

# Holon. The Children City





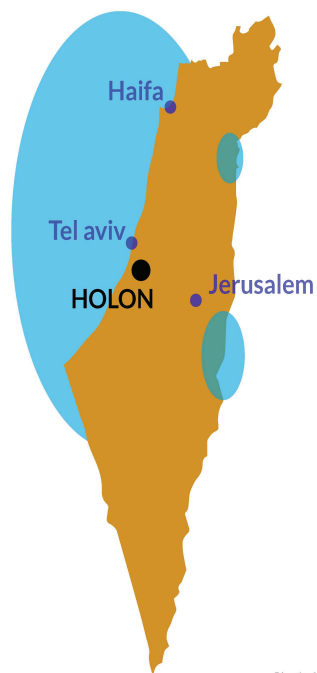




**Holon. The Children City**



- Founded in 1940
- 19,200 dunam
- 200,000 residents
- 10 minutes from Tel aviv
- 1 hour from Jerusalem



D.N.A=INNOVATION

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## Hana Hertsman

Born in Israel

D.N.A=INNOVATION

● **Managing director of the Holon Municipality since 1993.**

● **My qualifications include:**

- B.A. degree in Sociology and Labor Studies from Tel Aviv University
- M.A. degree in Public Administration from Tel Aviv University
- M.A. degree in Early Childhood Education
- Coacher for managers in public administration and education
- Exhibition curator

CV

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## Children's parliament



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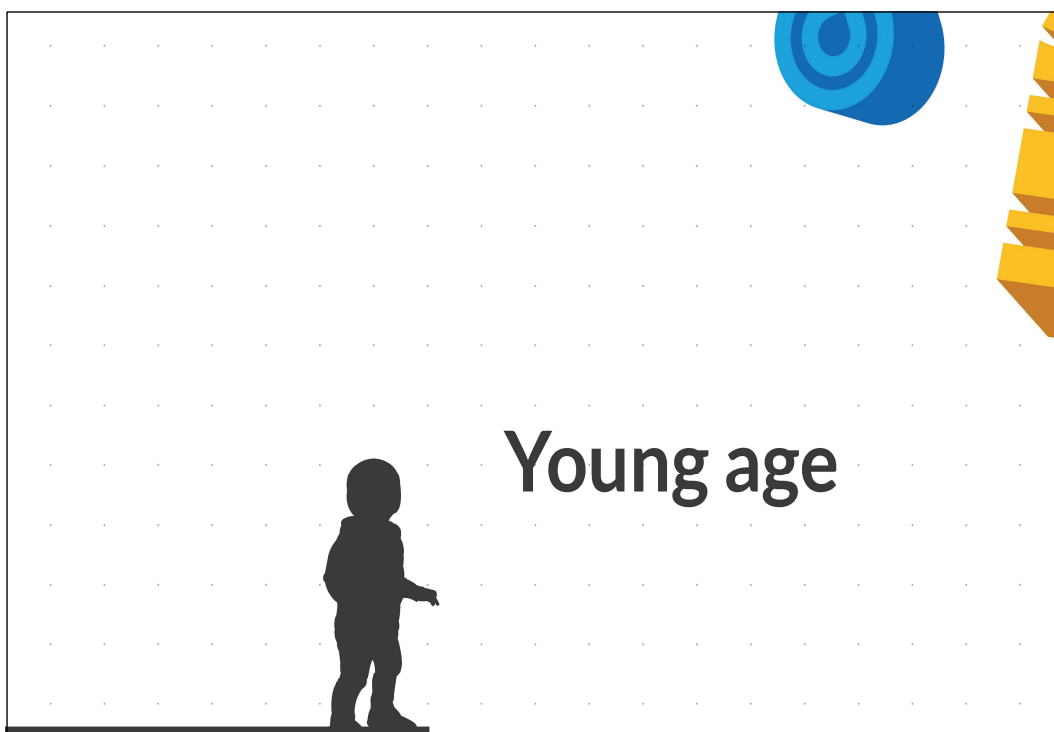
## Discussions with children



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## From inside - community center



Education - **Young age**

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## Buildings- community center

