

Universal childcare: The Observer debate ^[1]

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EXCERPTS:

As Labour commits to the service, Tracy McVeigh leads a discussion on how it will affect the lives of our children - and who would pay for it.

Participants in the discussion:

- Yvonne Roberts, award-winning broadcaster and Observer's chief leader writer.
- Marie Peacock, childminder and chair of campaign group Mothers at Home Matter.
- Anand Shukla, chief executive of the Family and Childcare Trust charity.
- Dalia Ben-Galim, an associate director at the Institute for Public Policy Research.
- Justine Roberts, co-founder and chief executive of Mumsnet and sister site Gransnet.

Tracy McVeigh We all agree there is an issue with childcare affordability and quality that is adversely affecting our economy and family lives, and our political parties are behind the curve in tackling it. Labour's proposals for universal childcare have been called progressive, but others worry what it would mean for children. Does it mean institutionalised childcare?

Dalia Ben-Galim Universal childcare is about guaranteed provision with a component that is free and focuses on child development. It would be naive to suggest we are in a place where we could offer free full-time childcare. And I don't think that's the expectation of most parents who are happy to pay. But at the moment it is unaffordable and prohibitive and the quality is patchy.

The analysis we've been doing shows that universal childcare brings not only a fiscal return in terms of what would happen if maternal employment rates rose, and UK maternal employment rates are low compared to other countries. So why do women have high employment rates and then, when they become mums, those rates drop much more significantly than in some other countries?

We've done some modelling that shows there would be a fiscal return to the Treasury in additional tax revenue and benefit savings, but also there would be benefits to families in terms of their household income, of social benefits. That doesn't imply full-time work for everyone, but a different kind of balance.

TM Does this suggest universal childcare would bring with it new parental pressures, mostly on women, this time to go back to work?

Marie Peacock Universal childcare will force people to believe they should be doing anything other than being at home with their children for a time. It does have that unintended consequence of piling on pressure so people believe they should be productive in a different way. Our argument at Mothers At Home Matter is that you contribute to society and the economy not just through paid work but also through caring. Care is very important, but has been incredibly undervalued over the years, and many women who go back to work will not necessarily be contributing to the economy because they're not going to be earning enough to pay tax. It could lead to greater inequalities as more and more women have to fill the gaps caring for other people's elderly relatives or children.

Anand Shukla I don't see that universal childcare assumes all parents have to work full time and put children in these settings from eight till six. I see it being more about a coherent offer to parents which could involve the whole gamut of provision.

TM Would universal childcare let employers off the hook? Allow them to regress back to presenteeism [going to work when ill] and long hours, and forget about flexible working?

AS Universal childcare shouldn't be something to prop up a long hours working culture. It's important the role of employers is brought into this. In countries where you have universal childcare, family-friendly working is more embedded. And high-quality part-time working is very, very important. And the employer voice is hugely significant in all of this.

Yvonne Roberts What's good for children isn't necessarily good for the market. We had a big debate in the 1990s about flexible working and the problem was part-time work implies part-time commitment. Certainly most people I know who work part-time work twice as hard probably as full-time workers.

We've all been talking about the demand side, what parents want. Actually the supply side is really important which is why we need universal childcare, with, if not free, then a very minimum contribution from parents. We can instruct employers to pay their contribution so it becomes a normal part of industry. Parents here pay 27% of their income, twice as much as other Europeans pay because there's a three-legged stool - employers, government and parents. It's not just about providing worker bees for industry, it's about developing

children.

Justine Roberts People on Mumsnet have not shown a huge desire for universal childcare above other systems. They care most about quality. When Liz Truss came on to Mumsnet, there was a very strong feeling that quality has to trump cost. Only 5% of parents said they'd take a reduction in quality if it meant cheaper childcare. Actually, the most popular option when you ask Mumsnet users how they want more support in childcare delivered, it's by vouchers or tax credits. So there's no strong belief that we must have state provision provided by schools. But I truly believe that's because people worry about quality and want choice, control and certainly flexibility.

DB-G We know many women are keen to work, but affordability and lack of flexibility are the main barriers. So we've been looking at the international evidence to see if there's a tipping point referring to what's affordable. It's something around 10-15% of disposable income. Our concerns are that if you continue to pump money into parents' hands in terms of vouchers, as currently happens, it benefits those on higher incomes. In Australia they did something very similar and it inflated prices by the amount that parents were given, spiralling costs for the government. In trying to reconcile affordability of disposable income, plus thinking about quality, you really need to think about supply side rather than putting more money into parents' hands.

