provision-international-review-policy-delivery-funding-final-report/early-childhood-education-care-provision-international-review-policy-delivery-funding-final-report/govscot%3Adocument/00416230.pdf>

<sup>144</sup> Ibid. Scottish Government Social Research. 2013.

<sup>145</sup> RAND Europe. Holistic Early Education and Care: Policy and practice in France 2017 – 2021. 2022. [https://www.rand.org/content/dam/rand/pubs/research\\_reports/RRA2000/RRA2051-1/RAND\\_RRA2051-1.pdf](https://www.rand.org/content/dam/rand/pubs/research_reports/RRA2000/RRA2051-1/RAND_RRA2051-1.pdf)

<sup>146</sup> Ibid. RAND Europe. Holistic Early Education and Care: Policy and practice in France 2017 – 2021. 2022.

3. The First 1000 Days Commission – the report from this Commission was launched in September and called for a holistic approach to children’s development including through a focus on access to and quality of childcare.

## Market structure

In France, there is a differentiation between early childhood education and childcare, with pre-primary education being compulsory from the age of 3 either in the form of home schooling or attendance at pre-primary school. Public pre-primary education is free to children from 2 to 3 years of age through the *École Maternelle* system and falls under the responsibility of the Ministry of National Education. This nursery education is provided by local authorities and comes out of local authority budgets.<sup>147</sup>

Childcare arrangements for children under 3 years of age sit separately and are regulated by the Ministry of Solidarity and Health.<sup>148</sup> Parents choose these childcare arrangements, and these vary between children being looked after within the family, attending centre-based care or being cared for by childminders in different settings. This is described in more detail in the section on the market. The French Government also had a target of at least 10% of ECEC places being reserved for children living below the poverty line.<sup>149</sup>

### Types of provision

Childcare settings in France are mainly organised in two ways: centre-based settings or home-based care<sup>150</sup>.

Centre-based settings:

- **Collective crèches** for the regular reception of children exist in four main types and may be run by local authorities, non-profits or other private actors:
  - Traditional neighbourhood **crèches**, usually near the child’s home. These have a limited capacity of 60 places.
  - **Micro crèches** are similar under regulation to traditional creches but are smaller in size and can host up to 9 children.
  - **Crèches d’entreprises** or ‘company creches’ which are run by employers and adapted to meet the needs of their employees. These also have a capacity of 60 places.
  - **Crèches parentales** which are run by parents for up to 20 children, with the ability for capacity to be increased to 25 depending on need. These are settings managed by parents and are different to home-based settings where care is shared between different parents.
- **Multi-reception establishments** which offer a combination of options such as drop-in places, regular places or a mixture of both.
- **Halte-garderie** which provide care on a drop-in basis (approx. two half days per week), largely for parents who do not work.
- **Kindergartens** which run as an alternatives to pre-primary schools.

Home-based settings:

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<sup>147</sup> European Commission. France, 3. Funding in education. 3.1 Early childhood and school education funding. 2022. <https://eurydice.eacea.ec.europa.eu/national-education-systems/france/early-childhood-and-school-education-funding>

<sup>148</sup> European Commission. France 4. Early childhood education and care. <https://eurydice.eacea.ec.europa.eu/national-education-systems/france/early-childhood-education-and-care>

<sup>149</sup> Ibid. RAND Europe. Holistic Early Education and Care: Policy and practice in France 2017 – 2021. 2022

<sup>150</sup> Ibid. European Commission, France.

- **Assistantes maternelles** or childminders who are paid directly by parents and can provide care in their own homes or in shared settings with other childminders. These are certified professionals and are governed by regulation.
- **Crèche familiale** which is run from the childminders' homes.
- **Au pairs** and nannies who are generally employed to look after children in their own homes.

### Types of providers

In 2021, 56% of children under 3 in mainland France were looked after mainly by their parents during the day on weekdays.<sup>151</sup> The two other most frequent situations are care by a childminder—assistant(e)s maternelle(s)— (20%) or in a childcare establishment (18%).<sup>152</sup>

<sup>153</sup>

According to a 2023 report by the French government, there are 1.3 million places available, broken down as follows:

- Individual care: 770,000 places with childminders; 47,000 in home childcare;
- Collective care: 458,000 crèche places; 60% public and 40% private (divided equally between the voluntary sector and the commercial sector).<sup>154</sup>

### Demand side funding: parent entitlements

The funding of the ECEC system (outside the school system) for children aged 3 and under in France is complex and includes direct subsidies to families and settings as well as tax credits for families, enabling them to deduct part of their childcare expenses from their taxable income. The cost for parents varies considerably depending on the type of service, family income, and circumstances of the parents.

Parents receive state support to support the early years of the child's life in a variety of ways, designed to offer support as well as choice to parents in the type of ECEC they access. This programme of benefits—called PAJE—includes:<sup>155</sup>

- A means-tested grant on birth or adoption - €1,019 for a birth and €2,039 for adoption of a child under 20. <sup>156</sup>
- A means-tested allowance paid until the child is 3 years old.
- Pre-ParE (*Prestation partagée d'éducation de l'enfant*) – which is a shared allowance for children's education paid to parents enabling them to stop or reduce

<sup>151</sup> Ibid. Drees. Etudes et Resultants. La part des enfants de moins de 3 ans confiés principalement à une assistante maternelle ou une crèche a presque doublé entre 2002 et 2021. 2023.

<sup>152</sup> Ibid. HCFEA. Accueil des enfants de moins de 3 ans : relancer la dynamique. 2023

<sup>153</sup> Ibid. Drees. Etudes et Resultants. La part des enfants de moins de 3 ans confiés principalement à une assistante maternelle ou une crèche a presque doublé entre 2002 et 2021. 2023.

<sup>154</sup> Le Conseil national de la refondation (CNR). Service public de la petite enfance: garantir un Meilleur accueil du jeune enfant. 2023. <https://www.gouvernement.fr/upload/media/content/0001/06/025f305db5a6fa9c5d558dafc1da0e1b413eb82d.pdf>

<sup>155</sup> Centre for European and International Social Security Liaisons. The French Social Security System. Chapter 4: Family benefits. 2023. [https://www.cleiss.fr/docs/regimes/regime\\_france/an\\_4.html](https://www.cleiss.fr/docs/regimes/regime_france/an_4.html)

<sup>156</sup> Ibid. Centre for European and International Social Security Liaisons. The French Social Security System. Chapter 4: Family benefits. 2023.



their economic activity. This can be to a maximum of EUR 428 per month (£372) at the full rate if the parent completely stops working.<sup>157</sup>

- The CMG (*Complément de libre choix du mode de garde*) – this is a supplement for ‘free choice of childcare’ for children under 6 to pay part of the cost of a childminder, micro-crèche or other home-based childcare. This includes up to 85% of childcare expenses and up to 100% of the employers’ contributions of employing a childminder.<sup>158</sup>

Access to ECEC is further subsidised by the ‘Single Service Provision’ or PSU that is paid by the Family Allowance Fund directly to providers, who offer subsidised PSU rates to families based on their income and situation.<sup>159</sup> The Code of Labour allows companies to grant up to €1,830 per year (approximately £1591.4) towards their employees’ childcare costs.<sup>160</sup>

## Supply side funding

A ‘territory bonus’ of €7000 (£6,080) was introduced in 2020 for institutions in priority areas to create additional places as well as a “territorial catch-up” bonus of €3,500 (£3,038) to providers in areas with a coverage rate of less than 58%. This is in addition to the PSU to eligible institutions.<sup>161</sup>

## Market regulation

As described previously, there are separate systems of childcare and education in France with regulation reflecting this and the responsibilities being distributed between the Ministry of Social Affairs and Health (*Ministère des Affaires sociales et de la Santé*) and the Ministry of National Education (*Ministère de l’Éducation nationale*).<sup>162</sup> The Ministry of Social Affairs is responsible for childcare – that is ECEC institutions and childminding for children up to 3 years of age – and the Ministry of National Education has responsibility for pre-school for children above the age of 3 as part of the system of compulsory education.