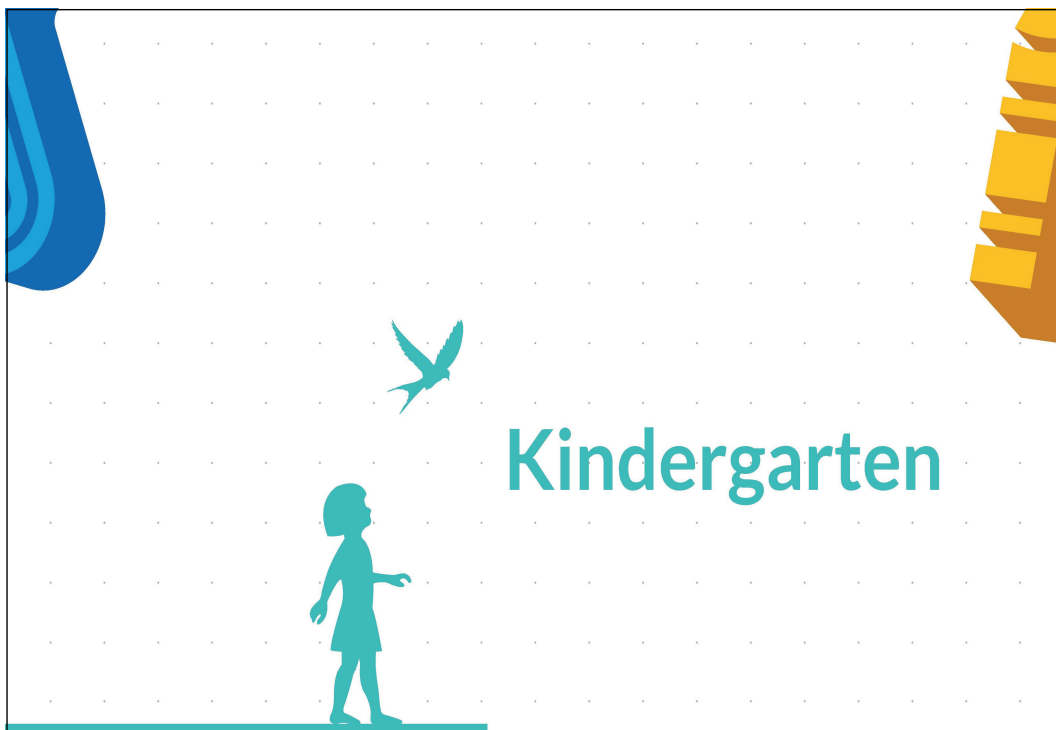


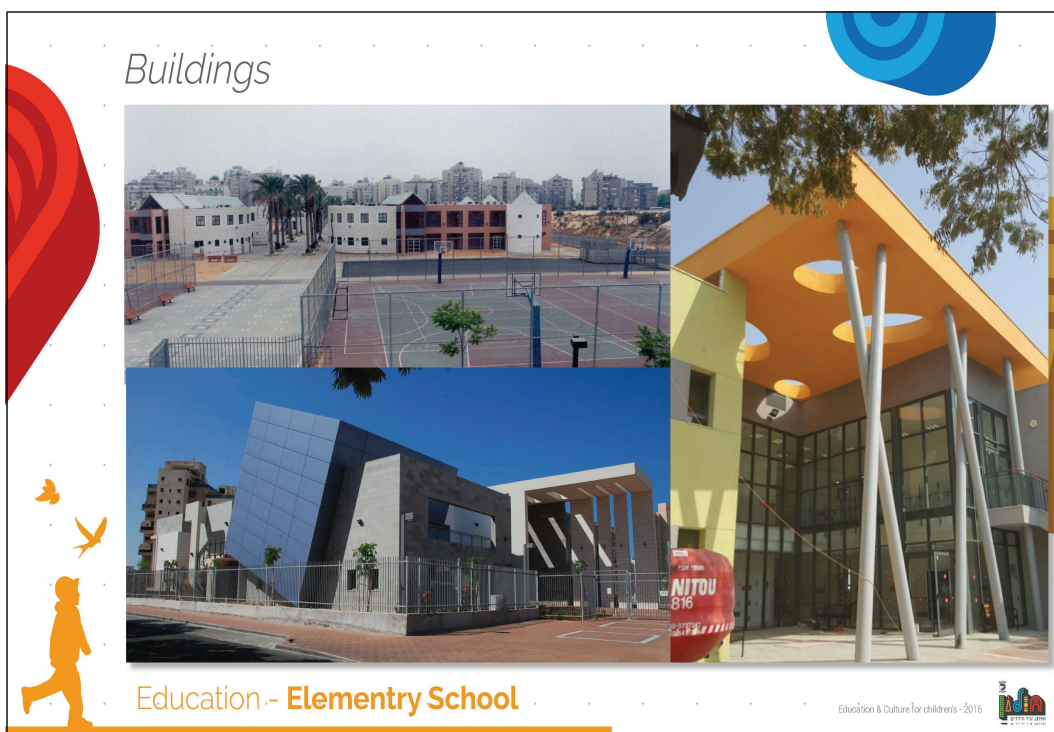
Education - **Young age**

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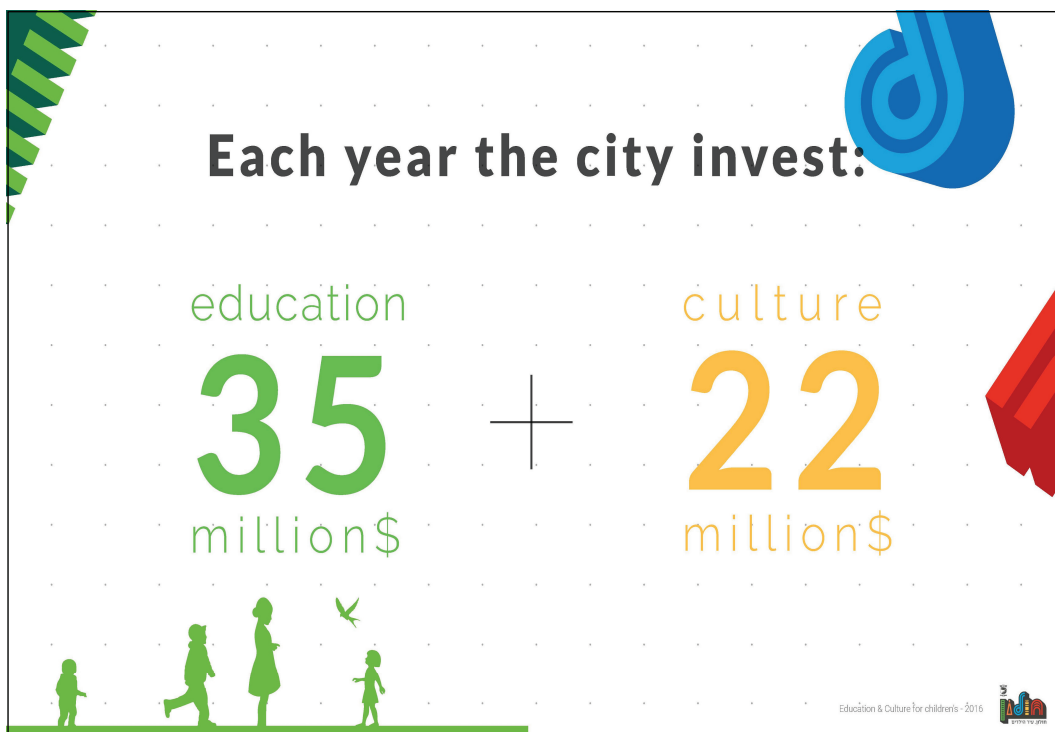












**Preschool Education in Israel and  
Its Relevance for Korean Preschools:  
A Korean Parent's Perspective**





# Preschool Education in Israel and Its Relevance for Korean Preschools: A Korean Parent's Perspective

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Former president, Asia United Theological University, Korea  
Former president, Jerusalem University College, Jerusalem, Israel

## **Preface:**

When I was approached by the staff of the Korea Institute of Child Care & Education regarding the possibility of presenting a paper on Israeli preschool education, I had the audacity to accept their request. Although I am not a pre-school education major, I have a fair amount of personal experience on that issue as the result of sending our two children to Israeli *gans* (preschools; kindergartens) during the time we resided in Jerusalem, where we lived for about 13 years when I was a university student there first and a professor later. My thoughts on the Israeli education system are a synthesis of my experiences as a parent and as an educator, data from Israeli websites, the Ministry of Education's literature, conversations with Israeli friends and educators, a former Korean student who is currently raising three children in Israel,<sup>1</sup> and the head of a nursery (childcare center/children's home) in Seoul.

I would like to discuss the subject of Israeli preschool education first and then suggest ways for applying several basic principles from that system to our education system in South Korea.

"The very world rests on the breath of a child in the schoolhouse."  
(Babylonian Talmud: Shabbat, 119b, c. 200-500 AD).

