

Young children and their services: developing a European approach

A *Children in Europe* Policy paper

principle ②

Affordability: a free service



This dossier is elaborating on one of the principles in the *Children in Europe* Policy paper 'Young children and their services: developing a European approach'.



*The dossiers of
Children in Europe
are published under
the redaction of
Peter Moss.*

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Affordability: a free service

As services for young children are an entitlement and a public responsibility, they should be provided free of charge. The principle of free access is already implemented in many member states in services for children from 3 to 6 years; it should be extended to services for children under 3 years. Funding for services should come from taxation. The review of evidence by OECD in Starting Strong II concludes that direct funding of services brings more benefits than indirect funding via subsidies to parents.

What does this principle mean?

This principle as stated requires little elaboration or interpretation, providing a clear statement of objective: services for young children, including early childhood education and care for children both under and over 3 years, should be ‘free of charge’ to parents who choose to use them for their children. Many services for children from 3 years of age, often described as ‘early education’, are already free in many European countries. A main implication of the principle, therefore, is to extend this existing practice to services for children under 3 years of age, often described as ‘childcare’ services and seen as primarily providing ‘childcare for working parents’. Another is to move beyond the education/childcare split that exists in most countries today, discussed further below.

The principle also states very clearly that services should be funded directly (i.e. ‘supply funding’), rather than indirectly (i.e. ‘demand funding’) through paying subsidies to parents, for example via tax credits or vouchers; and that funding “should come from taxation”. The reasons for adopting supply funding are considered below. To base funding on general taxation also removes any need for individual employers to be involved in funding the attendance of children at services for some or all of their employees; free attendance is an entitlement of the child, not an occupational benefit of the parent.

Two outstanding issues concern hours and meals. In the former case should the principle of free attendance apply to *all* hours of attendance in services for young children, whether 2 hours a day or 12? Or should it be *limited* to a defined period of attendance, with some form of fee being charged for children attending beyond this period? For example, free attendance might be for a period of time equivalent to the standard (and free of charge) compulsory school day, with parents making an income-related financial contribution for any additional hours that their children attend – a ‘free school hours’ approach.

Principle 2, in the view of *Children in Europe*, requires that all member states should adopt as a minimum the ‘free school hours’ approach. But it should be left to individual member states to decide whether or not to charge parents for additional hours of attendance, with

the proviso that any policy must be ‘affordable’, i.e. any fees charged should be related to parental income and family circumstances.

Similarly, member states should apply the same approach to charging for meals in services for young children as they do to charging for meals in compulsory school.

What is the basis of Principle 2?

Principle 2 is both a condition and a corollary of *Children in Europe’s* whole approach to young children and their services, and is closely inter-related to other principles on which that approach is based, e.g.:

SERVICES AS AN ENTITLEMENT FOR ALL CHILDREN (PRINCIPLE 1):

It is important to note that this most basic of principles is an entitlement for children, not for their parents; these services are, first and foremost, for the benefit of children, benefit for parents and others being a secondary (though still important) consideration. This point is emphasised by the UN Committee on the Rights of the Child: “The Committee interprets the right [of the child] to education during early childhood as beginning at birth and closely linked to young children’s right to maximum development” (UN Committee on the Rights of the Child, 2006). If ‘all children should be entitled to a place in services for young children’, this presumes universally available services with no obstacles to attendance, including no financial constraints on participation. These services should be treated, therefore, on the same basis as other universally available public services, a principle stated clearly nearly 40 years ago in the UK: “for a society which provides free education, including free higher education, and a free health service, a free pre-school service is a logical corollary” (Tizard et al., 1976).

HOLISTIC AND MULTI-PURPOSE PEDAGOGICAL APPROACH (PRINCIPLE 3):

“the child requires a service that is holistic in approach, which assumes the inseparability of care and education”. All services should “provide safe and secure care” and “work with an ethic of care” as part of an holistic approach which also “includes learning, social relationships, ethics, aesthetics, and emotional and physical well-being”. Our concept of services for young children, therefore, does away with the distinction between ‘childcare services’ (for which the parent pays) and ‘education services’ (for which society pays), to be replaced by a “holistic and multi-purpose pedagogical approach” – what we term “education in its broadest sense” – in which care is an intrinsic part, and inseparable from learning and other activities that go to make up this broad and holistic educational approach. Services so conceptualised should no longer be artificially divided between ‘childcare’ and ‘early education’, and should adopt the general principle applied to existing education services for children and young people: that they should be free of charge to children and parents at the time of use, to be paid for collectively by society as a whole.