Local authorities play a regulatory role too as well as being involved in funding childcare provision. The Child and Maternal Protection Agency (*Protection Maternelle et Infantile* or *PMI*) licences childcare providers. The national government works with local authorities to licence pre-primary schools.<sup>163</sup>

Childcare settings and pre-primary education institutions are both monitored for compliance and quality but responsibility for inspection lies with different bodies. The PMI has

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<sup>157</sup> Ibid. Centre for European and International Social Security Liaisons. The French Social Security System. Chapter 4: Family benefits. 2023.

<sup>158</sup> Ibid. Centre for European and International Social Security Liaisons. The French Social Security System. Chapter 4: Family benefits. 2023.

<sup>159</sup> Quelle Crèche. PSU & Crèche: we explain. 2022. <https://quellecreche.fr/psu-creche-on-vous-explique-tout/>

<sup>160</sup> Legifrance. Labor Code. 2018. [https://www.legifrance.gouv.fr/codes/article\\_lc/LEGIARTI000037075008](https://www.legifrance.gouv.fr/codes/article_lc/LEGIARTI000037075008)

<sup>161</sup> Ibid. HCFEA. Accueil des enfants de moins de 3 ans : relancer la dynamique. 2023

<sup>162</sup> OECD. Starting Strong IV. France. 2016. <https://www.oecd.org/education/school/ECECMN-France.pdf>

<sup>155</sup> Ibid. OECD. Starting Strong IV. France. 2016.

responsibility for inspecting childcare services mainly focused on compliance with regulation, and *Inspecteurs de l'Education Nationale* (IEN) is the inspectorate for pre-school settings.<sup>164</sup>

Inspections of pre-school settings happen every four to five years and are aimed at evaluation of teaching, compliance with regulation and assessment of quality. Inspections are conducted through a mixture of observation, self-assessment, parent satisfaction surveys and discussion.<sup>165</sup>

## Ratios

The maximum number of children present in the childminder's home, under his or her exclusive responsibility, including his or her own children, is six children under the age of 11, including a maximum of four children under the age of 3.

Regulations about group sizes in different settings are outlined below:<sup>166</sup>

- Childminders' - 6 children under 11-years-old, with a maximum of 4 under 3 years of age. This includes the childminders' own children.
- Traditional neighbourhood crèches and company crèches - 60 children
- Mini-crèches - 9 children
- Parental crèches' capacity - 20 children (with the possibility of extension to 25)
- Kindergartens - 80 children
- Family crèches -150 places.

## Curriculum

The role of a national curriculum or framework in France also varies between childcare and pre-primary education within the *École Maternelle* system. There is no set curriculum for crèches or other childcare providers, but all pre-primary institutions must follow a national curriculum: *L'école maternelle: un cycle unique, fondamental pour la réussite de tous*, translated as 'Nursery school: a unique cycle, fundamental to the success of all' which was first established in 1887.<sup>167</sup> This curriculum outlines key objectives, priorities, and guidelines on what is taught and how, with support for teaching and assessment.<sup>168 169</sup>

## Premises

Public health guidelines are in place that set out a framework for premises covering aspects such as hygiene, health, and safety. Before a new facility is opened, detailed proposals must be submitted to local authorities that include an architectural plan. Before approval is given, a visit must be conducted by paediatricians from the child protection unit.<sup>170</sup>

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<sup>164</sup> Ibid. Scottish Government Social Research. Early Childhood Education And Care Provision: International Review Of Policy, Delivery And Funding. 2013

<sup>165</sup> Ibid. OECD. Starting Strong IV. France. 2016.

<sup>166</sup> European Commission. France 4. Early childhood education and care. <https://eurydice.eacea.ec.europa.eu/national-education-systems/france/early-childhood-education-and-care>

<sup>167</sup> Ibid. Scottish Government Social Research. Early Childhood Education And Care Provision: International Review Of Policy, Delivery And Funding. 2013

<sup>168</sup> Ibid. OECD. Starting Strong IV. France. 2016.

<sup>169</sup> Republic of France: Ministry of National Education and Youth. Programs and schedules at nursery school. 2023. <https://www.education.gouv.fr/programmes-et-horaires-l-ecole-maternelle-4193#:~:text=L'%C3%A9cole%20maternelle%20constitue%20un,d%C3%A9veloppeur%20leur%20confiance%20en%20eux>

<sup>170</sup> Ibid. OECD. Starting Strong IV. France. 2016.

# Ireland

**Table 7.** Summary of the ECEC system in Ireland.

<b>Types of provision</b>	<p>In terms of regulated group care:</p> <ul style="list-style-type: none"> <li>• Predominantly private, for profit (74%)</li> <li>• Private, not for profit (26%)<sup>171</sup></li> </ul>
	Significant reliance on unregulated childminders
<b>Entitlements</b>	A universal subsidy of €1.40 per hour (£1.20 per hour) to children from 24 weeks to 15 years of age who are using approved childcare services
	Income assessed childcare subsidy for parents earning less than €60,000 (roughly £52,178.2 in GBP) <sup>172</sup>
<b>Regulation</b>	Regulation is undertaken by inspection and parents and children are not directly involved.
<b>Take up</b>	In a 2022 study, 27% of parents used private, centre-based childcare. <sup>173</sup>
	2020 – 35.8% children aged 0-2 enrolled in formal childcare 2020 - 100% of children 3-5 enrolled in pre-primary or primary education <sup>174</sup>
<b>Access</b>	Access and Inclusion Model (“AIM”) provides 7 levels of support, depending on the child's needs, offered at no additional cost. Additional programmes target educational disadvantage in selected schools and families where childcare is required on child welfare or child protection grounds.
<b>Costs to parents</b>	In 2021 average fees (nationally) were €186.84/week (roughly £162.5 in GBP) for a full-time place, €110.92 (roughly £96.5) for part-time, and €74.20 (approximately £64.5) for sessional care in 2020-21. <sup>175</sup>
	Fee freeze between September 2021 and August 2023 has helped, but fees remain high compared to other countries.

<sup>171</sup> Department of Children, Equality, Disability, Integration and Youth. Annual Early Years Sector Profile Report 2020/2021. 2022. [https://www.pobal.ie/app/uploads/2022/05/Pobal\\_22\\_EY\\_20-21-Report\\_final\\_2.pdf](https://www.pobal.ie/app/uploads/2022/05/Pobal_22_EY_20-21-Report_final_2.pdf)

<sup>172</sup> Curristan S, McGinnity F, Russell H, Smyth E. Economic & Social Research Institute. Early Childhood Education and Care in Ireland and Northern Ireland. 2023. [https://www.esri.ie/system/files/publications/RS157\\_1.pdf](https://www.esri.ie/system/files/publications/RS157_1.pdf)

<sup>173</sup> Ipsos on behalf of the Department of Children, Equality, Disability, Integration and Youth. Childcare survey of parents. 2022. <https://rb.gy/fvv1e>

<sup>174</sup> Ibid. OECD Family Database.

