

# AN EQUAL START?

Providing quality early education and care  
for disadvantaged children



Edited by Ludovica Gambaro, Kitty Stewart  
and Jane Waldfogel



## CASE Social Exclusion Seminar

**LSE, 19.02.2014**

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*with comments by*  
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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)

# THE FOCUS AND SCOPE OF THE BOOK

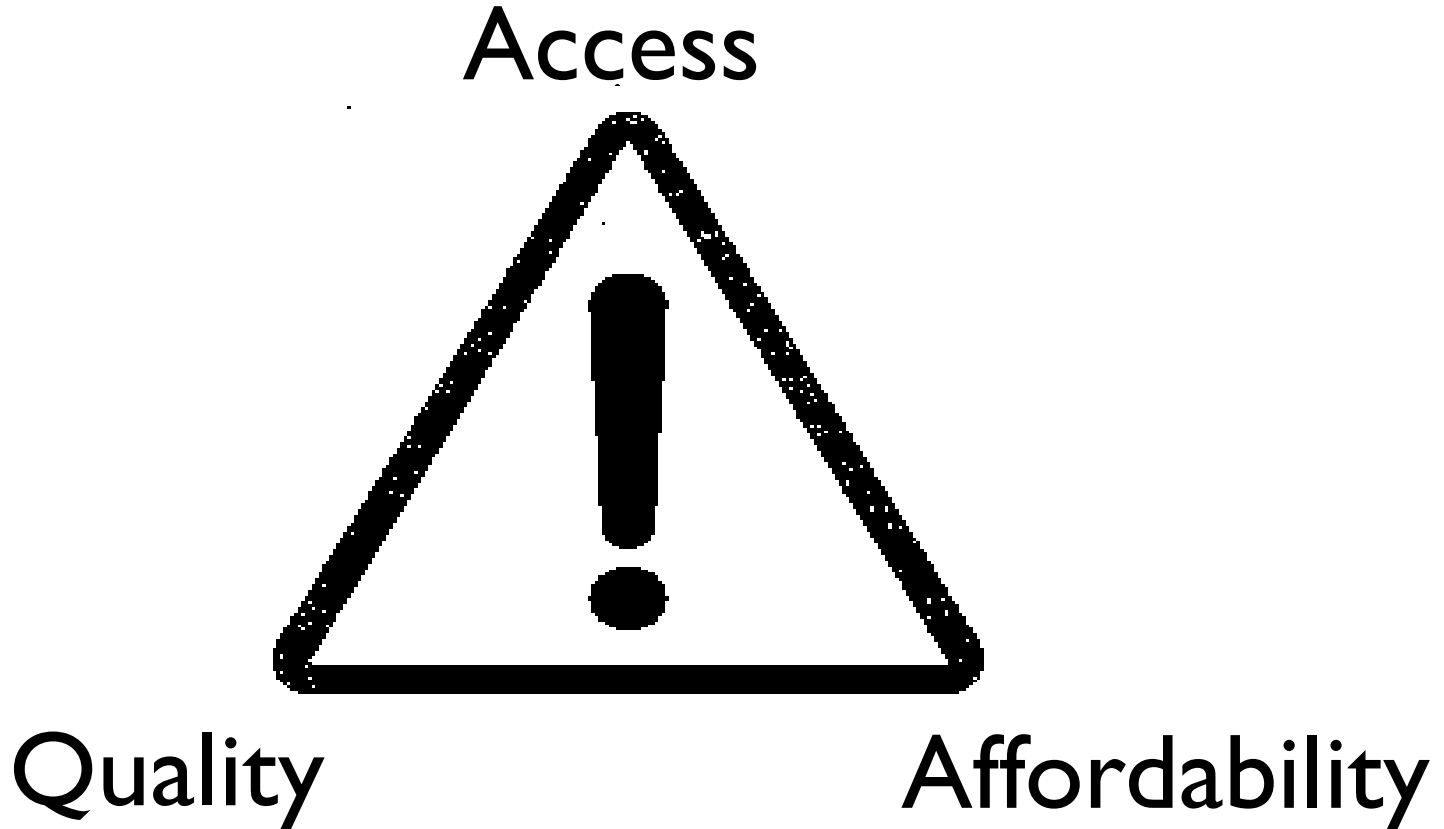
**Which policies in different countries enable disadvantaged children to receive high quality early education and care?**

# THE FOCUS AND SCOPE OF THE BOOK

**Which policies in different countries enable disadvantaged children to receive high quality early education and care?**

- 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



# POLICY INSTRUMENTS

➤ Direct provision

➤ Funding

➤ Regulation

# POLICY INSTRUMENTS

➤ ~~Direct provision~~ *Mixed economy*

➤ Funding

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...