In Quebec they've moved to what is now C\$7 (£4) a day childcare. It has lifted the maternal employment rate significantly and parents are happy.

JR Mumsnet users on balance would say they would ideally work part time. But when you unpick that it's because they are picking up the bulk of the domestic duties around the children. It's all the social life of the kids and do the homework, and liaise with the school. It's about time pressure.

We've just done a survey and one in five who work part time say they'd like to work more hours. Two in five who don't work at all say they would like to. So there clearly is a problem there.

But I don't know how you change the culture of women unable to get the work they want - short of forcing the prime minister to be a job share.

YR An absolute guarantee of improving quality of childcare would help. Young women who can't find another kind of career are pushed into childcare, and lumped into a nursery. Some are amazing, quite a lot not interested. There's a huge turnover, 30% in some nurseries, that's not good for children. We need degrees in childcare, it doesn't have to be an academic degree. You can do that experientially.

But culture change doesn't always come from the most obvious sources. It has to be encouraged by politicians. When Gordon Brown said "I'm going to put a national childcare strategy at the centre of the economy", nobody had ever said that before.

MP What we haven't mentioned is the level of taxation in other countries. They have very high taxation rates in Denmark for example and Scandinavians tolerate that, and in return they get good public services, but would we be able to sell that to voters in Britain?

DB-G We're paying through vouchers and different kinds of tax credits at the moment. We do need to accept additional spend, but that comes back to the original question about what does universal childcare mean for a society and for an economy and how people live?

MP I've worked in childcare for the last four years and childminders don't do it to make money. They're often on less than the minimum wage. Childminder numbers are going down because of the regulations. Childminders can no longer afford to provide that service from home. The government has just withdrawn free entitlement from childminders with their own children. So if you've got a three-year-old at home - which may be one of the reasons why you've gone into childminding, so that you can keep your child at home for longer - the government is removing their exclusion from your ratio, losing you money. So there's a mismatch between what the government says and what it does. They've taken away training subsidies and started to pile on extra costs. Wages have been held very low for a very long time, so there's only one way to go if you're going to reward carers and early educators properly.

If they're to be degree-educated they are going to want better pay. Childcare workers need benefits on top, and that isn't acknowledged, but most are subsidised through tax credits. I've lived in several European countries and you have to be cautious about comparisons. Scandinavians often have family and community networks and work closer to where they live than us.

AS We haven't found a country that provided quality and affordable childcare through a market infrastructure. The costs of provision are high and we want to increase the status of people in the profession. Here it's seen as something to go into if you can't find anything else; in Denmark, for example it's really competitive to get into childcare. It has to be done through some element of subsidy. To get the quality up you need the consistency of funding going in through the supply side rather than the demand side. It's not to say supply side funding is a panacea. We've got to make sure it's flexible.

JR Why is it so impossible to do it via a market? Isn't it the case that the subsidy isn't big enough, which doesn't necessarily imply the delivery mechanism is wrong?

AS Well, if you were looking to make money, you wouldn't choose childcare, other than in a very few particular areas where there's a large number of affluent parents and you can charge rates that will bring a good return. It comes back to the high cost of delivery of high quality childcare, and to what parents are able to pay. I take the point about international comparisons, but if you look at Denmark there is a high level of state subsidy, and much provision is delivered through the state.

TM There are a few reports trickling through from Scandinavia, from Canada, from Israel, Sweden, that universal childcare is not always bringing the best outcomes for children.

YR For a long time it was the other way round - childcare automatically is bad for children. There is a lot of misinterpretation of longitudinal

studies. One in America that showed 17% of children who had been in group childcare were very aggressive, but then you look and 17% who haven't been anywhere near childcare were aggressive. So you have to have a sense of perspective. Common sense tells you 12 hours in childcare for anybody is not going to be a good thing.

JR Yes, the idea that because the state offers you something you immediately forget the wellbeing of your child and take it is slightly weird. Parents think very carefully about whether their children are happy and having a beneficial experience and I don't think that would change. Plenty of one-year-olds are in 40 hours care. Surely it becomes about the type of care they're getting?

But it is interesting this universal provision idea. At what age are you suggesting that?

DB-G If you're trying to think about both child development and maternal employment, you need a guarantee of provision from age one, with parental leave before that. You don't want one- year-olds in 40 hours a week of care, but you do want something nurturing. And it's different from what three-year-olds need.