<sup>175</sup> Ibid. Department of Children, Equality, Disability, Integration and Youth. Annual Early Years Sector Profile Report 2020/2021. 2022.

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Net childcare cost for a couple with 2 children, partners earnings 67% of average wage – 28% of average wage<sup>176</sup>

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**Who is in charge?**

The Child and Family Agency (TUSLA) is the statutory regulator, reporting to the Minister for Children, Equality, Disability, Integration and Youth.

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**Funding**

Minister for Children, Equality, Disability, Integration and Youth, announced €1.025 billion (roughly £0.891bn) in funding under Budget 2023 for early learning and care and school aged childcare.<sup>177</sup>

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**Womens participation in the Labour market**

Gender employment gap (2021) – 8.6%  
Gender wage gap (median) full time workers 2018 – 8.28%  
Employment rate for mothers with at least one child under 15 –(2020) – 67.4%<sup>178</sup>

Paid maternity/parental leave mothers can access leave – 33 weeks  
Paid paternity leave reserved for fathers – 9 weeks<sup>179</sup>

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Ireland's journey of transformation is of special interest to England and indeed the UK, due to its proximity, similarity of context, culture and challenges, and the different measures being explored. 'First 5: Whole-of-Government Strategy for Babies, Young Children and their Families' was introduced as a long-term strategy for 2021-2028 focusing on access, affordability and quality with reforms including a focus on workforce, funding, childminding and governance.<sup>180 181</sup>

The First 5 strategy aims to deliver the following '5 big steps' as described in the strategy:

1. *"a broader range of options for parents to balance working and caring*
2. *a new model for parenting support*
3. *new developments in child health*
4. *reform of the Early Learning and Care system*
5. *package of measures to tackle early childhood poverty.*"<sup>182</sup>

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<sup>176</sup> Ibid. OECD Family Database.

<sup>177</sup> Department of Children, Equality, Disability, Integration and Youth. Minister O'Gorman secures 1 billion investment in early learning and childcare. 2022. <https://www.gov.ie/en/press-release/d422b-minister-ogorman-secures-1bn-investment-in-early-learning-and-childcare/#:~:text=Roderic%20O'Gorman%2C%20Minister%20for,care%20and%20school%20aged%20childcare>

<sup>178</sup> Ibid. OECD Family Database.

<sup>179</sup> Citizens Information. Parent's Leave. <https://www.citizensinformation.ie/en/employment/employment-rights-and-conditions/leave-and-holidays/parents-leave/>

<sup>180</sup> Government of Ireland. First 5, A Whole-of-government Strategy for Babies, Young Children and their Families 2019-2028. <https://assets.gov.ie/31184/62acc54f4bdf4405b74e53a4afb8e71b.pdf>

<sup>181</sup> OECD. Strengthening Early Childhood Education and Care in Ireland: Review on sector quality. 2021. <https://mosaicearlyed.com/wp-content/uploads/2021/12/Avril-McMonagle-Strengthening-Early-Childhood-Education-and-Care-in-Ireland-OECD-2021.pdf>

<sup>182</sup> Ibid. Government of Ireland. First 5.

The First 5 strategy consists of a four-year initial period for the implementation of short-term actions. A review has been built in after four years, at which point actions for further delivery are expected to be added as implementation progresses.

Implementation will include:<sup>183</sup>

- **First 5 Trials programme** – to pilot innovative projects and test what works for Ireland before rolling them out wider.
- **First 5 Research and Evaluation programme** – to evaluate the trials and build an evidence base on the effectiveness of various initiatives.

Despite the plans to substantially increase public funding, total public spending on ECEC in Ireland remains low compared with other OECD countries and the cost for parents remain high in absolute terms, accounting for more than a third median earnings for women,<sup>184</sup> and affecting low-income families to a greater extent.<sup>185</sup> However, it should be noted that the reforms are relatively young and evaluation is only just starting to take place. A report from Professor Eva Lloyd for the Early Education and Child Care Coalition identified various improvements including an increase of 15% in services offering the National Childcare Scheme, a 50% increase in parents accessing the Scheme and a fee freeze for parents.<sup>186</sup> Lloyd has also identified seven key enablers of the Irish reforms which also distinguish them from discussions in England, as outlined in the box below.

*a) **Political consensus:** agreement across successive coalition governments of ECEC as a major contributor to the public good and consequently its key role within Irish society and the economy.*

*b) The **equal emphasis** on (child-focused) social mobility and (parent/mother focussed) family economic wellbeing rationales underpinning First 5 and the new funding model.*

*c) The increased policy attention afforded to **inclusion**, with special reference to child and family poverty.*

*d) The importance of **ECEC practitioners** in ensuring service quality followed by concerted action in partnership with the Department of Enterprise, Trade and Employment to provide a legal underpinning for improvements in their terms and conditions.*

*e) The commitment to **double the public funding** for the ECEC system between 2019 and 2028 to enable the implementation of the proposed developments.*

*f) The recognition of the importance of **supply-side funding separate from per-capita financing** in maintaining service sustainability.*

*g) The acknowledgement that both parents and providers would benefit from the parental childcare subsidy (NCS) being paid direct to providers.”*

*[Eva Lloyd, A Public Good Approach: Learning from Ireland’s ECEC Reform, p.36]<sup>187</sup>*

<sup>183</sup> Government of Ireland. First 5: Annual Implementation Report 2021/2022. <https://www.gov.ie/pdf/?file=https://assets.gov.ie/260624/b5fe5abd-d679-4897-b1f8-bd8e3472de70.pdf#page=null>

<sup>184</sup> OECD. Is Childcare Affordable? 2020. <https://www.oecd.org/els/family/OECD-Is-Childcare-Affordable.pdf>

<sup>185</sup> OECD. Education Policy Outlook Ireland. 2020. <https://www.oecd.org/education/policy-outlook/country-profile-Ireland-2020.pdf>

<sup>186</sup> Lloyd, E. Early Education and Child Care Coalition. A Public Good Approach: Learning from Ireland’s Early Education and Childcare Reform. 2023. <https://static1.squarespace.com/static/646ca30371a2ef6a657e9309/t/654a4765068b7b6d99db53b4/1699366757787/LEARNING+G+IRELAND+V5.pdf>

<sup>187</sup> Ibid. Early Education and Childcare Coalition. A public good approach: Learning from Ireland’s Early Education and Childcare reform. 2023.