## **1. History of Preschool Education in Israel**

Historically, the Jewish people, and now the State of Israel, have always placed a high value on education. At least 20% of all Nobel Prize winners have been Jews or of Jewish descent, even though they make up only 0.2% of the world's population. Although they are not all Israelis, this high percentage speaks to the success of education among Jews. They must be doing something right. The education system in modern Israel pre-dates the founding of the State of Israel in 1948. Prior to the establishment of the State, there

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<sup>1</sup> Every effort has been made to accurately credit all sources of information for this seminar. If any source has inadvertently been omitted, please contact the author and corrections will be made.

was already an educational system that originated with and was maintained by the Jewish Community, with Hebrew as the language used for instruction.<sup>2</sup>

“The development of day care centers and pre-nursery play groups in the beginning of the 70s derived from a trend to encourage women to go to work, to find a suitable solution for children in an educational-care framework and to open day care centers and pre-nursery play groups for children whose parents’ functioning could jeopardize their personal and emotional development. The service began to operate at the initiative of the *Na’amat*, WIZO and *Emunah* women’s organizations, and reached its peak at the end of the 90s, with the support of the Division of Day Care Centers and Pre-nursery Play Groups.”<sup>3</sup>

A major educational challenge that Israel has had to deal with is how to integrate the huge numbers of immigrant children who have come to Israel with their families, or on their own, from over 70 countries, with two large population groups in the last 25 years coming from the very diverse nations of Russia and Ethiopia.<sup>4</sup>

Special programs are designed for these new immigrant children with unique curriculum plans and short-term classes to bridge the gap between the education, culture, and language of their countries of origin and Israel, including introductions to Hebrew language and Jewish history.

In addition, the Ministry of Education continually works to update educational standards and pedagogy to include such things as gender equality, improving teacher status, and developing curricula to include humanistic values and to promote scientific and technological studies for the modern world.

“Increasing concern with pre-primary education was prompted by strong interest in the developmental problems of early childhood, as well as the social dilemmas faced by Israeli society. In this regard, the education system has assumed that education must begin as early as possible in order to ensure that all children are provided with the necessary conditions and opportunities for effective functioning and personal achievement. The Ministry of Education is preparing to implement the Compulsory Education Law, which exempts parents from the need to pay tuition for children aged 3-4.”<sup>5</sup>

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<sup>2</sup> Israel Ministry of Foreign Affairs: [maf.gov.il/MFA/AboutIsrael/Education/Pages/Education.aspx](http://maf.gov.il/MFA/AboutIsrael/Education/Pages/Education.aspx)

<sup>3</sup> *Israel: Early Childhood Care and Education (ECCE) Programmes*. Compiled by UNESCO International Bureau of Education. Geneva, Switzerland. 2006. p. 4.

<sup>4</sup> The mass immigration of the 1950s, mainly from postwar Europe and Arab countries, was succeeded in the 1960s by a large influx of Jews from North Africa. In the 1970s, the first sizable immigration of Jews from the Soviet Union arrived, followed intermittently by smaller groups. Since the beginning of the 1990s, over one million Jews from the former Soviet Union have come to Israel, with many more still arriving each year. In two mass movements, in 1984 and 1991, almost the entire Jewish community of Ethiopia was brought to the country. Over the years, many Jews from the Americas and other western countries have also settled in Israel. (Israel Ministry of Foreign Affairs: [maf.gov.il](http://maf.gov.il))

<sup>5</sup> *Israel: Early Childhood Care and Education (ECCE) Programmes*. Compiled by UNESCO International Bureau of Education. Geneva, Switzerland. 2006. p. 6.



## 2. Administration

Israel is a religiously, ethnically, linguistically, and culturally diverse nation. This extreme cultural diversity is evident in the structure of the education system. There are four primary groups of schools: (1) state schools for the majority of students; (2) state religious schools, where there is an emphasis on Jewish studies, tradition and observance; (3) Arab and Druze schools that use Arabic as the language for instruction with a focus on Arab and Druze history, religion and culture; and (4) private schools, which are operated by various religious and/or international groups.

In addition to these four main categories, there have been a few new schools established as the result of philosophical, educational, or cultural concerns of parents and teachers. The Nissui Experimental School, in Jerusalem, is an example of this type of school – one that brings together Jewish and Arab children, as well as children from other countries – like my kids – to learn in a politically and culturally diverse setting.

Several Israeli governmental departments are involved in the education of children.

(1) “The Ministry of Industry, Trade and Labor operates and supervises educational institutions for children up to the age of 3.” (2) “The Ministry of Education, Culture and Sports operates and supervises educational frameworks for children from the age of 3 until the age of 6 and upwards.”<sup>6</sup> (3) “Within its services, the Ministry of Health operates a framework of early childhood medical care, including baby well care centers, neonatal intensive care units and child development centers.” (4) “The Ministry of Social Affairs operates and budgets programs and frameworks for at-risk children and disabled children.”<sup>7</sup>

The Karev Fund for Involvement in Education, which operates in cooperation with the Ministry of Education, is responsible for enrichment programs (including, but not limited to arts, crafts, dance, nature, music, and computers) in kindergartens in 110 municipalities, and it is now known as “the biggest educational involvement project in Israel.”<sup>8</sup>

A number of non-profit organizations are also involved in providing supplemental support: (1) Sacta-Rashi of the Rashi Foundation: provides support for children in early childhood centers that involve the entire community, including the parents and

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<sup>6</sup> *Trom-Trom Chova* is for 3-year olds, *Trom-Chova* is for 4-year olds, and *Gan Chova* (kindergarten) is for 5-year olds. Kindergarten (*Gan Chova*) is considered to be part of the preschool system. Hours for school are Sunday-Thursday - 8:00-1:20 for pre-kindergarten, and 8:00-2:00 for *Gan Chova* (kindergarten). School finishes earlier on Fridays at 12:40pm.

<sup>7</sup> *Israel: Early Childhood Care and Education (ECCE) Programmes*. Compiled by UNESCO International Bureau of Education. Geneva, Switzerland. 2006. p. 5.

<sup>8</sup> <http://www.karev.org.il/ContentItem.aspx?TypeMain=ContentItem&CID=3515>

professionals;<sup>9</sup> (2) PAKET: operates educational programs for Ethiopian children in a number of major cities; (3) Ashalim: provides support for youth at-risk and their families and operates programs for families from the Jewish and Arab sectors in cooperation with government ministries of education and health.<sup>10</sup>

“Approximately one-fourth of all kindergartens are under the supervision of the Ministry of Education, Culture and Sports and are included in non-official recognized organizational bodies. Most of them provide independent religious education (17% of all the kindergartens for children aged 3 - 6); various corporations provide Arab education (4%); secular Jewish education (2%). Private kindergartens constitute 3% of all the educational institutions for children aged 3 - 6, under the supervision of the Ministry of Education.”<sup>11</sup>

### 3. Teachers

Kindergarten teachers, guidance and supervisory staff, and inspectors are hired by the Ministry of Education, Culture and Sports. Teachers receive professional training at Teacher Training Colleges in a four-year degree program (B.Ed.). The fourth year is spent as a student teacher in an internship.