At the moment there's a free entitlement of 15 hours for three- and four-year-olds which is almost universally taken up, with some problems around patchy provision. There's an offer the government have committed to for the most disadvantaged two-year-olds and already there are problems with supply. Lots of providers aren't going to offer those places, which highlights the problems with the market.

What the state should be providing is around educational development and maternal employment choice. At the moment that's not there because there's a gap between the end of maternity leave and the beginning of the free entitlement. So that cuts off many women from work.

MP As this conversation progresses it's less and less relevant to the people we see at Mothers At Home Matter: the mothers and fathers, grandparents and childminders. Quite often parents go back to work because they have no choice. A progressive system would be one of genuine choice to include being at home. For lots of people that would be until the child is about three, and it certainly wouldn't include children in nappies. Parents are quite capable of being educators of their children, there isn't just this one form of schooling model that we seem to be fixated on; you're all familiar with the Save Childhood and the Too Much Too Soon campaigns. There's an argument around very formal schooling. Childminders and nurseries have to follow the Early Years Foundation Stage curriculum which has been called the nappy curriculum. Lots of parents want a gentler start for their children. Certainly long hours needs to be legislated against - babies in day care for 40 hours is very concerning.

YR This false dichotomy between those who work and stay at home seems to me an artificial division. One of the clearest research findings is that the most influential element in any child's life is their parents. So even those who spend time in any kind of mix of childcare - one day with grandparents, one day with childminder - the most important person is still their parents.

MP I certainly don't think there is a division. People talk about school gates rivalry, working mums versus non-working mums. I don't believe it exists. People dip in and out of work as their circumstances change, as they have more children. So I would agree that there isn't a stark working mums versus non-working mums picture. However, what we do see is government funding being directed at replacement childcare at nurseries, at childminders, enabling mothers to go back to work who choose to or who need to - but no parallel funding for those choosing to deploy a parent at home. We have a tax situation where if you have two families - one with two parents in work using nurseries, the other with a mum or a dad at home - the family with the parent at home pay over £100 a week more in tax. They're penalised. This has been presented as a marriage tax allowance and so forth. It's a penalty on care.

DB-G I disagree. If we look at maternity and paternity leave, there is generally a longer maternity leave and very short paternity leave, with no parental leave. A second child exacerbates the pattern if mum has already taken time off, so it makes sense for her to continue to stay home. People are often happy with that, but it might not be what they would have done if they'd had more options. The government's framework, particularly around parental leave, is very much focused on constraining women's choices or gently pushing many mums to stay at home. Not everyone wants to work full time, including dads.

MP We have a situation at the moment where the government is about to offer tax-free childcare on household incomes up to £300,000. It's outrageous. Families struggling on a fraction of that amount are not getting that tax-free childcare offer.

TM: We have an ever-widening gap between rich and poor and we have disadvantaged families, especially from ethnic minorities, who are not using the childcare that's available at all. Should we be worried about that?

YR Certainly we shouldn't be closing Sure Start children's centres at the rate we are. That is madness.

But the people who are getting off the hook here are employers. Why shouldn't somebody who's a nuclear scientist or a gardener or completely unskilled, take three years out and still be able to come back? Why not? Why is it that 40% of women over 50 are unemployed? That professional women are being made redundant during maternity leave? We need a royal commission on how employers are behaving.

AS Before we had a national childcare infrastructure, one of the biggest lobbies pushing for childcare was the employers because people were dropping out of the labour market.

Now as the government moves from a system of employer-supported childcare through childcare vouchers into tax-free childcare, the one thing we ask employers to do in this country is to administer the childcare voucher system. We don't even ask them to pay for it. And that one thing is going. Progressive employers are saying what is our role now?

JR Will employers extend maternal benefits to fathers is the big question. That would make a big difference. I don't think you can say that employers are doing nothing. We run a family-friendly programme and big companies sign up to it because they want to improve their

policies and retain their female staff.

They are doing excellent things, so lots of employers are taking this issue very seriously. The key question is do you want them to pay for childcare? Right now I don't think there are many workplace childcare schemes. It's one thing saying come on, you know if you're more flexible you'll retain all these great staff who are leaving in droves as soon as they have children, it's quite another saying and here's the bill to pay for the childcare. Business would find that very tough right now.

It comes back to the point about regulation. I run Mumsnet with 60 people. A lot are women of childbearing age. Believe me, I've thought about opening a nursery in the basement. But the idea of the regulation and the sort of headache that comes with it just wouldn't be an efficient use of our resources.