## Market structure

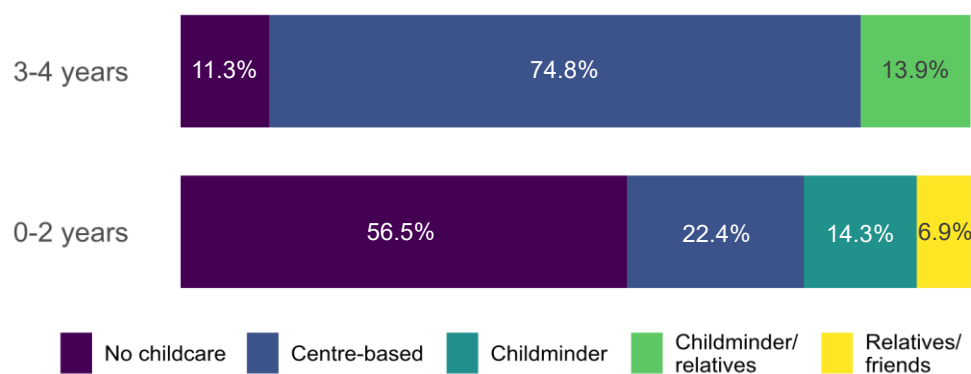
ECEC services in Ireland are largely delivered by private providers with government subsidies, with nearly all children in Ireland accessing ECEC attending private institutions (99% of children aged three to five according to OECD 2017 data)<sup>188</sup>, compared to the OECD average of around one third.<sup>189</sup> There is considerable reliance on unregulated childminders although the National Action Plan for Childminding was introduced in 2021 that outlines a pathway to regulation and support for childminders and those who use their services.<sup>190</sup> Some state provision exists through the Early Start programme, mainly for children in disadvantaged areas.<sup>191</sup>

### Types of provision

Most ECEC provision in Ireland is market based and delivered through a mixture of private for-profit, community and non-profit structures, existing outside of the school system. As described above, the majority of this provision is private for-profit (74% in 2020/21) with 26% delivered by non-profit voluntary organisations.<sup>192</sup>

In terms of the size of providers, Pobal's annual survey for the Department of Children, Equality, Disability, Integration and Youth found that in 2020/21 non-profit services were larger with an average capacity of 58 places while private services had an average capacity of 47 places. Half of services surveyed (1,258) had a capacity of up to 40 places with only 9% catering for more than 100 children.<sup>193</sup>

**Figure 3. Childcare types in Ireland, by age range**, from Early Childhood Education and Care in Ireland and Northern Ireland by Curristan et al., Economic & Social Research Institute, 2023, p. 29. CC by 4.0.<sup>194</sup>



<sup>188</sup> Ibid. Heery E. Public provision of early childhood education : an overview of the international evidence. 2020.

<sup>189</sup> Ibid. OECD. Education Policy Outlook Ireland. 2020.

<sup>190</sup> Department of Children, Equality, Disability, Integration and Youth. National Action Plan for Childminding: 2021- 2028. 2021. <https://www.gov.ie/en/campaigns/df207-national-action-plan-for-childminding-2021-2028/>

<sup>191</sup> Ibid. OECD. Education Policy Outlook. Ireland. 2020.

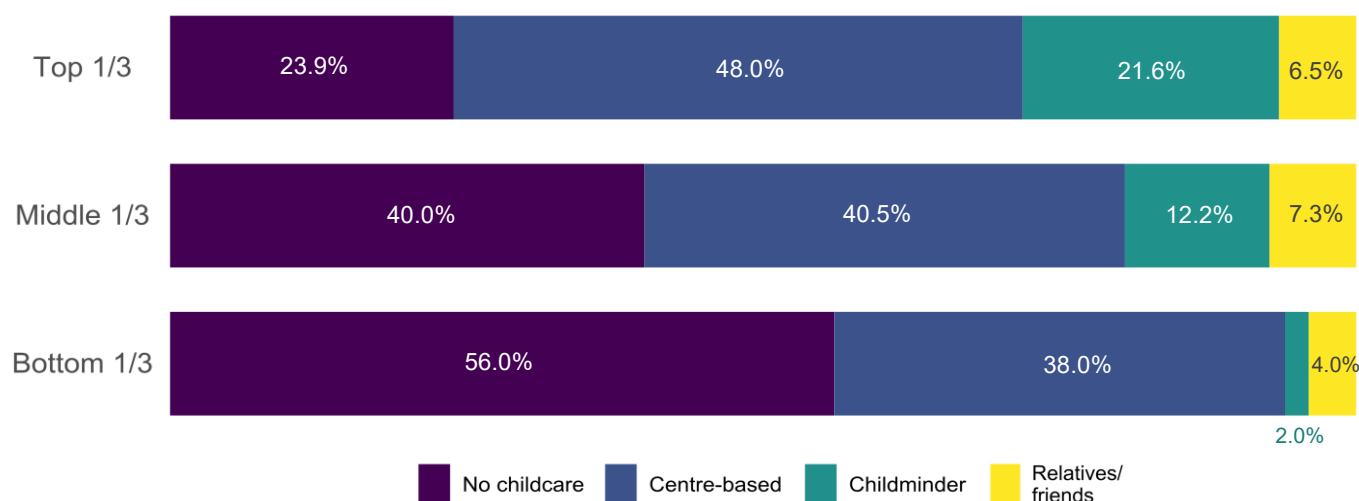
<sup>192</sup> Ibid. DCEDIY Annual Early Years Sector Profile Report 2020/2021. 2022

<sup>193</sup> Ibid. DCEDIY Annual Early Years Sector Profile Report 2020/2021. 2022.

<sup>194</sup> Curristan S, McGinnity F, Russell H, Smyth E. Economic & Social Research Institute. Early Childhood Education and Care in Ireland and Northern Ireland. 2023. [https://www.esri.ie/system/files/publications/RS157\\_1.pdf](https://www.esri.ie/system/files/publications/RS157_1.pdf)

Data source: Family Resource Survey (2018/19 and 2020/21) and SILC (2019, 2020, and 2021).<sup>195</sup>

**Figure 4. Childcare types in Ireland for children 0-4 years, by income tercile, from Early Childhood Education and Care in Ireland and Northern Ireland by Curristan et al., Economic & Social Research Institute, 2023, p. 29. CC by 4.0.**<sup>196</sup>



Data source: Family Resource Survey (2018/19 and 2020/21) and SILC (2019, 2020, and 2021).<sup>197</sup>

## Demand side funding: parent entitlements

Outside of the ECCE programme (see section on supply side funding), access to ECEC is primarily subsidised through the National Childcare Scheme (“NCS”), which consists of both universal subsidies and income-related subsidies for children aged over 6 months (24 weeks) and up to 15 years of age.<sup>198</sup>

- Universal subsidy – this is a payment available to everyone regardless of income levels or family circumstances, and contributes €1.40 (roughly £1.20) per hour (raised from 50c [roughly 40p] per hour in January 2023) to the cost of a registered childcare place for up to 45 hours per week.
- Income-based subsidy – this is based on a family’s net income and is paid to families earning up to a maximum of €60,000 (roughly £52,178.20). This subsidy has significantly improved take up and according to the OECD, net childcare costs for low income lone parents are now only 1% of median earnings for women.<sup>199</sup>

<sup>195</sup> Note: Excludes children that have already started school. In Ireland, the numbers for relatives/friends and childminders in the 3-4 age group do not pass the CSO threshold for reporting so these categories have been combined.

<sup>196</sup> Curristan S, McGinnity F, Russell H, Smyth E. Economic & Social Research Institute. Early Childhood Education and Care in Ireland and Northern Ireland. 2023. [https://www.esri.ie/system/files/publications/RS157\\_1.pdf](https://www.esri.ie/system/files/publications/RS157_1.pdf)

<sup>197</sup> Excludes children who have already started school.