➤ Regulation

# 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

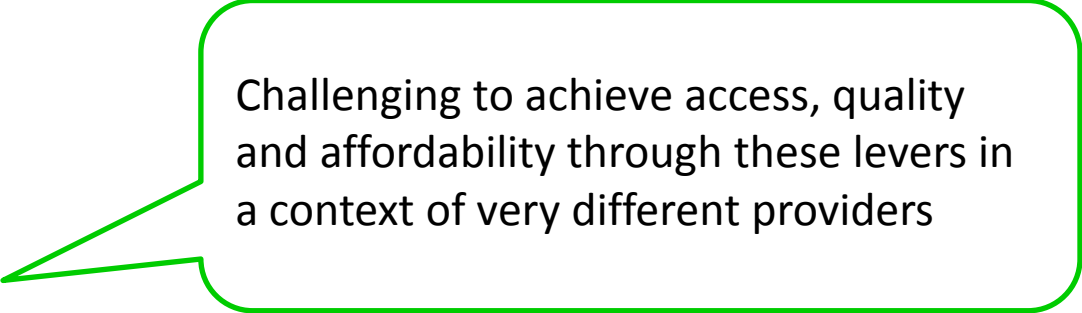


# POLICY INSTRUMENTS

➤ *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

Inspections Ratios Curriculum <sup>Training</sup>  
Qualifications

# POLICY INSTRUMENTS: IN UK POOR INTEGRATION

➤ Mixed economy

Access

➤ Funding

Affordability

➤ Regulation

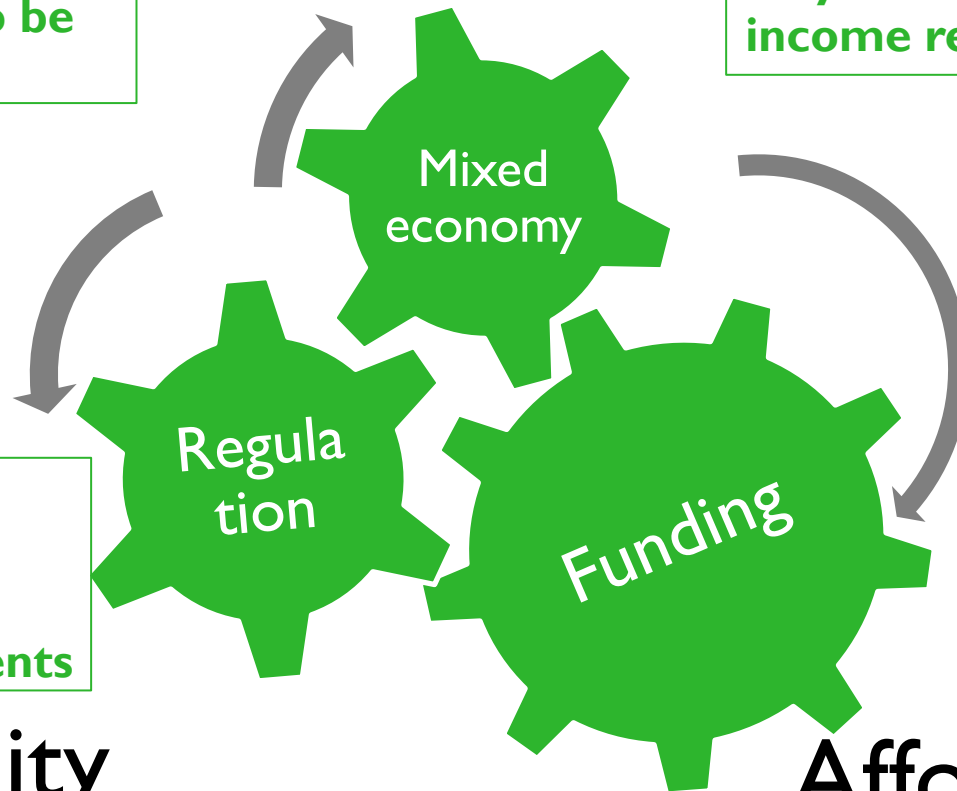
Quality

# 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



US: in NC financial incentives towards quality first, then mandatory requirements

