

Why Britain's childcare system is on the brink of collapse ^[1]

With huge numbers of nurseries closing, the UK is now suffering the consequences of decades of failure to respect one of the most important jobs in society.

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EXCERPTS

When the UK went into lockdown in March, Jessica Breakwell kept all five of the nurseries she runs in Hertfordshire open. Many of the parents were essential workers, and most of the children needed her nurseries to stay open too. Almost all the toddlers Breakwell cares for became eligible for government-funded childcare when they turned two, either because their parents are unemployed or on very low incomes, or because they are in local authority care or classed as vulnerable. Some of the children who arrive at her nurseries at 24 months old are developmentally only between 8 and 15 months old; Breakwell makes sure that by the time they leave to start school, they are reaching or surpassing their development milestones. She sees part of her job as supporting parents, some of whom have had difficult childhoods themselves and may find it hard to model the loving, stable parenting they so want for their own children. She partnered with a local food charity after lockdown began, so that she and her staff could deliver groceries to families she knew were struggling, or to parents too afraid to go out.

In early May, a box arrived at one of Breakwell's nurseries, sent by the local council. It contained masks, aprons, gloves, bin-liners, disinfectant and one bottle of hand sanitiser, to be shared between her five nurseries. The emails she'd received from Hertfordshire County Council in March about keeping her nurseries open to care for the children of essential workers had made no mention of any need for personal protective equipment (PPE) and offered no advice on how to prevent the virus spreading within her nurseries. A letter in April had conceded that children cannot "social distance" but assured her that "good handwashing practice is sufficient".

"We were looking after these children whose parents, I later found out, were working on Covid wards and we had nothing, nothing at all," Breakwell told me when we spoke by phone in early August. The episode confirmed something she'd felt often in the 18 years since she opened her first nursery: that childcare workers are undervalued and overlooked by the government. Even being classed as essential workers hadn't prevented them from being considered "low priority".

Breakwell's nurseries are located in deprived neighbourhoods where parents cannot afford to pay top-up fees, which means her income is limited to the hourly rate she receives from the government for caring for at-risk children aged two, and three and four-year-olds who are eligible for free childcare. The government subsidies, which have not kept up with inflation, mean she can only afford to pay most staff around £8 an hour. A nursery worker is a teacher, a nurse, a social worker and a cleaner, all rolled into one – though, as Breakwell observed, many cleaners can charge double her hourly rate. In August, a survey by the Social Mobility Commission found that one in eight childcare workers in the UK earns less than £5 an hour, and that the average hourly wage in the sector is £7.42. The national living wage is £8.72 an hour.

Even though nursery staff are among the lowest-paid workers in the UK, British parents face the highest childcare costs in the OECD. The average UK family spends over a third of their earnings on childcare; in France this figure is only 4 per cent. The greater expense does not amount to better service: one study ranked British nurseries 35th out of 50 OECD countries in terms of quality of care. The government's patchwork system of tax relief and subsidies is hard for parents to navigate and can seem illogical: why offer free childcare to at-risk two-year-olds but not before then? Why can other parents only access free childcare hours when their child turns three, and then on terms that are hard to fit around full-time work? Since September 2017, most working parents have been entitled to 30 hours a week of subsidised childcare for their three- and four-year olds, for 38 weeks a year. The policy has made a huge difference to working families and brought the UK closer in line with many other European countries, but still leaves parents scrambling to fill a childcare gap. After all, the average full-time worker works over 42 hours a week and has only 4 weeks' leave.

The result is that in middle-class areas, private nurseries make up for inadequate government funding by charging parents substantial top-up fees, creating a £4.7 billion for-profit nursery sector that is increasingly dominated by international chains such as Bright Horizons and Busy Bees. Meanwhile, in less affluent neighbourhoods, chronically underfunded nurseries keep going bust. Before the pandemic, 17 per cent of nurseries in the poorest parts of the UK were facing closure. One 2019 report found that more than half of British councils did not have enough childcare places for working parents.

"We were in a crisis before the crisis," Neil Leitch, the CEO of a charity called the Early Years Alliance, told me. His charity closed 54 of its

128 nurseries in the twelve months before the pandemic. When we spoke in late July, he was preparing to close nine more, all of them in deprived neighbourhoods where setting up private nurseries doesn't make financial sense for profit-driven chains. A survey by the Early Years Alliance recently found that one in four nurseries in England said they will close in the next year because of financial difficulties; in the poorer parts of the country the number is closer to one in three.