<sup>198</sup> National Childcare Scheme. Policy Guidelines. 2021. <https://www.ncs.gov.ie/en/information-resources/>

<sup>199</sup> OECD. Net Childcare Costs in EU Countries 2021. 2022. [https://www.oecd.org/els/soc/benefits-and-wages/Net%20childcare%20costs%20in%20EU%20countries\\_2021.pdf](https://www.oecd.org/els/soc/benefits-and-wages/Net%20childcare%20costs%20in%20EU%20countries_2021.pdf)

These subsidies are paid directly to providers for any hours accessed outside of the ECCE programme, who pass it on to parents through reductions in fee. However, since the scheme is only open to registered providers, it currently excludes the childminding sector, who are not regulated, although there are plans in place to change this.<sup>200</sup>

## Supply side funding

Providers receive funding – a set amount per child of €69 (approximately £60) with a higher rate of €80.25 (roughly £69.8 in GBP) available based on certain requirements - to provide the **Early Childhood Care and Education (ECCE) programme**.<sup>201</sup> This is a two-year pre-school programme universally available to all children within the age range of 2 years and 8 months to 5 years and 6 months, for three hours per every working day, over 38 weeks (August to June). In 2020/21 104,612 children accessed the ECCE programme.<sup>202</sup>

As part of the country's ECEC transformation, the Irish Government announced a **Core Funding programme** with €259 million (approx. £225m) available for Year 1, which runs from September 2022 – August 2023.<sup>203</sup> <sup>204</sup> This funding is specifically targeted at improving quality and sustainability, with a focus on pay and professional development of staff as well as to cover administration and overhead costs. Evaluation from the first year has identified improvements with nursery closures dropping from 76 to 58, increase in the number of settings offering graduate led provision (a key objective of the programme), and 73% of the workforce reporting improved pay.<sup>205</sup>

Government investment of almost €70 million (approx. £60.4m) has also been made in capital development for the ECEC sector with the announcement of the Building Blocks Capital Programme for Early Learning and Childcare under the National Development Plan for the period 2023 – 2025. The Building Blocks – Improvement Grant which is focused specifically on energy efficiency was announced in 2022 as part of this package, offering grants ranging €35,000 (£30,187) to €75,000 (£64,686) across two strands.<sup>206</sup>

The Building Blocks Capital Programme of includes the following:<sup>207</sup>

- (i) Modernisation Grant - €9 million (roughly £7.8m) for energy efficiency and improving physical infrastructure.
- (ii) Capacity Grant - €45 million (roughly £39.1m) for expansion and development of services.
- (iii) Innovation Grant - €15 million (roughly £13.04m) Innovation Grant to pilot innovation.

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<sup>200</sup> Ibid. Curristan et al. Early Childhood Education and Care in Ireland and Northern Ireland. 2023.

<sup>201</sup> Ibid. DCEDIY Annual Early Years Sector Profile Report 2020/2021. 2022

<sup>202</sup> Ibid. DCEDIY Annual Early Years Sector Profile Report 2020/2021. 2022.

<sup>203</sup> Ibid. Lloyd, E. Early Education and Child Care Coalition. A Public Good Approach: Learning from Ireland's Early Education and Childcare Reform. 2023

<sup>204</sup> Together for Better. Core Funding. 2023. <https://first5fundingmodel.gov.ie/core-funding/>

<sup>205</sup> Ibid. Lloyd, E. Early Education and Child Care Coalition. A Public Good Approach: Learning from Ireland's Early Education and Childcare Reform. 2023

<sup>206</sup> Pobal. Minister O'Gorman announces Capital Grant for the Early Learning and Childcare Sector. 2022. <https://www.pobal.ie/minister-ogorman-announces-e10m-capital-grant-for-the-early-learning-and-childcare-sector/#:~:text=%E2%80%9CThe%20Building%20Blocks%20%E2%80%93%20Improvement%20Grant,energy%20efficiency%20of%20the%20settings.>

<sup>207</sup> Ibid. Government of Ireland. First 5: Annual Implementation Report 2021/2022.



## Market regulation

The Child and Family Agency (TUSLA) is the statutory regulator for ECEC services, reporting to the Minister for Children, Equality, Disability, Integration and Youth. TUSLA was set up in 2014 and has been responsible for conducting inspections of all ECEC settings since 2022 through its Early Years Inspectorate.<sup>208</sup> There are over 5,000 staff working in TUSLA.<sup>209</sup> In TUSLA's 2023 Business Plan €6.9 million was allocated to the B5 Early Years subhead – an increase of €0.913 million on the 2022 allocation.<sup>210</sup> Childminding is not currently covered by TUSLA, but as mentioned previously, a National Action Plan for Childminding was introduced in 2021 which provides a pathway to regulation of childminding.<sup>211</sup>

Siolta is the National Quality Framework for Early Childhood Education in Ireland, and is meant to support all aspects of quality. It has three main elements: principles, standards and components of quality, which combine together to offer a vision and tools for implementation<sup>212</sup>.

TUSLA's inspections aim to improve services and standards, with four key outcomes as identified by the Department of Education:

- *“the service is well governed;*
- *the health, welfare and development of each child is supported;*
- *children are safe in the service; and*
- *the premises are safe, suitable and appropriate for the care and education of children.”<sup>213</sup>*

The 2016 Regulations require all ECEC providers to register with TUSLA. There is no professional body or regulator for ECEC staff, but TUSLA monitors compliance with minimum qualification requirements.<sup>214</sup>

ECEC providers are evaluated with reference to TUSLA's criteria, as set out in the Quality and Regulatory Framework.<sup>215</sup> Parents and children are not directly involved in the evaluation process. However, stakeholders are consulted by TUSLA through its Early Years Inspectorate Consultative Forum which includes a Parent Representative.<sup>216</sup>

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<sup>208</sup> TUSLA. About. 2023. <https://www.tusla.ie/about/>

<sup>209</sup> TUSLA. About. 2023. <https://www.tusla.ie/about/>

<sup>210</sup> TUSLA. Business Plan 2023. <https://www.tusla.ie/about/business-plan-2023/>

<sup>211</sup> Ibid. Department of Children, Equality, Disability, Integration and Youth. National Action Plan for Childminding: 2021- 2028. 2021.

<sup>212</sup> Siolta. The National Quality Framework for Early Childhood Education. What is Siolta? <https://www.siolta.ie/about.php>

<sup>213</sup> Government of Ireland: Department of Education. Early years Education Inspections. 2022. <https://www.gov.ie/en/publication/635fad-early-years-education-inspections/>

<sup>214</sup> Ibid. OECD. Education Policy Outlook Ireland. 2020.

<sup>215</sup> Tusla – Child and Family Agency. Quality and Regulatory Framework. 2018. [https://www.tusla.ie/uploads/content/4566-TUSLA\\_QRF\\_DAY\\_CARE\\_LR.pdf](https://www.tusla.ie/uploads/content/4566-TUSLA_QRF_DAY_CARE_LR.pdf)

<sup>216</sup> Tusla – Child and Family Agency. Terms of Reference – Consultative Forum. 2016. [https://www.tusla.ie/uploads/content/TOR\\_Consultative\\_Group.pdf](https://www.tusla.ie/uploads/content/TOR_Consultative_Group.pdf)

## Ratios

**Table 8.** Required child:staff ratios by setting and age, with minimum floor area requirements, from the European Commission. Copyright note: in the public domain.<sup>217</sup>

Setting type	Age of children	Maximum no. of children per adult	Minimum floor area per child
Sessional services	0-1 years	3	1.818 sq. metres, maximum 22 per room
	1-2.5 years	5	1.818 sq. metres, maximum of 22 per room
	2.5-6 years	11	1.818 sq. metres, maximum of 22 per room
Full/part-time day care	0-1 years	3	3.5 sq. metres
	1-2 years	5	2.8 sq. metres
	2-3 years	6	2.35 sq. metres
	3-6 years	8	2.3 sq. metres
Drop-in centres	0-6 years	4 (only 2 or less under 15 months)	1.818 sq. metres, maximum of 24 per room
Childminders	0-6 years	5 (including his/her own). No more than 2 children under 15 months	-
Overnight pre-school service	0-1 years	3	-
	1-6 years	5	-