Quality

Affordability

# 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

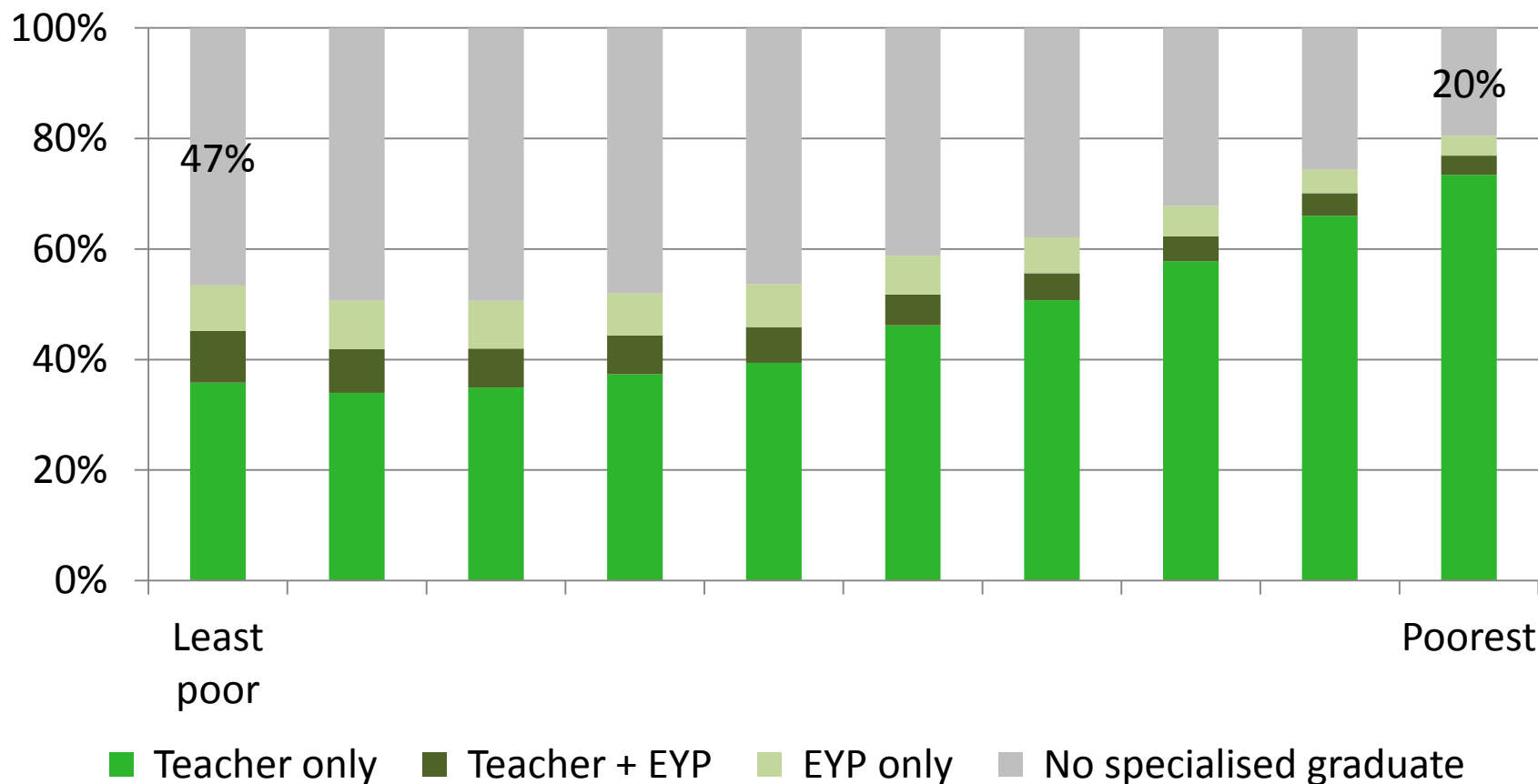


## (2) A HIGHER QUALIFIED WORKFORCE

- 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)

