

Early Years services and Preventative Spending

Further evidence: key points:

1. Early years services (pre-school and school age childcare services) can make a more substantial contribution to the Scottish economy in the short as well as the longer term. Currently, Early Years Education and Care Services (ECEC) support many parents in paid employment and in enhancing the education and skills of the workforce. However the current structure, high cost of 'childcare' and availability of services prevent others from accessing them and contribute to high levels of child poverty – the highest levels of poverty can be found in families with children under the age of five. (McKendrick et al, *Poverty in Scotland: towards a more equal Scotland* (CPAG 2010 pp 161-6). Integrated ECEC services using a similar charging policy to the Nordic countries, which cap the cost to all parents but provide the greatest support to those on low incomes or with particular need of services, are an essential part of the modern infrastructure. Without an adequate supply of places, Scotland will have to struggle harder to recover from the recession and if quality is sacrificed to quantity, will not achieve the long term benefits which only quality services can bring.
2. In the medium and longer term, high quality ECEC services are also a highly effective means of contributing to the health, wellbeing, social cohesion and education and skills of the Scottish population. The US economist James Heckman has projected that investment in early years services can generate seven times its value in avoiding the need for future interventions. The European Commission's recent Communication on Early Childhood Education and Care (EC COM (2011) 66) points to its wider importance in contributing to a workforce "capable of creating a more skilled workforce capable of contributing and adjusting to technological change" and points to "clear evidence that participation in high quality ECEC leads to significantly better attainment in international tests on basic skills such as PISA and PIRLS equivalent to between one and two school years of progress." It also notes that it contributes to the goals of reducing early school leaving and lifting 20million people out of the risk of poverty and social exclusion. (EC (2011) COM 66) Recent Nordic research in countries which have extensive systems for those under as well as over three point to the links between high quality services and higher levels of self esteem, curiosity and motivation to learn. (Hansen, *Children in Europe 20*, pp13-14, March 2011) Other benefits which have been insufficiently recognised include the contribution that mainstream universal services can make to not only supporting parents but to improving parenting, and in establishing healthy eating and life styles which could make a real impact on current upward trends in childhood obesity.
3. It is sometimes forgotten that young children are also our youngest, and not just future, citizens. The 2005 UN special early years report on implementing child rights in early childhood urged countries to recognise the young child's

right to developmentally appropriate and culturally relevant programmes and emphasised that it saw the right to education as beginning at birth and closely linked to the young child's right to benefit from a standard of living adequate to healthy child development. (UN (2005) Comment No 7) It is to be regretted that the proposed Rights of Children and Young People Bill does not currently envisage recognising these rights.

4. Points to consider in addressing these issues include:

* Recognition needs to be given to the contribution ECEC services (and for similar reasons, out of school services) can make in contributing to economic recovery as well as future economic development. Previous cost benefit analysis has highlighted the particular benefits of investment in this form of infrastructure through its 'galvanising' effect. (Cohen and Fraser, (1991) *Childcare in a Modern Welfare System*, IPPR) The EC Communication on Early Childhood Education and Care highlights that it is essential to Europe's aspirations for "smart, sustainable and inclusive growth".

* The EC Communication on ECEC offers a valuable framework for Scotland in developing these services and highlights the importance of universal and inclusive access and integrated systems which, in particular do not distinguish between education and care. The Communication points to the possibilities of member states using the Structural Funds to develop appropriate models. These opportunities, combined with ensuring that more effective use is made of schools and utilising the 'integration' dividend that comes from a simplified structure of services, can help to ensure that through building up our universal early years services a positive contribution can be made not only in the long term but to more immediate economic growth and recovery.

* In addressing these issues we need to recognise that whilst much has been done to raise awareness of the importance of early years we still confront a situation in which the number of children under five is still rising – and the number of places has gone down. In terms of our commitments under the EC 2002 Barcelona targets, the clarification within the EC Communication that the Barcelona targets referred to full day places, highlights the big shortfall in places in Scottish services. Urgent action is required to develop a simpler, integrated structure of services which more effectively meets the needs of our children and families.