In addition, the Ministry operates In-Service Training in learning centers (PISGAH Centers for Instructional Development) for kindergarten teachers, on pedagogical subjects. Aides are not required to have a college degree. Instead, they receive certification upon completion of 270 study hours in a 2-year program prepared by the Ministry of Education and the local governments.

Aides, psychologists, and paramedical workers are hired by the local governments.

As in most other countries, the majority of early childhood educators are female, with only about 40 male teachers in the public *gans* compared to 17,000 women teachers. In private schools, Dr. David Brody<sup>12</sup> estimates that there are an additional 300 to 400 men, but the number of male teachers seems to be decreasing. Part of the reason for the small number of male teachers is that the only place for training is in secular colleges, and this presents a difficulty for religious men, although Dr. Brody added that “... many of the men found in the secular system are actually religious.”<sup>13</sup>

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<sup>9</sup> <http://www.rashi.org.il/early-childhood-programs>

<sup>10</sup> <http://www.ashalim.org.il/>

<sup>11</sup> Ministry of Education Information Management System, as quoted in *Israel: Early Childhood Care and Education (ECCE) Programmes*. Compiled by UNESCO International Bureau of Education. Geneva, Switzerland. 2006. p. 5.

<sup>12</sup> Academic Dean of Efrat College of Education in Jerusalem.

<sup>13</sup> <http://www.jpost.com/Israel-News/Where-are-the-men-in-Israel's-early-childhood-education-441061>



In addition to lack of religious schools providing training, another problem facing men who want to teach in early childhood education is the difficulty in finding a job in Israeli preschools. Those who are hired often face restrictions in terms of their interaction with the children. (In Korea, almost 100% of the preschool teachers are female. "In Norway, in comparison, colleges offer programs just for men in early childhood education and to date, 19 percent of students studying the profession are men. Furthermore, 9% of early childhood educators are men.... In looking at the kindergarten curriculum in Norway, what is the first goal of the curriculum? It is gender equality for children," Brody said.<sup>14</sup>) Brody found that some of the advantages of hiring male teachers is that they tend to "promote higher order thinking, encourage risk-taking, and show bravado and care for the children."<sup>15</sup>

The ratio of staff to students is approximately 2 staff for up to 35 students.<sup>16</sup>

#### **4. Early Childhood Education Goals**

The UNESCO reports lists the following goals for Israeli early childhood education:<sup>17</sup>

- (1) Development of linguistic skills, thinking and the use of information and enrichment in different areas of knowledge, according to subjects suitable to the children's developmental level, their areas of interest and those of the communities in which they live.
- (2) Acquisition of life skills conforming to experience and creating a foundation for future life skills, social skills, societal and national values and the cultivation of proper interpersonal relations.
- (3) Cultivating an independent personality having viewpoints of respect, tolerance and acceptance of those who are the same and those who are different.
- (4) The development of skills in literacy languages and symbols, linguistic skills—semantic and contextual, processes of authentic problem solving, implementation of ideas for using technology and mean(s) of communication, sensitivity to aesthetics and familiarity with the arts and ways of artistic expression.
- (5) Creating a foundation and basic skills for self-learning, having a "craving to learn", interest and curiosity.

Israelis see education as a fundamental value, one that is the key to a successful future. The overarching goal is to "prepare children to become responsible members of a democratic, pluralistic society in which people from different ethnic, religious, cultural

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<sup>14</sup> <http://www.jpost.com/Israel-News/Where-are-the-men-in-Israel's-early-childhood-education-441061>

<sup>15</sup> <http://www.jpost.com/Israel-News/Where-are-the-men-in-Israel's-early-childhood-education-441061>

<sup>16</sup> <http://www.nbn.org.il/aliyahpedia/education-ulpan/education-child-teen/sending-your-child-to-gan-municipal-pre-school-a-kindergarten/>

<sup>17</sup> *Israel: Early Childhood Care and Education (ECCE) Programmes*. Compiled by UNESCO International Bureau of Education. Geneva, Switzerland. 2006. p. 9-10.

and political backgrounds coexist. It is based on Jewish values, love of the land, and the principles of liberty and tolerance. It seeks to impart a high level of knowledge, with an emphasis on scientific and technological skills essential for the country's continued development."<sup>18</sup>

Children enter the education system at a very young age in order to give them a "head start." For Israelis, this is especially important for socialization skills and language development. Therefore, it is common for two-year-olds and most three- and four-year-olds to attend some type preschool. These may be in a day-care center, a religious institution, or a privately owned center, with the Ministry of Education providing special resources in disadvantaged areas.

Required kindergarten begins at age five, and it is free in the public sector. The curriculum focuses on fundamental skills such as language, numbers, creativity, and cognitive and social skills. The Ministry of Education provides guidance and supervision of the curricula in all preschools.

Sara Arnold, a teacher at the Beit HaKerem school in Jerusalem commented that "even though independent thinking and expressing your personal opinions are very important to Israelis, as a socialist country, social interaction is extremely important. Everything is geared toward working in society and with others."

According to the Israeli Ministry of Education Manual for Teachers, the first three objectives for pre-primary education are: (1) To nurture an **independent personality** and attitudes of **respect and tolerance** and acceptance **towards those who are like them and those who are different**. (2) To promote values of society and **cultural heritage**. (3) To develop and nurture **curiosity**, inquisitiveness and creativity as a basis for motivating learning.

## 5. Curriculum

Netta Ben-Hador, an Israeli friend who has had three children go through the school system in Jerusalem described the distinguishing feature of the curriculum as being very child-centered in every way. A lot of time is spent outdoors. Children are encouraged to be children. They have to be adults the rest of their lives, so they are allowed to enjoy this stage of life without the strain that they will face as teens or adults. Also, because of the pressures of living in Israel, they want to protect children and let them have a joyful time of life. They will have enough stress as they grow up. They gain skills that will help them in the future, and have options to learn, but they are not pressured into academic achievement in early childhood programs. They want children to have the opportunity to "grow up gradually." Parents have joint activities with the kids, have regular meetings with the teachers, and with modern technology, have regular contact with what is happening with their kids. All of the curriculum reflects this philosophy.