Leitch, a former financier who began volunteering for the Alliance 18 years ago, views early years childcare as fundamental to children's rights. His father was an alcoholic and abusive, and Leitch was taken into local authority care when he was three. He is certain his life chances would have been very different had the abuse not been spotted when he was so young. Early years childcare plays a vital role in safeguarding vulnerable children, and can improve social mobility, too. Research by the Sutton Trust has shown that children from the poorest families are already 11 months behind their more advantaged peers by the time they start school, but that early years childcare can help close this gap. "I did a radio programme just yesterday, and the presenter said, 'I get all this Neil, but why should people who don't have children be paying for other people's children? If you decided to have a child, you damn well pay for it,'" Leitch told me. "And I said to him, 'I've never had this conversation about a school child. Nobody ever says why do we pay for children to go to school?'"

Feminists have also long argued that childcare should be considered a public good, an essential part of a country's infrastructure, like roads or communications. Accessible, affordable, well-funded childcare is fundamental to women's rights, both because it enables mothers to return to work and because society's disregard for care work has made possible the economic subjugation of an almost entirely female workforce of nannies, nursery workers and childminders. The great hope among childcare providers, early years experts and activists is that with the childcare sector on the brink of collapse, the pandemic will force the government to introduce long-overdue reforms.

On 11 May, when the Prime Minister urged those who could not work from home to return to their workplaces, he offered no plans for childcare arrangements except for the unsubstantiated reassurance that he was "sure employers will agree" if parents cannot return to work. Superficially, care work had never been so celebrated – all those Thursday claps for essential workers – nor so visible: small children burst into TV interviews and crashed Zoom conferences. Yet somehow the urgency of securing childcare for the working parents struggling to combine their jobs and full-time care responsibilities went unrecognised. Nurseries and childminders say they suffered because the emergency bailouts were inadequate for childcare providers forced to keep their doors open for small numbers of children: according to a recent report by the Institute for Fiscal Studies, by mid-July, the use of childcare was at 30 per cent of pre-pandemic levels. Nursery workers felt, as ever, that they were treated as an afterthought: while schools received extra funding for deep-cleaning and protective equipment, nurseries did not, and at the last minute, the government changed its guidance to place limits on nurseries' access to its furlough scheme.

My husband and I have been working full-time from home in New York since mid-March while also caring for our two daughters, who celebrated their first and third birthdays in lockdown. We split household responsibilities equally, but even so, this piece was mostly written late at night when the children were asleep or in short, frenetic bursts interrupted by alarming thunks and high-pitched wails and dirty nappies and demands for snacks. In early spring we were too shell-shocked, too relieved to still be well, to notice we were attempting the impossible. By late summer my friends and other parents I canvassed while researching this piece were feeling depressed and desperate. Almost every working mother I spoke to mentioned guilt and a sense of failure: they felt they were failing at work and failing their children. A survey by the Office for National Statistics found that women were taking on the majority of the extra childcare: mothers of children aged five and under did on average 78 per cent more childcare than fathers; those of school-age children spent over three hours a day home-schooling, compared to the two hours put in by fathers. This imbalance is already contributing to a rapid widening of the gender pay gap: by May, mothers were 1.5 times more likely than fathers to have lost their job or quit since lockdown began, according to the Institute for Fiscal Studies. "We're going back at an alarming speed, and we're going back years," Eva Lloyd, a professor of early childhood at the University of East London told me.

Far from being "the great equaliser" – as it was sometimes described initially – the pandemic has magnified existing inequalities. For those fortunate enough to wait out the worst at home, stories of outbreaks in meatpacking plants or Amazon warehouses or fast-fashion factories made it harder to ignore one's complicity in an unequal and exploitative consumer economy. In a privatised childcare sector, the relationship between fee-paying parents and care workers can be starkly unequal and also unusually intimate: what greater trust can you place in someone than to grant them responsibility for your children? My eldest's day nursery in New York closed on 13 March; on 1 April (despite lobbying from parents) the nursery stopped paying the staff; the following month they lost their health insurance coverage. During this period I occasionally spoke by phone to my daughter's favourite teacher. She had cared for her since she was 15 months old and used to sit with her at naptime and hold her hand until she fell asleep. I was often tired and stressed when we spoke, but financially secure and almost smothered by familial love; she didn't know when she'd be in paid work again or when she'd see her own son, who lives with her parents in the Philippines.

In the UK, furloughed childcare workers on 80 per cent pay are trying to get by on "starvation wages", Eva Lloyd told me. For nannies, a large number of whom are migrants, the situation was often worse: their immigration status can bar them from accessing furlough schemes and other public funds. Veronica Deutsch and Anne Marie Sanguigni, two nannies living in London, established the Nanny Solidarity Network in May, a hardship fund for their community that raised £9,000, and received several calls from au pairs who had been made homeless and jobless overnight when their bosses decided to move to their second homes.