PARTICIPATION (PRINCIPLE 4):

if services are to “embody participation as an essential value, as an expression of democracy, and as a means to combat social exclusion”, then all obstacles to participation must be removed. One of these is the cost to parents of using services – though we recognise that there are other obstacles, too, and free services by themselves will not ensure participation.

COHERENCE... TO SUPPORT A COMMON APPROACH (PRINCIPLE 5):

“all services should operate within a single and coherent policy framework that ensures a common approach and shared condition across all services for children in certain key areas... [which should include] affordability”. This principle contests the split system of early childhood services found in most countries today, with two disparate sets of conditions in services for young children, including funding and affordability, parents paying (in part at least) for ‘childcare’ while ‘education’ is (mostly) provided free of charge. Principle 2 extends ‘free of charge’ to all services, which are reconceptualised as providing a holistic concept of education, in which care is an intrinsic part. The principle not only brings coherence across all early childhood services, but also between these services and compulsory schooling.

Principle 2 is also closely connected with another principle: ‘valuing the work’, principle 9. Funding should be sufficient to ensure proper valuation of the work undertaken in services for young children, work which is complex, demanding and important, work which requires a well-educated and adequately paid professional workforce. Under no circumstances should a free service be dependent on the low pay of those who are employed in it, a form of subsidisation that exists in far too many countries at present, especially among those who work with children under 3 years and in so-called ‘childcare services’. A free service should instead be based on an adequate, secure and sustainable funding base.

Principle 2 argues that this base should be provided by the direct funding of services from taxation, the formula applied to most if not all compulsory schooling. In arguing for tax-based supply-funding, we draw on the conclusions of the *Starting Strong* review of early childhood policies undertaken by the OECD in 20 countries, including 14 that are currently in the European Union. The second report of this project concludes that, as compared to paying subsidies direct to parents,

direct public funding of services brings, for the moment at least, more effective control, advantages of scale, more even national quality, more effective training for educators and a higher degree of equity in access and participation than parent subsidy models (OECD, 2006).

Apart from these important pragmatic arguments, there is a point of principle for funding services rather than parents. Demand funding, with subsidies paid direct to parents, is based on a particular marketised concept of services: as businesses selling commodities to parent-consumers, some of whom are deemed in need of subsidy to help them in the exercise of individual choice in the market – in effect, to facilitate their ‘shopping around’ for the best buy. The operation of markets in early childhood services has been subject to criticism, concluding that the case for markets in early childhood education, judged in its own terms, is not proven (see for example Moss, P., 2014). But the *Children in Europe* approach to services for young children takes issue with the very principle of marketisation of services. It argues instead that these services are public institutions for citizens, playing a central role in creating more cohesive and inclusive societies, and that choice should

be exercised, first and foremost, through democratic participation and practice.

This principle also contests another understanding of early childhood services: as measures to ensure a sufficient supply of the right kind of labour. Sometimes subsidies to parents are paid by individual employers as a form of occupational benefit to certain members of their workforce, and on the basis of an employer's assessment of the labour market value of the parents who are subsidised in this way; not surprisingly, such subsidies are more likely to be awarded to higher paid and more valued employees. But services for young children are not primarily an employment benefit or an occupational incentive. They are, we repeat, an entitlement for all children, irrespective of parental employment, and a multi-purpose public service of benefit to all families. Financial support for these services should not depend on employers' assessments of economic return for their businesses, anymore than access to health services or compulsory education should do so. The only acceptable employer contribution to funding should be through the taxation or social security system, to which all employers should contribute.

What is the EU position?

To date, the European Union has been well-meaning but far too vague on the costs and funding of services for young children, not producing a clear position or measurable criterion on this subject.