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<sup>18</sup> <http://mfa.gov.il/MFA/AboutTheMinistry/Publications/Pages/Vibrant%20Israel%20-%20Education.aspx>

The required core curriculum for kindergarten has four categories: (1) "Language – linguistic literary skills, cultivation of self-expression abilities, and reading and writing skills. (2) Mathematics, Science and Technology – logical thinking, primary mathematic concepts and familiarity with the technological environment. (3) Arts – cultivation of ability and experience in music, movement and the plastic arts. (4) Life Skills – health education, social skills, physical education, road safety."<sup>19</sup>

Ongoing research and development projects for early childhood education training and curriculum are carried out by major universities. The Research Institute for Innovation in Education, established by the National Council of Jewish Women at the Hebrew University of Jerusalem, has developed a series of early childhood programs. A few examples include the following two programs which strengthen the role of parents in early childhood education: **HATAF (Home activities for toddlers and their families)**, and **HA'ETGAR ("The Challenge")**, which promotes home instruction for parents of preschool youngsters.

Several educational programs are operated by the Ministry of Education in order to expand what is being done in *gans*:<sup>20</sup>

**Enrichment Centers** that specialize in the arts or sciences

**Museum Supporters** – a project for kindergartners to visit museums, and be involved in observation, discussion and play

**Ten Musical Project** – focuses on developing the role of music in kindergarten, including concerts by local orchestras

**Segev** – an experiential program that focuses on nutrition and health

**Sesame Street** –activities around the *Sesame Street* television program that deal with topics relevant to life in Israel, particularly the promotion of peace.

**Mabat Lagan** – a science and technology program in kindergarten developed by Tel Aviv University

**On the Path of Memory** – a special program to teach about the Holocaust in a non-fearful and age-appropriate atmosphere

**Cooperation of Parents and Early Childhood Educators in Kindergarten** – these policies lay out the role of parental involvement in the educational process.

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<sup>19</sup> *Israel: Early Childhood Care and Education (ECCE) Programmes*. Compiled by UNESCO International Bureau of Education. Geneva, Switzerland. 2006. p. 6.

<sup>20</sup> *Israel: Early Childhood Care and Education (ECCE) Programmes*. Compiled by UNESCO International Bureau of Education. Geneva, Switzerland. 2006. p. 8.

## 6. Alternative curriculum

Due to the great diversity of the Israeli population, there are various groups that develop their own curriculum for preschool. The Israel Movement for Reform and Progressive Judaism (IMPJ) is one example.

The IMPJ curriculum includes such topics as “social justice, ecology, gender equality, tolerance and human dignity in an age-appropriate fashion and in the light of Jewish tradition and pluralistic values.”<sup>21</sup>

The IMPJ curriculum claims to have the following distinctives in their preschools:

- (1) **“They are Jewish** in that every subject, from the changing seasons to the family, is presented through the prism of Jewish sources and stories.
- (2) **They are pluralistic** in that they are attended by children from diverse backgrounds, from completely secular to Halachically observant; from families deeply involved in IMPJ congregations to families who had not been inside a Reform synagogue (and sometimes any kind of synagogue) before they sent their child to the pre-school; from native Israeli families and from families speaking English, Russian, Spanish and other languages.
- (3) **They are egalitarian** in that young children are encouraged from the start to recognize that boys and girls, and men and women, are equal and can choose what work to do, how to raise their children, and how to live Jewishly based on their personal beliefs and interests, and not on their gender.
- (4) **They are community-based** because they operate within and alongside IMPJ congregations, creating constant opportunities to become acquainted with the synagogue, to meet the rabbi, to participate in broader communal activities, and to experience from the earliest age the sense of completeness and stability that comes from Jewish community.

More academic-style, private preschools tend to be operated by Russian immigrants who have brought with them a Russian style of education.

In addition to the preschool *gan* programs, there are also Tzaharon and Keit Hana programs under the Department of Education of a city. Tzaharon is an optional program for parents who both work. Their children are kept in the preschool after the regular hours. It is a good use of spare time while the parents are at work. However, they are not educational programs. Children are allowed to play as a group or develop their own hobby or do some free activities.

Keit Hana is usually operated during the vacation season. Children can learn how to swim, enjoy plays/dramas and music and sports. They are given opportunities to test themselves to discover what kind of talents they have. In some cases, adults can participate in this program.

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<sup>21</sup> <http://www.reform.org.il/eng/education/earlyeducation.asp>

## **7. Sketch of the preschool education in South Korea**

The Ministry of Education governs two kinds of preschools: Kindergartens (YuChiWon) and Childcare centers (nursery or children's home). A facility that can hold less than 20 children is licensed as a childcare center. Kindergartens are larger than childcare centers. They both accept and teach children from ages 0 – 7. Teachers are 100% female. In some cases, the head of a kindergarten or a childcare center is a male, but even that is not common.

The curriculums in both institutions are similar. The main focus of the curriculum is on language (story telling), experimental activities (observation, experiment, play with logic), expressive actions (drawing, making, singing, playing instruments), health (rhythmical exercises, play in the ground), and social activities. Children are encouraged and helped to develop their potentials.

On the other hand, the majority of parents are not satisfied with kindergartens or nurseries (childcare center). They want something more to ensure their children's future success. Hence, they send their kids to a third institution called *hakwon* (a private school) after they come home from kindergarten or nursery. Kids learn painting, ballet, piano, swimming, English, and so on.

Children from age 4 or above are driven by their parents to learn extra-curricular subjects, even after they have completed their activities in kindergarten or nursery for the day.

The reason why parents are forcing or pushing their children to do this is because they want to prepare them for their future. That means that parents want their children to become successful in entering prestigious universities and in getting high paying jobs in the future. But then the children have no freedom to be children, but rather become competitors in a fight for their future.

It seems that my Israeli friend Netta's comment has no place in a Korean preschool environment. She said that what happens in early childhood education reflects the Israeli cultural attitude toward children – they are highly valued and included, not simply tolerated or considered a nuisance to have someone else take care of or raise. They are encouraged to be independent thinkers and encouraged to express opinions, and have fun without the academic pressures that they will face later in life.

## **8. Israeli preschool implications for Korean educators and parents**

In lieu of a conclusion, I would like to present this section 8.

According to my experience in Israel, and that of my Korean friend who is currently raising three kids in Israel, and that of the head of a nursery in Seoul, a comparison between the Israeli and the Korean preschool educational systems can present some good insights to Korean policy makers and parents who are involved with preschool

education. (I do not have data for financial investments for either the government on preschool education institutions. So, that topic is not within the scope of this presentation.)

