

# Importance of childcare to the economy has been recognised at last <sup>[1]</sup>

The €75m support package represents a seismic shift in terms of how the sector is perceived politically and economically

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## AVAILABILITY

Access online <sup>[2]</sup>

## EXCERPTS

During the pandemic the State effectively nationalised the early childhood care and education sector by committing to pay the salaries of educators and contributing 15 per cent of staffing costs towards overheads. But concerns about reopening and future sustainability remained. These concerns increased with the launch of the roadmap for reopening business and society which indicated that early childhood settings would open on a phased basis from June 29th.

Talk in the meantime of a play-pod approach, social distancing, reduced numbers and public health guidelines, added to the anxiety in the sector. Providers were rightly concerned about the future. In spite of an unprecedented 141 per cent increase in investment during Katherine Zappone's tenure as minister for children, the sector is chronically underfunded and public spending as a percentage of GDP is the lowest of any OECD country.

As a result, early childhood educators are amongst the lowest paid of all professional groups, with a staggering 61 per cent of those working in the sector on March 12th when settings first closed, earning less than the living wage of €12.30 per hour. There is a perception that the sector is undervalued and under-appreciated.

The announcement of a €75 million funding package for the reopening of the sector represents a seismic shift in terms of how the sector is perceived politically and economically. The package, which comprises four key elements, will support providers with operational costs, adherence to reopening guidelines, staff salaries and affordability for parents. Registered centre-based providers will receive a capital grant to help them adhere to reopening guidelines by improving hygiene facilities and outdoor play areas. They will also receive a reopening grant to help with operational costs associated with additional cleaning to ensure that hygiene standards are met; to provide training to staff on guidelines for reopening; and to provide additional learning resources, books and toys so that each play-pod has their own, for example.

The temporary wage subsidy scheme will continue to the end of August for ECCE services that reopen on June 29th. It will provide an 85 per cent (or 70 per cent for higher incomes) contribution towards the cost of wages. Finally, all DCYA childcare subsidisation schemes will resume, as will the charging of fees to privately paying parents.

This is an extraordinary package by any standards. No other sector has received anything like this. Which raises the question why? The answer is obvious. It's the economy stupid.

## Much-needed financial lifeline

I am not referring to the 13 per cent return on investment that accrues from quality ECCE provision, oft mentioned by the Nobel laureate Prof James Heckmann. While critically important, Prof Heckmann's call for systemic investment in ECCE is frequently overlooked.

The €75 million funding package enables the reopening of the economy. In the absence of early childhood settings, the remainder of the economy becomes paralysed. Parents cannot return to work, education, or training, without ECCE provision.

The funding package is welcome. It provides a much-needed financial lifeline to a beleaguered sector in these challenging times. By ensuring that settings can reopen and remain open, the State has certified continuity for children, parents and families. Children more than anyone else need stability right now. They have suffered inordinately because of the pandemic, unable to attend school, early childhood settings, visit and play with friends, neighbours, and in some instances, not been able to hug their grandparents. Overall, the DCYA funding package is about getting the economy going again, but it is also about children's needs and rights.

The crisis has shone a political spotlight on the ECCE sector. There is growing recognition of the importance of the sector to the economy as well as to children's well-being, learning and development. For now at least, the sector is valued and appreciated. There is no doubt that the sector has experienced a paradigm shift economically and politically.

Earlier during the pandemic, I asked if a platform had been laid for a State funded childcare system in the future. One thing is certain, we cannot return to pre-Covid conditions where the sector was characterised by high parental fees, low wages, unacceptable levels of staff turnover and inconsistent quality. It is time to advance a quality, equitable, universal system for children, parents and educators.

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