<sup>217</sup> European Commission. Ireland: Early Education and Care. 2023. <https://eurydice.eacea.ec.europa.eu/national-education-systems/ireland/early-childhood-education-and-care>

## Curriculum

Aistear is the national curriculum framework for Ireland covering ages 0-6, and is accompanied by a toolkit called 'Aistear in Action' which was developed in collaboration between the National Council for Curriculum and Assessment and ECEC providers.<sup>218 219</sup> Aistear identifies key principles of learnings for child development as well as provides guidelines with practical ideas on how to put these principles into practice.<sup>220</sup>

Aistear has four themes – wellbeing, identity and belonging, communicating, and exploring and thinking, and can be implemented in any setting, from a child's own home to formal provision.<sup>221</sup> Aistear is currently being updated to reflect a changing Ireland and a consultation on this was published in April 2023<sup>222</sup>, with proposals due to be shared in Phase 2 of the process.<sup>223</sup>

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<sup>218</sup> OECD. Starting Strong VI. Country note Ireland. 2021. <https://web-archiver.oecd.org/2021-06-28/593288-startingstrongvi-countrynote-ireland.pdf>

<sup>219</sup> National Council for Curriculum and Assessment. The Story of Aistear: the Early Childhood Curriculum Framework: Partnership in Action. 2009. [https://ncca.ie/media/2021/aistear\\_partnership\\_in\\_action.pdf](https://ncca.ie/media/2021/aistear_partnership_in_action.pdf)

<sup>220</sup> National Childhood Network. What is Aistear? 2023. <https://ncn.ie/aistear/>

<sup>221</sup> Ibid. National Childhood Network. What is Aistear? 2023.

<sup>222</sup> NCCA. Consultation report on updating Aistear: Phase 1. 2023. [https://ncca.ie/media/6091/consultationreport\\_phase1\\_ua\\_en.pdf](https://ncca.ie/media/6091/consultationreport_phase1_ua_en.pdf)

<sup>223</sup> NCCA. Consultation. <https://ncca.ie/en/early-childhood/early-childhood-education-developments/updating-aistear/consultation/>

## Quebec– and Canada

**Table 9.** Summary of the ECEC system in Quebec.

<b>Types of provision</b>	A mix of government funded not-for-profit centres (CPEs) (approx. 68% in Quebec City) Unfunded for-profit centres (32% in Quebec city)
<b>Entitlements</b>	Universal set fees in funded provision with exemptions for those on certain welfare programmes (the Social Assistance program, the Social Solidarity program, the Youth Alternative Program, the Aim for Employment Program, or the Income Security Program for Cree Hunters and Trappers.). <sup>224</sup>  Unfunded provision - tax credit for parents paid quarterly, covering 67%-78% of eligible costs. <sup>225</sup>
<b>Regulation</b>	The Ministère de la Famille issues permits and licenses to ECEC providers. Planned and unplanned inspections, as well as internal evaluations which are shared with the Ministère.  Not for profit centres are required to have a board of directors which consists of at least seven members, two-thirds of whom (a minimum of five) are parent-users or future clients of the centre. For profit centres must have a parent consultation committee and consult with them on all aspects of care.
<b>Take up</b>	72% in 2021 <sup>226</sup>
<b>Access</b>	<ul style="list-style-type: none"> <li>- Social assistance recipients pay no fees when they use publicly funded childcare.</li> <li>- Parents in job training or placements as part of their transition from social assistance sometimes receive refunds for childcare expenses.</li> <li>- Student loans and bursaries take any child care expenses into account.</li> <li>- Services receive additional funding to support children with disabilities. The budget for this rose to \$16.1 million in 2019-2020, increasing the number of support hours children receive.</li> </ul>

<sup>224</sup> Beach, J., Friendly, M., Nguyễn, N.T., et. al. Early Childhood Education and Care in Canada: 2021. Quebec. 2023. <https://childcarecanada.org/publications/ecec-canada/23/04/early-childhood-education-and-care-canada-2021>

<sup>225</sup> Quebec Ministère des Finances: Cost of a childcare space for 2023. 2023. [http://www.budget.finances.gouv.qc.ca/budget/outils/garde\\_en.asp](http://www.budget.finances.gouv.qc.ca/budget/outils/garde_en.asp)

<sup>226</sup> Institut de la statistique du Québec. Accessibility and use of childcare services in Quebec in 2021. 2022. [Accessibility and use of childcare services in Québec in 2021 \(quebec.ca\)](https://www.istat.qc.ca/fr/publications/2022/01/10/20220110-01)

- 
- Families of children with a disability who are unable to be accommodated in Kindergarten may receive compensation
- 

### **Costs to parents**

Operationally funded non-profit (and some for-profit) centres charge a set fee of \$8.85/day (£5.13) or **\$189/month** (£109.59). Unlike in other Canadian provinces, the set fee doesn't change with a child's age.<sup>227</sup>

These sit alongside "unfunded" for-profit centres, which set their own market fees. According to the government, a couple with one child, where each spouse has an employment income of \$50 000, pays a similar to what they would pay if the child attended subsidized childcare (\$7.46).

varying from \$800-\$1,200/month - although the tax credit rebate reduces this by roughly half (to c. \$529 per month).

Net childcare cost for a couple with 2 children, partners earnings 67% of average wage – 18% of average wage<sup>228</sup>

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### **Who is in charge?**

States and territories have responsibility for childcare rather than federal government.

In Quebec, The Ministère de la Famille is responsible for issuing licences and permits to ECEC providers and for inspecting regulated childcare services.

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### **Funding**

**CAD \$2.7 billion** (approx. £1.58 billion) in 2021/22 in Quebec (an increase of 8.5% from 2018).<sup>229</sup>

**CAD \$660.4 million** (approx. £385m) in 2021/22 from the Canadian government to Quebec as part of its Asymmetrical Agreement on the Canada Wide Early Learning and Child Care Component.<sup>230</sup>

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### **Womens participation in the Labour market (data)**

Gender wage gap median full time (2020) 16.11%  
Employment rates for others with at least one child under 15(2020) – 74.2%

Paid maternity / parental leave accessible to women– 51 weeks  
Paid paternity leave reserved for fathers – 5 weeks<sup>231</sup>

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<sup>227</sup> Quebec Ministère des Finances: Cost of a childcare space for 2023. 2023. <http://www.budget.finances.gouv.qc.ca/budget/outils/garde-net-en.asp>

<sup>228</sup> Ibid. OECD Family Database.

<sup>229</sup> Government of Canada. Canada-Quebec - 2021 to 2026 Asymmetrical Agreement on the Canada-Wide Early Learning and Child Care Component. 2021. <https://www.canada.ca/en/early-learning-child-care-agreement/agreements-provinces-territories/quebec-canada-wide-2021.html#h2.15>

<sup>230</sup> Ibid. Government of Canada. Canada-Quebec - 2021 to 2026 Asymmetrical Agreement on the Canada-Wide Early Learning and Child Care Component.

<sup>231</sup> Ibid. OECD Family Database.

Canada has a federal system of Government with main responsibility for early years and childcare, and for education, devolved to the 13 provinces and territories. Historically this has resulted in a lack of consistent ECEC strategy across the country with different provinces and territories taking different approaches to the provision of early years education and care. Due in part to the challenges associated with exploring many different systems, we had chosen to focus on Quebec for this project rather than Canada as a whole. Quebec has a well-studied model for delivering ECEC that has been running since 1997 when universal flat fees were introduced for childcare services. This makes it an interesting case study due to the existence of evidence over a long period of time and the opportunity to study how a system was created and adapted over many years.