- (1) The curriculums for preschools in both nations are excellent, and they seem to overlap in many areas. Therefore, it is not meaningful to try to determine which one is better, despite the very different historical, ethnic, and philosophical backgrounds in both countries.
- (2) It seems to me that while Israeli parents/teachers let children act like children in preschools, Korean parents/teachers are making them into fighters for their lives or for their future. The involvement of a third institutional element in Korea, *hakwon*, is more of a detriment than a benefit in terms of developing a child's talent or language acquisition, such as English, because there is no fun in being pushed to learn on the child's part. Parents must seriously re-think this matter with appropriate research, reflection, and observation.
- (3) Israeli preschool education is not standing alone. It is on the horizon of family education + national historical education + national state values. Children study Israel's origin, its holy days and festivals, the Bible (Old Testament), and its recent national history. Korean preschools are almost blank in this regard. Korean children do not know the most recent history, such as the Japanese occupation and the Korean war. Korean preschools do not help children to establish their national identities.
- (4) Israeli preschools have frequent field trips to historic sites, archaeological sites, problematic places, national parks, geological places, all kinds of museums, etc. So they learn on site with a hands-on approach. Sometimes the political situation is intense with Arab-Israel conflicts. But soldiers guard the buses and children and the field trips continue. Korean preschools rarely have field trips.
- (5) Israeli's preschool is a supplement to the education held in families. Parents/families hold the primary responsibility for educating their children by being together, playing together, encouraging what they like to do, etc. But in Korea, parents play a very small role in educating children. They send their children to preschool and *hakwon* most of the day. They think they provide well for their children in terms of education by doing so, and that they have done their duties as parents. Educational institutions are Korean parents' primary and final educational methods. Parents do not know how they can educate their children. This sounds severe, but unfortunately it holds the truth.
- (6) Israeli parents spend a lot of time with their children. Fathers are home in the evenings and weekends. Fathers spend time talking with their children. In contrast, Korean fathers are seldom home. Recent statistics show that fathers spend a mere 3 minutes in conversation with their children in Korea. That is a sad phenomenon. Unless this is improved, preschool education in Korea does not have much meaning because the primary educational foundation is failing.
- (7) Israeli preschool teachers and parents encourage children to find answer to problems on their own or to find their own answers. But Korean teachers/parents make children accept and memorize ready-made answers. While Israeli children ask "*lama?*" (why?) to everyone, Korean children simply nod in agreement to their parents and teachers.

**Policies and Trends in ECEC in  
Japan and Around  
– Japanese Researchers Perspectives –**





## **Policies and Trends in ECEC in Japan and Around - Japanese Researchers Perspectives-**

Mikiko Tabu: Professor, Department of Professional Teachers,  
Graduate School of Seitoku University, Chiba, Japan

In many developed and developing countries, there has been a strong political interest in early childhood education and care (ECEC) since the late 1990s. It is the second wave of raised interest in the preschool years after World War Two, and for some countries this has been accompanied by a large expansion of investment in ECEC provision. Looking back, the first wave highlighted the learning abilities of preschool children, and many experimental preschool programs were introduced in the naïve belief of “the earlier, the better”. The wave we are now riding seems more evidence based and policy dependent.

The aim of this seminar paper is: (1) to give a brief introduction to current ECEC in Japan in preparation for the second half of the seminar today, and (2) to report some large scale comparative studies carried out by several groups of Japanese researchers.

### **Contents:**

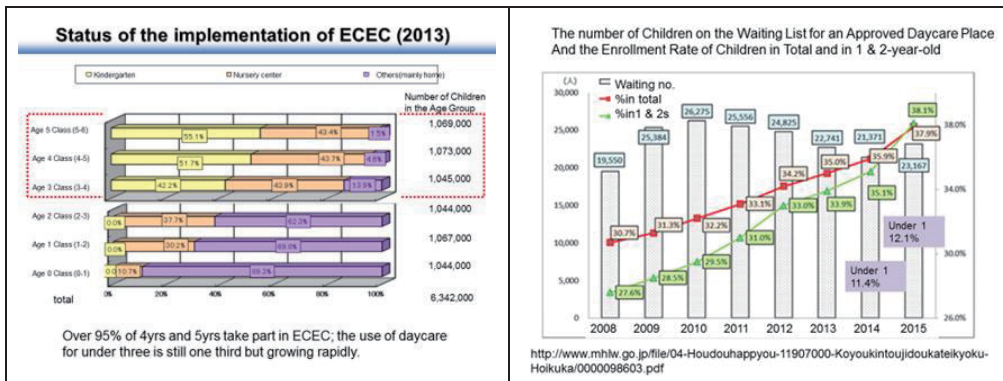
1. Current Status of ECEC in Japan
  - 1-1. Historical Context
  - 1-2. Outline of the New System and its challenges
2. Recent Projects
  - 2-1. Grant-in-Aid for Scientific Research
  - 2-2. Benesse survey
  - 2-3. CRN ECEC Conference (2013~)
  - 2-4. Establishment of CEDEP and Its First Two Years
  - 2-5. Establishment of Early Childhood Education Research Center at NIER
3. Conclusion

## **1. Current Status of ECEC in Japan**

### **1-1. Historical Context**

Japan has a fairly long history of institutionalized early childhood education dating back to the late 19<sup>th</sup> century and of state aided childcare provision from around the turn of the 20<sup>th</sup> century. After the Second World War, a dual system for ECEC was established. Two acts legislated two types of provision for children under compulsory school-age; the School Act (1947) defined Kindergarten as an educational facility and the Child Welfare Act (1947) laid the legal foundation of Nursery Center as a welfare institution. Efforts have been made to realize the postwar ideals of universal ECEC, provisions of state subsidized daycare and state

funded/aided early childhood education, but they have not kept up with the ever changing and increasing parental demand for ECEC.



Toward the end of the 20<sup>th</sup> century, Japan experienced a long economic recession that led to structural reform in the labor market and it became harder for one-earner (husband only) households to raise children comfortably. Therefore, more women were pressured to stay on, or re-enter the workforce before their maternal leave was over, that is when the child reaches 1 yr.

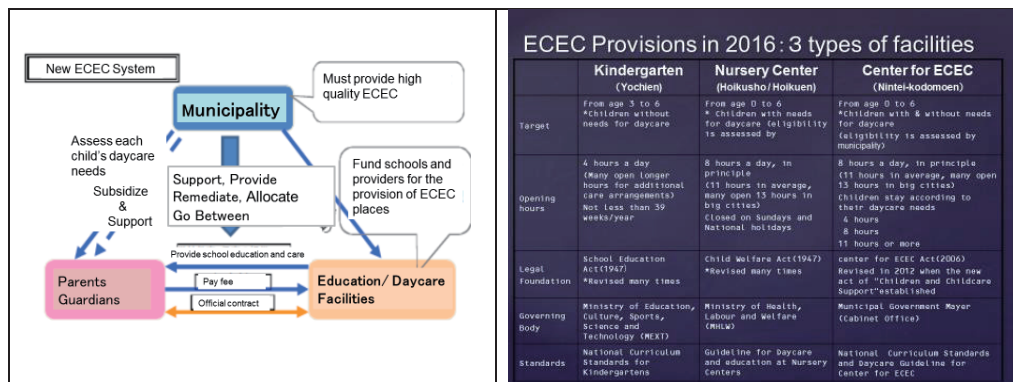
The above two slides depict the current use of ECEC. Kindergartens offering a 4 hour a day program for children over 3 have been losing enrollment numbers despite various arrangements to meet the demands for extended hours. Meanwhile the shortage of licensed and state subsidized daycare places has been getting serious in large cities. Demand is never satisfied because the increase of provision has stimulated hidden demand.