The 1992 *Recommendation on Child Care* refers only to member states making "endeavours" to "ensure that... services are offered at prices affordable to parents". The so-called Barcelona targets, agreed at the 2002 *European Council*, set targets for 'childcare' for 2010, but without saying anything about how the resulting services should be funded or the costs for parents. Moreover, the targets include both paid-for 'childcare' services and free 'early education' services, with no recognition of or comment on this anomalous funding situation – everything is lumped together under the misleading heading of 'childcare'.

The 2011 *European Commission Communication on Early Childhood Education and Care: Providing all our*

*children with the best start for the world of tomorrow*¹ argues for universal early childhood education and care (ECEC) services and states that "[r]ealizing the potential of ECEC to address the inclusion challenges outlined above depends on the design and funding of the ECEC system". Emphasis is placed on the need "to ensure that funding is used in the most efficient way" and it is implied that this is best achieved through "market-based services [because they] have the potential to limit public expenditure and allow greater choice and control for parents" – though no explanation is given as to how or why "market-based services" might "limit public expenditure" (because they drive down pay? because they result in other unspecified economies? because it is easier to justify parents paying fees in a marketised system?)². The Communication then seems to have some doubts about "market-based services", adding that "this should not be allowed to restrict the availability of high quality services for all" and warning that while "[l]ow-income families tend to have the greatest need for childcare early and at the lowest possible cost... [they] often cannot afford market-based ECEC services for their children".

Otherwise the document is generally short on specific recommendations, falling back on a non-committal call for more policy cooperation between member states on "increasing affordability" for disadvantaged children and "designing efficient funding models". In sum, 'efficiency' predominates at the expense of any other consideration of principle.

The subsequent 2011 *Council [of Ministers] Conclusions on early childhood education and care: providing all our children with the best start for the world of tomorrow*³ adds little to the Commission's earlier document, with the anodyne reflection that "measures to meet the dual challenge of providing generalised equitable access to early childhood education and care, while raising the quality of provision, could include... designing efficient funding models, including targeted funding, which

1 <http://eur-lex.europa.eu/legal-content/EN/ALL/?jsessionId=vQBjTRJY5fyzTGfpLM7PChTfML1VWlnCJknCbZ1ZTgrZRlIN2hq!-1991583355?uri=C ELEX:52011DC0066>

2 The Commission also unquestioningly equates parental choice and control with marketised services, adopting a neoliberal position and ignoring alternative, democratic concepts of choice and control that are embodied in the principles adopted by Children in Europe.

3 <http://register.consilium.europa.eu/doc/srv?!=EN&f=ST%206264%202011%20INIT>.

strike the right balance between public and private investment in accordance with national and local circumstances”. In fact, ‘efficiency’ is the order of the day, appearing five times in this short document, whilst other principles of funding are notable by their absence (and it would, of course, be strange for a member state to design an inefficient funding model!).

The 2013 *European Commission Recommendation Investing in children: breaking the cycle of disadvantage*⁴, calls on members states to intensify “efforts to ensure that all families, including those in vulnerable situations and living in disadvantaged areas, have effective access to affordable, quality early childhood education and care”. Having stated this broad objective, the document has nothing further to say about the meaning of ‘effective access’ or ‘affordable’ or how these goals might be ensured. The statement, therefore, is both hard to disagree with, but also in effect meaningless.

Most recently, in the Report of a Working Group on Early Childhood Education and Care under the auspices of the European Commission, it is stated that high quality early childhood education and care requires “provision that is available and affordable to all families and their children”. The report goes on to say that “to provide a substantial contribution to the educational opportunities and life chances of disadvantaged children – and therefore to social inclusion – ECEC needs to be available, affordable and accessible”. It is implied that ‘affordable’ provision is “either free from costs or based on income-related fees.” (European Commission, 2014)

The current situation among EU member states

A recent report on early childhood education and care in Europe (including all 28 EU member states, plus Iceland, Norway, Switzerland and Turkey) concludes that most European countries

offer at least one year of free pre-primary education, while in approximately half of European education systems, the entire period of ISCED 0 (centre-based educational programmes for over 3 year olds) is provided free of charge...

Where free pre-primary education is available, parents usually have to pay for meals taken during the session (Eurydice and Eurostat, 2014).

In a few countries, such as Belgium, France and Malta, children can be admitted to free pre-primary education in the second half of their third year, i.e. while they are still 2-years-old.

