

# Childcare costs across Europe: How do we compare? <sup>[1]</sup>

Only Britain and Switzerland had higher childcare costs in an Irish Examiner survey of Irish people raising children abroad

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## AVAILABILITY

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

## EXCERPTS

There are many pressing social issues in Ireland in 2021, but make no mistake, childcare is among the most grievous.

At present early years care in Ireland doesn't work on any level. The pay is so poor that people can't afford to do the job, while the qualification requirements have risen to entirely outpace the monetary reward.

On the flip side, childcare businesses are struggling to make ends meet, with the recruitment of suitable staff from a dwindling talent pool a never-ending battle.

And then there are the parents, hit with spiralling costs which sees early years care equating to the guts of a second mortgage on a household's finances. The implication of that fact is quite stark - that children in Ireland should only be for people with the money to afford them, or grandparents who don't mind experiencing a second parenthood.

Meanwhile, care providers exit the market or reduce the services they offer, such as caring for six-month-old babies until their first year, because it is simply not cost effective to do so.

None of this is an exaggeration, and all of it is the case despite Ireland having one genuine early years care achievement to its name - the provision of two years' free pre-school education for children aged three years and older via the Early Childhood Care and Education (ECCE) scheme.

Take a family with two children aged two and four in Dublin. Creche fees for a child aged between one and three will likely be €900 at a minimum per month, having climbed steadily over the past five years.

A full week of after-school care for the four-year-old costs at a minimum €800. That's €1,700 a month, and €20,000 a year; well in excess of an average monthly mortgage payment. There is no tax rebate on childcare costs.

And this is at a time of a once-in-a-generation housing crisis. This is not an exceptional cost for childcare in Ireland - Dublin is not the outlier it used to be. It is an average for children in a registered childcare setting.

Now cast your eyes to the lived experience of Irish parents living and raising children in other developed European countries.

How do we compare?

Of nine nations in which the Irish Examiner spoke to Irish nationals who are raising children, just two, Britain and Switzerland, could lay claim to having more expensive childcare than that seen in Ireland.

In most cases, notably across Scandinavia, fees are a small fraction of what an Irish resident can expect to pay.

In Denmark, a typical cost for the family set-up as the one outlined above - one child in creche and one in after-school care - is roughly €500 per month.

In Germany, the rate for the same level of care for two children is about €250 per month, with the fees also being tax-deductible.

In Spain, the level at the high end for care per child is in the region of €300 per month, within a private creche.

In Belgium, a creche for a child under two-and-a-half years old can cost €600. But past that age free pre-school kicks in, and aftercare for those attending can be as little as €20 per month.

A spokesperson for the Department of Children said that "while international comparisons are fraught with difficulty, these comparisons show that investment in Ireland is lower than international norms".

"The Government believes that there is a need for increased investment in early learning and childcare in order to improve quality, affordability, accessibility and sustainability of services," they said.

Most of the countries we ran comparisons against operate a publicly-funded system. That is, the facilities themselves are owned either by the State or local authorities and wages are paid by the State.

Those systems operate from a basic philosophy that having children is a human right, and a social good, and not something that should be priced into the hands of the middle-classes and upwards alone.

Ireland, meanwhile, has evolved into the dire straits in which it finds itself simply because the State never took an active role in childcare, meaning the system has always been one involving private businesses exclusively by default.

The origins of that mindset are, like so much else in Catholic Irish society, rooted in now-archaic social norms - where the mother typically didn't work and stayed home to mind her children.

In a world of gender parity and fully-working households the need for a childcare system that is fit for purpose has never been greater.

Is a public system of childcare even an option for Ireland?

"It comes down to how broad a scope you're looking at," says Teresa Heeney, CEO of industry grouping Early Childhood Ireland.

"We currently have a private system that evolved because there was no public one. In other countries the private system is built from the public one already in place," she says.

For Ms Heeney, before you can talk about a public system of childcare, you need to be clear in your head what such a system will entail.

"When we think of it we tend to think of an affordable system for parents. But that's only one part of it," she says.

"You also need guaranteed access, which is a particular problem in urban areas. You need guaranteed paid parental leave (at present the State offers up to 26 weeks unpaid leave per parent) for at least the child's first year because it's better for them to be with a parent. It has to include childminding because it's by far the most popular system - we've 30,000 childminders and only 80 of them are regulated"

"Salaries would have to be paid by the State, which is a key determinant of quality per all of the research. We need sick pay, maternity leave, pensions. It's a sector with a 99% female workforce and 65% of them get no maternity leave, which makes no sense."

"How do we get this? We have to pay for it and it won't be cheap. But I think the Government knows now that it has to invest, you can see that with the First 5 (the Government's 2019 10-year early years strategy aimed at improving affordability, accessibility and quality in the sector)," she says, pointing to the success of the ECCE (which was introduced in 2009 and expanded to two years of free pre-schooling in 2018) as an example of what can be done.

"That (the ECCE) is a policy which now sees 95% of eligible children attend. So the Government knows what funding can achieve. And from our point of view the expectation is that the Government will fund the provision of what is needed to make the system fit for purpose."

She may be right - Budget 2022 saw a clearly-nervous Government make its firmest commitment to childcare in years, with an additional €207 million committed to the sector for 2022 after funding had remained unchanged 12 months previously. Overall funding from January will be €716 million per annum (compared with just €260 million in 2015), with First 5's stated goal being a doubling of the budget to €1 billion every year by 2028.

Next year's funding was delivered with the expectation of childcare fees being frozen (funding is to be made available in return for a commitment from providers not to raise their prices). Cold comfort for harried parents, but at least a guarantee that things won't immediately get worse.

"The budget was about getting staff wages to a decent level," says Marian Quinn, chair of the Association of Childhood Professionals. "The next tranche will go towards getting affordability for parents." Ms Quinn is of the belief that it isn't Ireland's private system which is unworkable.

"It's marketisation that is the problem. Take the market model out and the problems go away," she says.

A change in attitude

But even if things are belatedly moving in the right direction, can fees really aspire to matching those seen in Scandinavia?

"The budget just gone has indicated a change in attitude to early years," she says. "I do think culturally we're changing. I'm always cautiously optimistic, but this definitely gives some sort of light. Every previous budget was just tinkering and playing parents off against creches. But now parents aren't letting it lie as much as they used to."

There is of course another factor at play - a prospective change in Government. The current National Childcare Scheme (NCS) - in place to administer subsidies to providers and parents - may have been three years in gestation under former children's minister Katherine Zappone, but firm leader in the polls at present Sinn Féin is not enamored of it.

"I think you have to come up with a new system," Kathleen Funchion, the party's spokesperson on children, says. "There are a lot of issues with the NCS. You would need a new funding model, I'm not sure the NCS could handle that."

Her party's plan is a move to a publicly-funded model, one in which providers could opt in in return for funding, one in which after-school care is fully funded. Sinn Féin, in its 2020 election manifesto, said it would reduce fees by €500 per child per annum at a cost of €500 million.

This is not a million miles off what the First 5 strategy proposes mind you. Still, such a reduction in fees would transform life for a lot of parents. How long would it take?

"It wouldn't happen overnight," says Ms Funchion. "But say two years to reduce fees by two thirds. How things are at present is insane,

especially if you have more than one child.”

“I think this is something that’s doable. There just hasn’t been the political will before. Now it’s finally starting to get attention.”

**Region:** Europe <sup>[3]</sup>

**Tags:** child care costs <sup>[4]</sup>

EU <sup>[5]</sup>

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