Deutsch and Sanguigni are now establishing the UK's first union for nannies, led by nannies, which will be a branch of the Independent Workers of Great Britain union, and will offer legal advice, skill-sharing, mutual support and help with salary negotiations. Deutsch observed how conversations around childcare are often warped by cultural hang-ups about both working motherhood and care work. She explained that working mothers, especially those who employ nannies, are seen as cold and detached, both bad parents and alienatingly rich. "We've created a system that demonises women for outsourcing care and subjugates women for taking on that care," she said. Most

media coverage of Britain's childcare crisis has narrowly focused on stressed-out parents or unprotected, underpaid workers, yet by not exploring the relationships that form between parents, employers and care workers, these pieces fail to capture the extent to which our inability to recognise and properly compensate care work hurts all women, albeit in different ways. "We've created a system that fails women. And we've really cleverly created it in a way that means they blame each other and they don't blame anyone else," Deutsch said.

When I contacted Helen Penn, a visiting professor at the UCL Institute of Education, for her thoughts on how to remodel Britain's failing childcare sector, she told me that she'd written on the subject for the *New Statesman* in the 1980s, "making all the points I would make now". The intervening decades of research and advocacy work have been marked by periods of optimism, such as when Labour was elected in 1997, missed opportunities – Labour "blew" their chance to build a public model for early childcare, Penn said – and slides backwards. She said she couldn't "remember a worse time" to be campaigning on such issues and had been struck by how low expectations have become for what parents and children deserve. "It's not rocket science," she said when I asked her to outline alternative ways of organising early years education and childcare. The Nordic countries have developed an outstanding system of universal, affordable, high-quality childcare, she said, but every country in the EU does it better than the UK. In Sweden, for instance, all children over the age of one can attend full-time preschool in which fees are capped at 3 per cent of parental income. In Germany, children over the age of one are entitled to a place in a state-provided nursery, although the cost to parents varies across the country. The UK, the Netherlands and Ireland are the only EU countries that don't regulate nursery fees; unsurprisingly, parents in these places face the highest costs. The UK's shortfall in state provision is not the global norm, Penn explained: "We're the outliers... Britain and America are just weird places for children".

The New Economics Foundation, a think tank, published a paper in June arguing for a Childcare Infrastructure Fund as an interim measure to avert the complete collapse of the sector. It noted that Australia, Ireland and Canada, which have similar childcare systems, have already intervened to underwrite staff salaries. Under NEF's plans, the fund would cover essential operating costs and staff salaries at all Ofsted-registered providers, while also lifting them to the minimum wage. In exchange, these providers would have to remain open and offer free care to all children (up to their current capacity), prioritising those who are vulnerable or whose parents are key workers. International chains would have to provide clarity on their tax-status and commit to not engaging in dividends or share buy-backs while they are receiving support. It would cost the government around £236 million a month and would initially extend for three.

The programme would represent a shift towards the kind of model that NEF has argued best serves women and children in the long term: one in which providers are funded by the government to deliver free childcare to all children from the end of paid parental leave until they reach school, and in which it's recognised that "childcare is a basic good and public service, rather than a commodity to be bought and sold," as Miranda Hall, an NEF researcher told me. As part of its long-term proposal for transforming Britain's fragmented, privatised childcare system into a universal public service, NEF has proposed a number of measures to curb the sale of nurseries to multinational companies, incentivise the role of non-profits, local councils and parent-led cooperatives in creating childcare settings and to support the unionisation and other collective action by childcare providers. Such developments could form a part of what the Women's Budget Group, a research outfit promoting gender equality, has termed a care-led recovery. It has shown that investing in care creates 2.7 times as many jobs as an equal investment in construction, while simultaneously boosting women's employment and pay. Care work is also much less carbon-intensive than construction, so investment in the care economy could form a crucial part of a green recovery.

There are promising signs that the government is starting to acknowledge the urgency of preventing further mass nursery closures, and is recognising that childcare, as a critical component of a country's economic infrastructure, is crucial to the UK's economic recovery. Tulip Siddiq, the Labour shadow minister for education, has for months been demanding "targeted financial support" for nurseries and childminders. The Conservative government will continue to fund nurseries on the basis of their pre-pandemic headcount until the end of 2020, covering children who have not returned to group childcare, an initiative that Vicky Ford, the minister for children and families, described as "very, very significant levels of support for the sector".

Childcare providers say this still isn't enough to plug their funding gaps and prevent more closures. NEF's Miranda Hall observed that it did, nevertheless, represent a noteworthy policy shift, away from subsidising consumers towards direct investment in providers. "Childcare as a Universal Basic Service is not the kind of policy demand you might expect a Conservative government to consider. But coronavirus has resulted in radical economic interventions that were previously unimaginable. As parts of this essential sector face collapse, massive public investment will at some point be needed sooner or later to bail out providers," Hall explained. The question is what form these investments will take: whether they prop up the current system or make possible the creation of a more sustainable and accessible one. Yet it's important to avoid making the case for reforming childcare in purely economic terms. "Yes, childcare is an essential infrastructure," she said. "But it's just as important as an end itself, to allow women to make choices about their lives, and to allow children to flourish and have equal opportunities."

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