## 1-2. Outline of the New System and its challenges

In April 2015, “The Comprehensive Support System for Children and Child-rearing” (the New System) was put into full operation. It is the largest ECEC policy reform in Japan since the Second World War.

The New System is a municipality-based supply system according to the projection of local needs. Under the New System, the ECEC user (parents) is able to receive benefit through the general system. This is not a direct benefit paid to the user but to the facilities by the municipality. Each child’s eligibility for daycare is assessed by the municipality, and the municipality must provide an ECEC place for the child according to the assessed needs.

While the New System was under discussion, it was initially expected that the dual system of care and education would all be fully integrated into Centers for ECEC. This now seems unlikely to happen, as funding under the New System is proving unsatisfactory to some private Kindergartens, and losing control over admission is a matter of concern to many. So, currently, Japan has a trichotomous system for ECEC provision as seen in the following tables.



The challenges of the New System pointed out by stakeholders so far are;

- 1) The introduction of eligibility assessment has caused much friction and uneasiness. In rural areas, where there are enough places already and the use of the ECEC was universal regardless of the parents' working patterns, the New System makes it harder for some parents to get daycare services.
- 2) The introduction of "Municipal-level childcare" (in small settings for 19 children or less) for 0-3yrs has brought concerns about safety and welfare issues, because the qualification requirements of staff were lowered in this category.
- 3) The municipalities' overwhelming priority of delivering sufficient childcare has caused concern about a resultant downgrading of the educational side of ECEC.

Currently, the Ministry of Education (MEXT) is undertaking a revision of "National Curriculum Standards for Kindergartens", and its first draft is now available on the website.

([http://www.mext.go.jp/b\\_menu/shingi/chukyo/chukyo3/004/siryo/\\_icsFiles/afieldfile/2016/07/29/1374814\\_4.pdf](http://www.mext.go.jp/b_menu/shingi/chukyo/chukyo3/004/siryo/_icsFiles/afieldfile/2016/07/29/1374814_4.pdf))

The focus is more on the transition to compulsory schooling through clearer curriculum goals; acquiring key competencies and basic knowledge by active learning. In addition, the evaluation of children's learning and development is newly included and the importance of curriculum management at each Kindergarten highlighted. This new version of the standards for Kindergartens will be included as the educational element of the "Guideline for Nursery Centers" and "Guideline for Centers for ECEC", in the same way as it is now, and is expected to enhance the educational side of their programs.

## 2. Recent Projects

There are not many large scale comparative research projects on ECEC in Japan for which the research design and results are available. It is not because such studies are rare, but the release of information is slow and often the methodological detail is insufficient.

### 2-1. Grant-in-Aid for Scientific Research

In a time of rapid changes and reforms in ECEC policies, books from traditional academic bookstores tend to be out of date as soon as they are published. A good source of information is the "Kaken database"

(<https://kaken.nii.ac.jp/>). “Kaken-hi” is grant money for small and large research projects allocated to researchers on a competitive basis by the Japan Society for the Promotion of Science (JSPS), Japan’s leading funding agency. The database is built to let the public know the outcomes of the projects funded by “Kaken-hi”, but gives outlines only. On the other hand “Cinii” (<http://ci.nii.ac.jp/en>) is a useful database of individual articles that has links to full texts including many comparative studies. But it is not efficient for citing large scale project results because the full results are covered by a large number of separate articles.

The Ministry of Education, Culture, Sports, Science and Technology (MEXT) or Ministry of Health, Labour and Welfare (MHLW) occasionally commission investigations on comparative ECEC topics, but their reports tend to circulate among a rather small research community.

Here are recent two studies.

(1) *International Comparative Study on Collaboration between Preschool Education and Primary Education to build Competencies for Life-long Development* (funded by JSPS in 2009 – 2011.)

Dr. ICHIMI of the National Institute for Educational Policy Research, the principal investigator, writes: Competence-based early childhood education and care helps to cultivate life-long learning abilities of people. Based on this research finding, this project aimed at investigating partnerships between preschool and primary education in the USA, France, Republic of Korea, China, Taiwan, and Japan, focusing on their educational policies and reforms, articulation of curriculum or learning standard, and engagement in parents and communities. She concludes that the importance of smooth transition to compulsory schooling is recognized and positive actions have been taken in all target countries.

Based on this work, her team translated *Starting Strong II*, OECD, 2006, into Japanese. It has been and will be a great handbook for many of Japanese researchers and practitioners who are interested in ECEC in the OECD countries. *Quality Matters in Early Childhood Education and Care: Japan* (OECD, 2012) dealt with the quality issues in ECEC as a complement to *Starting Strong II*, as there was no Japanese data in the latter.

(2) *Comparative study on current status and trends of ECEC: Provisions, curriculum delivery and evaluation, quality assurance in seven countries, USA, England, France, Germany, Sweden, New Zealand and Korea, 2013.*

A group of Japanese scholars who have a detailed knowledge of these countries were commissioned by MEXT to carry out this investigation. The title of their 450 page report tells the focus of the study, but unlike the OECD country reports, each Japanese researcher has her/his own style in writing about the assigned country. Each section has a collection of curriculum guidelines and evaluation tools, such as observation-record templates and assessment scales used in that country (translated into Japanese). The executive summary points out the clear shift from “holistic” to “readiness for school” approach among these countries, and the assessment of children’s learning and development still remains a big challenge.