# WHERE SHOULD THE GRADUATES GO FIRST?

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



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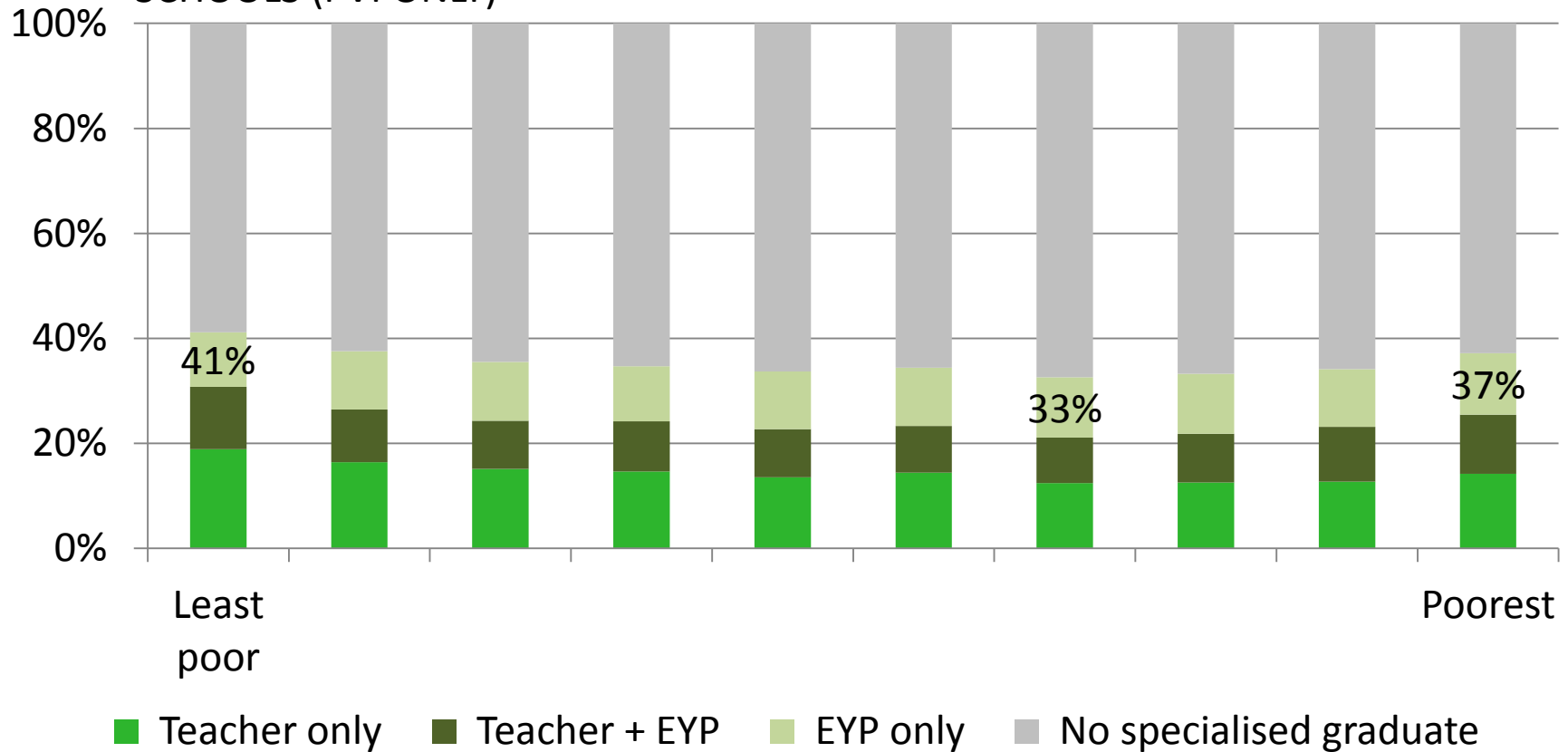
- All three year olds to have a teacher?
- OR all two year olds receiving the free entitlement to have a teacher?

# (3) LINK STATE FUNDING TO QUALIFICATION LEVELS

- 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

# (3) LINK STATE FUNDING TO QUALIFICATION LEVELS

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)



# (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

# (4) LINK STATE FUNDING TO PUPIL AND AREA DISADVANTAGE

- 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.

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