While this section does focus primarily on Quebec, it would be remiss to not look at and learn from the transformation taking place in Canada more generally. In the 2021 budget, the Canadian Government announced the Canada-Wide Early Learning and Child Care (CWELCC) initiative with an investment of CAD \$27.2 billion (approx. £15.8 billion) over 5 years, to be delivered via agreements signed with the provinces and territories.<sup>232</sup> The federal government does not have the power to implement any changes to early years and childcare itself but has set key goals with the provinces and territories creating action plans to achieve these as a condition of funding.<sup>233</sup> Interestingly, Quebec is the only province to not have signed an agreement (instead, signing an ‘Asymmetrical Agreement’) with the federal government choosing to retain full control in setting objectives as well as delivery.<sup>234 235</sup>

In the context outlined above for both Canada and Quebec, while this report focuses primarily on Quebec, the next stages of the project will also look at the journey of reform for Canada as a whole especially in terms of the policy and politics of transformation which is likely to have valuable lessons for England.

The following extract from Fawcett’s 2022 report *Childcare and early education systems*<sup>236</sup> summarises the changes to childcare policy in Quebec which came about in the late 1990s.

*“In 1997, Quebec, Canada’s second-most populated province, introduced a universal low, flat daily fee for childcare services for 5-year-olds (\$5 [equating to £2.91], at the time), and extended this to wrap-around care for 5–12-year-olds in 1998, and to 0 to 4-year-olds in the year 2000. Quebec saw operational, state funding provided to childcare centres and home childcare programs, instead of its former system (and that of the rest of Canada) in which parent fees were the primary source of funds for childcare providers. Subsequent years saw substantial increases in the number of low fee childcare spaces that were available in Quebec. The policy cost around \$3888 (roughly £2256 in GBP) per space in 1997 and increased over time to \$10,210 (roughly £5,925 in GBP) per space in 2011-2012. In 2016, the Quebec policy was identified as costing 0.6% of the province’s GDP.”*

*[Ville et al., Fawcett Society, Childcare and Early Education Systems, p.43]*

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<sup>232</sup> Government of Canada: Early Learning and Child Care Agreements. 2023. <https://www.canada.ca/en/early-learning-child-care-agreement/agreements-provinces-territories.html>

<sup>233</sup> Beach, J., Friendly, M., Nguyễn, N.T., et. al. Early Childhood Education and Care in Canada: 2021. 2023. <https://childcarecanada.org/publications/ecec-canada/23/04/early-childhood-education-and-care-canada-2021>

<sup>234</sup> Ibid. Government of Canada: Early Learning and Child Care Agreements. 2023.

<sup>235</sup> Ibid. Beach J. et al. 2023.

<sup>236</sup> Ibid. Ville et al. Childcare and early education systems. Fawcett Society. 2022.

## Market Structure<sup>237</sup>

In terms of fees, Quebec has a two-tier system:

- Tier 1: operationally funded non-profit centres which charge the provincial set fee of CAD \$8.85/day in 2023.<sup>238</sup>
- Tier 2: “unfunded” for-profit centres, which set their own market fees.<sup>239</sup> Parents accessing non-profit provision can access a tax rebate that covers 67%-78% of eligible costs depending on income.<sup>240</sup>

In 2021, median market fees in Quebec’s biggest cities ranged from CAD \$846 on the lower end for toddlers and pre-school children to CAD \$1,194 at the highest end for infants.<sup>241</sup> This tax credit was introduced to incentivise growth and the creation of more places in response to a shortage of set-fee places and it is estimated that almost a quarter of full time places in Quebec are now in unfunded centres.<sup>242</sup>

### Types of provision

Provision in Quebec consists of both regulated and unregulated ECEC, with regulated child care consisting of the following main categories:

- **Centres de la petite enfance or early childhood centre (CPE)** – these are set-fee centres which are operationally funded by the government and must be not-for-profit.<sup>243 244</sup>
- **Garderie – these day care centres** (different from childhood or childcare centres that are CPEs) are primarily for-profit and can be operationally funded (charging set fees) or may not receive government funding in which case fees are set by the market.<sup>245 246</sup>
- **Service de garde en milieu familial reconnu or Home Day Care service** – this is care provided in the home of the person providing the care. These must be recognised by ‘Home Childcare Coordinating Offices’.<sup>247</sup>

Unregulated provision of childcare exists in the form of drop-in centres, some nurseries and some kinds of in-home care, although the law on all of these is shifting and licensing exemptions vary based on different criteria and circumstances.

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<sup>237</sup> This section includes extracts from Fawcett’s 2022 report *Childcare and early education systems: a comparative literature review* by Lizzie Ville, Catherine Marren, Dr Julie Rose, Sarah Parsons and Andrew Bazeley. Facts and figures have been updated as of November 2023

<sup>238</sup> Quebec Ministère des Finances: Cost of a childcare space for 2023. 2023. <http://www.budget.finances.gouv.qc.ca/budget/outils/garde-net-en.asp>

<sup>239</sup> MacDonald, D. and Friendly, M. Sounding the Alarm: COVID-19’s impact on Canada’s precarious child care sector. 2021. <https://policyalternatives.ca/sites/default/files/uploads/publications/National%20Office/2021/03/Sounding%20the%20alarm.pdf>

<sup>240</sup> Ibid. Quebec Ministère des Finances: Cost of a childcare space for 2023.

<sup>241</sup> Ibid. Beach J., Friendly, M. et. al. Early Childhood Education and Child Care in Canada. 2021.

<sup>242</sup> Japel, C. Child Care Canada. Learning from experience? Access and quality in Québec’s for-profit child care. 2022. <https://childcarecanada.org/blog/learning-experience-access-and-quality-qu%C3%A9bec%E2%80%99s-profit-child-care>

<sup>243</sup> Ibid. Beach J., Friendly, M. et. al. Early Childhood Education and Child Care in Canada. 2021.

<sup>244</sup> Quebec Ministry of Families. Early Childhood Centres. 2023. <https://www.mfa.gouv.qc.ca/fr/services-de-garde/parents/types/centres-petite-enfance/Pages/index.aspx>

<sup>245</sup> Quebec Ministry of Families. Daycare Centres. 2023. [Daycares \(gouv.qc.ca\)](http://www.gouv.qc.ca)

<sup>246</sup> Ibid. Beach J., Friendly, M. et. al. Early Childhood Education and Child Care in Canada. 2021.

<sup>247</sup> Quebec Ministry of Families. Managers of a recognized family daycare service. 2023. <https://www.mfa.gouv.qc.ca/fr/services-de-garde/parents/types/garde-milieu-familial/Pages/garde-milieu-familial.aspx#:~:text=Une%20personne%20responsable%20d'un,la%20garde%20en%20milieu%20familial.>

## Demand side funding: parent entitlements

Tax credits are in place for parents accessing market rate centres, aimed at equalising cost and bringing them down to a similar level to the set-fee. These may covers 67%-78% of eligible costs depending on income.<sup>248</sup>

## Supply side funding

As outlined in previous sections, the provincial government provides operational funding to providers and requires them to charge set fees. Table 10 shows the subsidies in 2020.