AS Workplace nurseries also tend to be not what many families want. It may not work where you've got a long commute, for example. One of the things we advise employers to do is provide information. What provision is available in your local area? What wraparound childcare is available? What financial support might you be able to get? The things that families may be pressed to get the time to do.

YR Justine's quite right that large companies have done a lot. But we're predominately a country of small businesses. So whatever we come up with has to include them.

TM We do have a dropping birthrate in the UK. Do you think a childless voter is going to embrace all of these wonderful new ideas, even if politicians will?

JR Certainly the flexibility argument needs to apply not just to parents in the workplace. It has to be for everyone and, as people have mentioned, we've got an ageing society. We're going to have a lot more caring responsibilities in the future.

AS But I benefit personally through the provision of high-quality childcare for other people because you have more child development, you have a better economy through people at work, as much as I'd like to I will not father all of the people that are going to be useful to me in my life.

JR But you wouldn't benefit, would you, particularly if Marie and her stay-at-home mothers got a subsidy for staying at home?

AS It depends upon child development. There is a dead weight cost already because you are giving people money to do things they're doing already. We would like people who want to make a choice be able to do that without being impoverished. But we also need to recognise that most parents, whether couples or single parents, want to work.

MP I would disagree that universal childcare would necessarily involve more state funding being directed towards non-parental care. The whole marketplace would be set up to reflect a two-parent situation. House prices are already reflecting two working parents, so anybody who doesn't have two incomes is really stuck. We are the only country that doesn't reflect care responsibilities in taxation, so if they were to compensate by offering more family-friendly taxation, perhaps.

YR But the link between people who want to stay at home with their children and those who don't is that actually, in this country anyway, there's a chronic undervaluing of care in general.

MP Thank you. That for me is the most important thing.

AS It is not emancipation for women if you are transferring the burden on to other low-paid, low-status women in the workforce. We are a 24-hour society, I take advantage of that just as much as anybody. People need to be working to deliver that, while balancing caring responsibilities.

MP People ask for affordable childcare when what they mean is that their cost of living is unmanageable. They'd really like to see a decrease in housing and energy costs, upping the minimum wage, and an end to zero-hour contracts and all the other things that make life so difficult.

I always find it interesting how women look at their own earnings and their outlay on childcare and think well it's not worth working. How come we don't take into account both parents? We should be looking at the cost of childcare against the joint income, not just against the mother's income.

YR There's lots of single parents and a whole army of women who work, even though they're out of pocket, because they have to keep their foot on the career ladder.

MP But nobody's interested in the loss of income by the parent, woman or man who's stayed at home and lost, they're deemed to have no costs. You have costs if you use registered childcare and you pay a bill at the end of the month. You have costs if you've forfeited your own income to be there. And if you have a child with special needs or twins or all sorts of issues meaning you have to spend longer at home, nobody recognises your cost in providing that care.

JR I agree. But do you really think that the people who choose not to have children are going to sit there and not say: you chose to stay at home, you chose to have children, why should I be supporting your choices?

YR I hope I may never have arthritis, but I certainly am going to contribute to the NHS for somebody who does. I think the majority in this country still believe in a kind of contributory society in which everybody at some point might need. OK you might not have children, but there may be other times when you know you were going to take more out of the state than you put in.

JR We're confusing two issues. I think the parents who have a family who have special needs and have that additional requirement, absolutely; but the parent who decides not to work, that's your decision right? It's your choice.

MP So equally a parent who decides to use a nursery and go back to work, that is their decision. Why should we subsidise them?

JR Because it helps the economy. If you look at the macro picture and if all women or all parents decided not to work it would be disastrous. If no one went back to work, if everyone decided to stay at home and look after their child and there was only ever one, it would be disastrous for the economy.

YR It's also arguable whether it's good for the child. It isn't always good for a child to be with their parents all the time, especially if that parent isn't necessarily that well equipped to deal with being a good parent.

MP There'll always be people who are more suited to parenting than others, or who enjoy it more, and people who are more naturally inclined towards caring. But are we saying that mothers don't socialise their children if they don't put them into nursery? Of course they do.

Children are incredibly different. I have four. Two were happy at a pre- school when they were three and the other two were distraught to be in that sort of environment. But we're going for a one size fits all approach with universal childcare.

But we should acknowledge that huge improvements have been made in the quality of childcare. There are some people who are really enthusiastic about childcare. We do already have pretty good quality childcare.

YR No we really, really don't.

-reprinted from the Observer

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