AN EQUAL START?

Providing quality early education and care for disadvantaged children

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The countries covered

UK (Ludovica Gambaro, Kitty Stewart and Jane Waldfogel)
Norway (Anne-Lise Ellingsæter)
France (Jeanne Fagnani)
the Netherlands (Emre Akgündüz Janneke Plantenga)
Germany (Pamela Oberhuemer)
New Zealand (Helen May)
Australia (Deb Brennan and Marianne Fenech)
USA (Jane Waldfogel and Katherine Magnuson)
Which policies in different countries enable disadvantaged children to receive high quality early education and care?
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• Children under compulsory schooling age
• Disadvantage: income, but also immigration status or ethnicity
• The meaning of quality varies, but everywhere it entails being responsive to children’s needs and able to foster their development
• “Nuts and bolts”: how can disadvantaged children access high quality services?
THREE CONNECTED AND COMPETING POLICY GOALS

Access

Quality

Affordability
POLICY INSTRUMENTS

- Direct provision
- Funding
- Regulation
Policy instruments

- Direct provision
- Mixed economy
- Funding
- Regulation

Early education and care offered by different types of organisations: not-for-profit, corporate chains, for-profit, state schools, self-employed in their home, parents-run centres...
Mixed Economy in the UK

**Strengths**

- Strong maintained sector staffed with teachers, catering for 3 and 4 year olds from the most deprived areas
- Large voluntary sector, where improvements in quality have been marked

**Risks**

- Large private for profit sector – corporate chains
- Segregation and fragmentation due to different opening hours and different locations
POLICY INSTRUMENTS

- Mixed economy
- Funding
- Regulation

Challenging to achieve access, quality and affordability through these levers in a context of very different providers.
Funding
the UK vs. other countries

Subsidies for families
• Only working families
• Complicated, upfront fees + reimbursement
  • Australia: non working parents are eligible and subsidies can go directly to providers
• Not very generous: parents pay from 30% to 100%
  • Netherlands: all working parents are eligible and pay from 3.5% to 66% of fees

Funding to providers
• Only for the free entitlement
• Flat rate: no quality or disadvantage premia
  • France: flat funding combined with income related fees (crèches)
  • New Zealand: “quality banded funding”, based on proportion of staff who are qualified teachers
REGULATION:
ALL COUNTRIES USE SIMILAR LEVERS

• Staff qualification and training requirements
• Child-to-staff ratios
• Curriculum
• Inspections and monitoring
Regulation: The UK relies on some more than on others.
Policy Instruments: In UK Poor Integration

- Mixed economy: Access
- Funding: Affordability
- Regulation: Quality
**Policy Instruments: Stronger Integration in Other Countries**

**Access**
- **Norway:** Prices capped and profits need to be “reasonable”
- **France:** Private providers can receive public funding only if they operate income-related fees

**Quality**
- **US:** In NC financial incentives towards quality first, then mandatory requirements

**Regulation**

**Funding**

**Affordability**

**Mixed Economy**
Policy conclusions for the UK
(1) SPENDING

• Increases in spending in the UK in last 20 years have delivered improvements in quality and coverage (and some improvements in affordability)
• Overall spending needs to continue to rise if we want further progress
• Cross-national spending comparisons fraught with difficulty!!
  – But UK spending substantially less than Norway, France
  – Possibly UK spending higher than Germany and the Netherlands – but quality concerns in both
Graduate teachers or early specialists are key to high quality provision

The norm in Norway, France, NZ; the model for high quality in Australia

Countries with few graduates – US, Germany, Netherlands – score low on measures of process quality

Germany and Netherlands have stronger vocational training (so the low graduate model looks different there than here)
Percentage of 3 year olds in England accessing the free entitlement in a setting with a teacher and/or Early Years Professional, by area disadvantage

- **Least poor**: 47%
- **Poorest**: 20%

**Legend**:
- **Teacher only**
- **Teacher + EYP**
- **EYP only**
- **No specialised graduate**
WHERE SHOULD THE GRADUATES GO FIRST?

• All three year olds to have a teacher?

• OR all two year olds receiving the free entitlement to have a teacher?
• Current funding for the free entitlement is essentially flat rate: local authority base rate per child [plus tiny and little used top-ups for quality or disadvantage]

= Very difficult for settings to improve qualification levels

• State subsidy beyond entitlement blind to quality of provision

= Settings can only spend more on staff if they can pass cost on to parents
Percentage of 3 year olds in England accessing the free entitlement in a setting with a teacher and/or Early Years Professional, by area disadvantage, WITHOUT SCHOOLS (PVI ONLY)

- Least poor: 41%
- Poorest: 37%

Legend:
- Green: Teacher only
- Brown: Teacher + EYP
- Light green: EYP only
- Grey: No specialised graduate
(3) **Link state funding to qualification levels**

- Funding for the entitlement should be linked to qualification levels – as in New Zealand, and some US states

- Supply side funding to support investment in qualifications beyond the entitlement – as was done with Graduate Leader Fund

- Structuring funding in this way would:
  - Help to improve standards overall
  - Ensure lower income families not priced out of quality
  - Help with a gradual transition to a higher qualified workforce
A stronger link needed between state funding and disadvantage

Currently 3 and 4 year old funding is a flat per capita rate – unlike funding for older school children

A ‘pupil premium’ in the early years? – see also examples in Bavaria and Hamburg
(4) **Link state funding to pupil and area disadvantage**

- A stronger link needed between state funding and *area* disadvantage

- Beyond the entitlement, current funding is demand side, supporting parental choice but not sustainability in poorer areas.

- Sustained area-based funding needed alongside demand side support – as for Neighbourhood Nurseries Initiative, Sure Start, and as in France
(5) Reducing the Costs of Fragmentation

- Fragmentation of the mixed economy raises three issues:
  - Lack of continuity for individual children
  - Different ‘types’ of children going to different settings (FT/PT, working/non-working) (UK, Netherlands)
    = Social segregation
    = A weaker stepping stone to work

- If a mixed economy is here to stay, what can we do to reduce these costs?
(5) Reducing the Costs of Fragmentation

• Break down the barriers between part-time and full time provision.

• Extend provision to all day in the maintained sector (the French model).

• Explore the possibility of encouraging more part-time provision in what are currently full-day settings
  • With a quality condition! (on qualifications, not only Ofsted ratings)
  • Would require funding that makes it worthwhile for providers… a ‘flexibility premium’?
IN SUM: FIVE POLICY IDEAS

(1) Spend more money
(2) Increase the number of graduates – prioritising the two-year-old offer
(3) Link funding to qualification levels
(4) Link funding to disadvantage (at child and area level)
(5) Reduce segregation by funding schools to offer full day places, and encourage full day settings to offer part-time places.