**Table 10.** Subsidies by provider, from Early Education Report 2020 by Akbari et al., 2020. p.13.<sup>249</sup>

ECEC provider	Government funding per space/day
CPEs	CAD \$58.15 (£33.95)
Home-based (coordinating offices and home childcare providers)	CAD \$24.56 (£14.34)
Subsidized childcare centres	CAD \$47.29 (£27.61)

## Market regulation

The Ministry of Family (Ministère de la Famille) is the regulator responsible for issuing licences and permits to ECEC providers and for inspecting regulated childcare services. Licences are issued for a five-year period and there are no specific financial regulations that govern who can be issued a permit. Inspections are targeted at monitoring compliance with regulations, with a particular focus on health and safety, and can either take the form of full inspections or partial inspections<sup>250 251</sup>

Full inspections (*inspections complètes*) are scheduled visits with at least one taking place within six months of a facility being licenced, when the licence is being renewed or if information is required. These full inspections are focused on compliance. Partial inspections (*inspections partielles*) are unannounced visits and may take place as follow ups, as a result of complaints or for verification of information.<sup>252</sup> The results of these inspections are publicly available online.<sup>253</sup>

Childcare providers are also required to carry out internal evaluation focused more on the quality of education and outcomes. Guidance is provided by the Ministry on the tools to be

<sup>248</sup> Quebec Ministère des Finances: Cost of a childcare space for 2023. 2023. <http://www.budget.finances.gouv.qc.ca/budget/outils/garde-net-en.asp>

<sup>249</sup> Akbari, E., McCuaig, K., & Foster, D. The Early Childhood Education Report 2020. Ontario Institute for Studies in Education/ University of Toronto. 2021. [https://ecereport.ca/media/uploads/2021-profiles-en/quebec\\_profile\\_en\\_2020.pdf](https://ecereport.ca/media/uploads/2021-profiles-en/quebec_profile_en_2020.pdf)

<sup>250</sup> Gouvernement du Quebec, Ministère de la Famille. Politique d'inspection. 2019. <https://www.mfa.gouv.qc.ca/fr/publication/Documents/Politique-inspection-garde-reconnue.pdf>

<sup>251</sup> Quebec Ministry of Family. Compliance of recognized educational childcare services. 2023. <https://www.mfa.gouv.qc.ca/fr/services-de-garde/cpe-garderies/inspection/Pages/index.aspx>

<sup>252</sup> Childcare Research and Resource Unit. Early Childhood Education and Care in Canada 2021. Quebec. [https://childcarecanada.org/sites/default/files/ECEC-2021-Quebec\\_0.pdf](https://childcarecanada.org/sites/default/files/ECEC-2021-Quebec_0.pdf)

<sup>253</sup> Ibid. Quebec Ministry of Family. Compliance of recognized educational childcare services. 2023.



used and documentation required and this is a collaborative process between providers and the Ministry to help build a picture of quality and outcomes.<sup>254 255</sup>

Parental involvement is required for CPEs with two-thirds of the board of directors made up of (a minimum of five) parent-users or future clients of the centre. The chair of this board must also be a parent. In the case of for-profit providers, parents must be involved as an advisory group that is consulted all aspects of the delivery of provision.<sup>256</sup>

### **Staff qualifications and training**

The Educational Childcare Regulation under the Educational Childcare Act has set out the minimum level of qualifications required for the ECEC workforce as well as the minimum number of staff that must hold qualifications in different settings. These requirements are briefly outlined below<sup>257</sup>:

- For centre-based care, at least two staff members out of three that are present must hold recognised qualifications.
- Home childcare providers are required to either complete 45 hours of training (provided by the Ministry) or they must hold a diploma in early childhood education or another recognised certification. Six hours of refresher training must also be taken annually.
- Staff are also required to hold first aid certification and this must be renewed every three years.

New providers are given five years to meet these requirements but must ensure that a third of staff is qualified.<sup>258</sup>

### **Ratios**

The Educational Childcare Regulation also sets standards for group sizes and ratios into law. These are set as below for regulated centre based childcare<sup>259</sup>:

- Children aged 0 to 18 months - 1:5
- Children aged 18 months to 4 years – 1:8
- Children aged 4 to 5 years – 1:10
- Children aged 5 and over – 1:20

Maximum group sizes for home care providers are as follows<sup>260</sup>:

- For one provider without assistance – maximum of 6 children, of which only 2 can be under 18 months old.
- For a provider with assistance – a maximum of 9 children, of which 4 can be under 18 months.

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<sup>254</sup> Ibid. Childcare Research and Resource Unit. Early Childhood Education and Care in Canada. 2021.

<sup>255</sup> Quebec Ministry of Family. Assessment and improvement of educational quality. 2023. <https://www.mfa.gouv.qc.ca/fr/services-de-garde/cpe-garderies/qualite-educative/Pages/evaluation-amelioration-qualite.aspx>

<sup>256</sup> Ibid. Childcare Research and Resource Unit. Early Childhood Education and Care in Canada. 2021.

<sup>257</sup> Quebec Ministère de la Famille. A sufficient number of qualified staff. 2020. <https://www.mfa.gouv.qc.ca/en/services-de-garde/legal-illegal-reconnu/services-garde-reconnus/Pages/personnel-en-nombre-suffisant-et-qualifie.aspx>

<sup>258</sup> Ibid. Childcare Research and Resource Unit. Early Childhood Education and Care in Canada. 2021.

<sup>259</sup> Publications Quebec. s-4.1.1, r. 2 - Educational Childcare Regulation. 2023. <https://www.legisquebec.gouv.qc.ca/en/document/cr/s-4.1.1,%20r.%202>

<sup>260</sup> Akbari E, McCuaig K, Foster D. The Early Childhood Education Report 2020. Ontario Institute for Studies in Education/ University of Toronto. 2021. [https://ecereport.ca/media/uploads/2021-profiles-en/quebec\\_profile\\_en\\_2020.pdf](https://ecereport.ca/media/uploads/2021-profiles-en/quebec_profile_en_2020.pdf)

## Curriculum

There is no national curriculum in Canada due to education being the responsibility of provincial governments. In Québec, a framework exists for funded ECEC institutions and childcare providers in the form of the *Accueillir la Petite Enfance* (Welcoming Early Childhood) programme.<sup>261</sup> It aligns with preschool programs in Québec schools and the Integrated Perinatal and Early Childhood Services offered by the Ministry of Health and Social Services (“MSSS”) and aims to ensure that children can successfully transition into formal schooling.<sup>262</sup>

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<sup>261</sup> Québec: Ministry of Family. Educational Program. 2019. <https://www.mfa.gouv.qc.ca/fr/services-de-garde/cpe-garderies/programme-educatif/Pages/index.aspx>

<sup>262</sup> Ibid. Akbari et al. The Early Childhood Education Report 2020.

# The path to transformation: looking ahead to Part 2

This report has presented an overview of the ECEC systems of five countries/territories, with a specific focus on the market structure in these places and how these markets are regulated. This sets the context and gives us the information to explore in-depth how these countries have sought to transform their systems, what aims that transformation has prioritised and what that has meant in terms of outcomes and experiences for various stakeholders including children, parents and families, providers, and the workforce.

Having set this context, we will now aim to understand what these systems look like in practice and how they are experienced by those who have to navigate them. We will do this by holding two roundtable discussions and one-to-one conversations with policy makers, politicians, campaigners, provider and workforce representatives and parents groups from these countries. These conversations will seek to fill in the gaps in this report as well as provide the necessary qualitative background to really enable us to understand the journey of transformation for these countries and identify learnings as we begin to design our own transformation.

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