However, all ECEC, up to school age, requires parent contributions in a few countries - Denmark, most *Länder* in Germany, Estonia, Croatia, Slovenia, Iceland, Turkey and Norway - though these countries may still offer fee reductions or exemptions for some families or targeted support for families through tax relief, allowances or vouchers to reduce or offset the costs of ECEC.

If services for children over 3 years are mostly free of charge, parents generally have to make some payment towards the cost of services for children under 3 years and these costs vary considerably between countries. The same report concludes that

[m]onthly fees for centre-based ECEC for children under 3 years old tend to be the lowest in Eastern European countries... [but] even though the fees for ECEC are low in these countries, the demand for ECEC places for younger children often outweighs supply. In contrast, ECEC is both affordable and available in Nordic countries... Average monthly fees for ECEC for younger children are the highest in those countries where private provision predominates (Eurydice and Eurostat, 2014, p. 85).

It should be noted that a few countries have implemented the principle that all publicly-funded services should be free of charge, both for children under and over 3 years, notably in Hungary, Latvia, Lithuania and Romania. But in these countries there is no entitlement to a place and, in practice, demand far exceeds supply especially for the youngest age group. There is therefore, a free service, but one that many children cannot access. No country combines free and universal access to services for all ages of young children.

⁴ http://ec.europa.eu/justice/fundamental-rights/files/c_2013_778_en.pdf.

Examples of the principle being realised

Many parents in Europe already have daily experience of free services for young children, in those countries that offer two or more years of free early education to children from 2 or 3 years of age to compulsory schooling. In many cases, attendance in such services is a specific entitlement for children; while in a few cases, attendance is now compulsory for a year or more. The hours covered by such free provision vary, for example from 15 hours per week in the UK to more than 30 hours a week in France⁵ and in Belgium. So whatever the hours, the principle of a free service is widely established, at least for older pre-school children. The issue is to extend the principle to children either from birth or from the end of a well-paid period of Parental leave.

So far no country has entirely free services for all young children – from birth to compulsory school age; in all cases some charges are made for the youngest children, under 2½ to 3 years. However, in many cases the principle is accepted that these charges to parents should be capped or related to income. Here are two examples.

In Sweden, there is an entitlement to a place in a publicly-funded centre for all children from 12 months of age, with 525 hours a year provided free for 3 to 6 year olds. Parents contribute towards the cost of additional hours of attendance for this age group *and* for all hours of attendance for children under 3 years, on an income-related basis. But there is a cap on parental payments, setting a maximum amount that any family pays. This ‘maximum fee’ is set at 3 per cent of income up to a maximum of € 136 per month⁶ for a first child; 2 per cent up to a maximum of € 91 for a second child; and 1 per cent up to a maximum of € 45 for a third child. So the most parents would pay for two children in early years’ services in Sweden would be €233 a month.

In Belgium, full-time pre-primary school is provided free for 2½ to 6 years olds. For younger children, in public-funded services, the parents pay a fee according to their income: in the Flemish Community, between €1,54 and €27,36 a day; in the Fédération Wallonie-Bruxelles⁷, between €2.31 and €32.68; and in the German-speaking Community, between €1.29 and €27.

Next steps

1. Member states should calculate the full costs of a free service that also meets other principles, and based on a ‘free school hours’ approach.
2. Member states should develop a policy, to be implemented in stages, to ensure a coherent approach to the funding of all services for young children, based on a ‘free school hours’ approach and direct funding of services in the context of developing a “coherent policy framework that ensures a common approach and shared conditions across all services for young children in certain key areas” (Principle 5).
3. The policy should be implemented in stages over a 5 to 10-year period, e.g.:
 - a. ‘Free school hours’ service for children over 3 years of age;
 - b. Maximum fee for all other services (i.e. for children under 3 and more than school hours for older children);
 - c. Extend ‘free school hours’ service to children under 3 years.

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December 2014

⁵ This refers to a child staying at school during the lunch break, making a 7.5 hour day, and assumes a child either attends the voluntary Saturday morning session or that the school operates on Wednesday, when many schools close.

⁶ Currency conversion on 26 November 2014, using yahoo currency converter.

⁷ These services account for approximately 80 per cent of all childcare places. Costs to parents using unsubsidised private services are tax deductible.

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