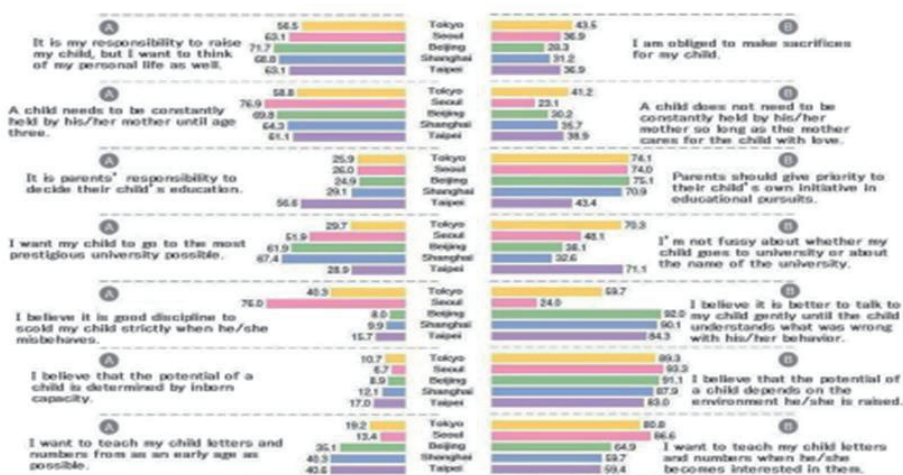
## **2-2. Benesse Survey: Common Aspects and Differences in Child-rearing among Five Major Cities in the East Asian Region: Tokyo, Seoul, Beijing, Shanghai and Taipei**

This is one of the few international surveys for which details are accessible. It was conducted in 2010

by Benesse, a Japanese research company which focuses on education and children. The survey theme was the current status of children's daily lives as well as parents' attitudes and practices regarding child-rearing in five East Asian cities. The report sums up the differences including that mothers in Tokyo expect their children to acquire social skills for relationship-building, while mothers in the other four cities would prefer their children to take on roles of leadership in their society in the future.

	Tokyo	Seoul	Beijing	Shanghai	Taipei
Target group	Parents of pre-school children between three and six years old				
Survey topics	Daily schedule of children/ Types of children's enrichment activities/ Expectations of kindergartens & daycare centers/ Mothers' perspectives on child-rearing and education/ Expectations for the future of children/ Aspects of parenting to which parents devote the most effort/ Mother's attitude towards child-rearing, etc.				
No. sent	3,805	23,643	33,304	29,671	9,029
Valid responses	1,693	969	765	1,073	1,745

## Survey Finding: Mothers' Perspectives on Child-rearing and Education



[http://www.childresearch.net/data/international/2010\\_01.html](http://www.childresearch.net/data/international/2010_01.html)

The figures on mothers' perspectives on child-rearing and education show a sharp contrast between Seoul and Tokyo in the answers about discipline and behavior management of children; Seoul is more strict, but the way the question was asked might have caused this. Overall the results do show more similarities than differences among the modernized large East Asian cities. It would be interesting to know how these results compare to Europe or the USA.

### 2-3. CRN ECEC Conference (2013~)

Since 2013, Child Research Net (CRN), a non-profit internet-based child research institute supported by

Benesse, has hosted five successive conferences in search of what constitutes quality provision of ECEC in Japan.

(<http://www.childresearch.net/events/ecec/>)

**1<sup>st</sup> Conference:** Dr. Kiyomi Akita, who has chaired many important Japanese ECEC policy advisory committees and working groups, was invited to give a key note lecture. She pointed out the following three issues in current ECEC in Japan.

- 1) Lack of education and child care that will ensure that the individual child will lead a happy life in early childhood and beyond in a globalized, knowledge-based society in the 21st century
- 2) Lack of education and child care that responds to diverse needs amid widening disparity (economic and regional disparities, etc.)
- 3) Lack of facts and evidence to ensure the process of improvement in ECEC quality

Dr. Akita then introduced the recent ECEC system in Taiwan, Korea and Singapore as good examples of effective operation of the integration of kindergartens and daycare centers. She referred to ongoing international trends in data collection and monitoring providing examples from Australia and Canada. These examples convinced participants of the necessity of evaluation indicators for quality ECEC to increase the overall quality of Japanese ECEC at the national level.

Dr. Sakakihara, the vice-president of Ochanomizu University and the Director of CRN, introduced five challenges that Japanese ECEC faces:

- 1) How can Japanese ECEC be positioned in the global context?
- 2) Do we have an overall picture of Japanese ECEC? What is the average?
- 3) What are the appropriate standards to measure the quality of ECEC? What is quality ECEC?
- 4) How can we improve the quality of ECEC? Specific facts necessary.
- 5) What is the essential difference in ECEC between daycare centers and kindergartens?

These questions were posed to a panel of specialists. Their discussion highlighted the importance of a framework to collect and manage early-childhood data at grassroots level as well as governmental level, and of the mapping of Japanese ECEC in the global context. The difficulty of qualitative assessment of ECEC also sparked discussion. It was proposed that quality should be assessed in relation to the unique diversity of each kindergarten/center, rather than against a single unified set of ECEC quality standards.

**Comparative Table:** At the 4<sup>th</sup> and 5<sup>th</sup> conferences, the focus was “ECEC in Japan and around the World”, country specialists were invited to talk about the unique aspects of their assigned country/city. As an outcome of the two conferences, a comparative table, largely based on literature-research, was created by the researchers, who had presented there. The table contains eight country/regional profiles. Four from Europe, namely England, Italy (Reggio Emilia and Pistoia), the Netherlands, Sweden, and four from Oceania & Asia - New Zealand, China (Shanghai), South Korea and Japan. Although the choice of county/region is rather arbitrary, the “per contra item” and the “analytic descriptions of each item” of the table show what this project looked into and learned from ECEC of other countries.

< Per contra item of the table and analytic descriptions from Japanese perspectives >



CRN ECEC Conference: Per contra item of the comparative table				
New Zealand	Main Features	Features We Value	Challenges We See	Lessons We Learned
Outline of the System				
Idea of Childhood/View of ECEC				
National Curriculum/Guidelines and Evaluation of the Provisions				
Fundamental Principles				
Style of Daily Practice				
Typical Day in ECEC Provisions				
Relationship: Staff vs. Child				
Relationship: Child vs. Child				
Relationship: Staff vs. Parents				
Staff: Pre-service Education				
Staff: Pay and Working Conditions				
Staff: Professional Development				
Assessment of Children's Learning and Development				

For the reader's interest, CRN has an English Website "ECEC around the World" that covers a wide range of topics on ECEC from the perspective of researchers around the world. Many articles on this website were translated into Japanese, therefore this site helps to re-examine Japanese ECEC while learning from developments elsewhere. Please visit the site to see what those involved in Japanese ECEC know about relevant world trends and issues. (<http://www.childresearch.net/projects/ecec/index.html>)

#### 2-4. Establishment of CEDEP and Its First Two Years

In 2015, the Center for Early Childhood Development, Education, and Policy Research (CEDEP) was established as a research center at University of Tokyo, the leading research university in Japan. Dr. Kiyomi Akita, professor of Department of Education, was appointed as its first director. Designed to carry out combined research on early childhood development, ECEC practice and public policies, CEDEP has already been actively working with many international research institutions as well as national/local organizations and governments. To achieve these goals, the outcome of their ECEC research projects are sent out to the world by uploading all the event information and related articles in both Japanese and English; at the moment their English site needs more time to catch up what is available in Japanese.

(<http://www.cedep.p.u-tokyo.ac.jp/en/>).

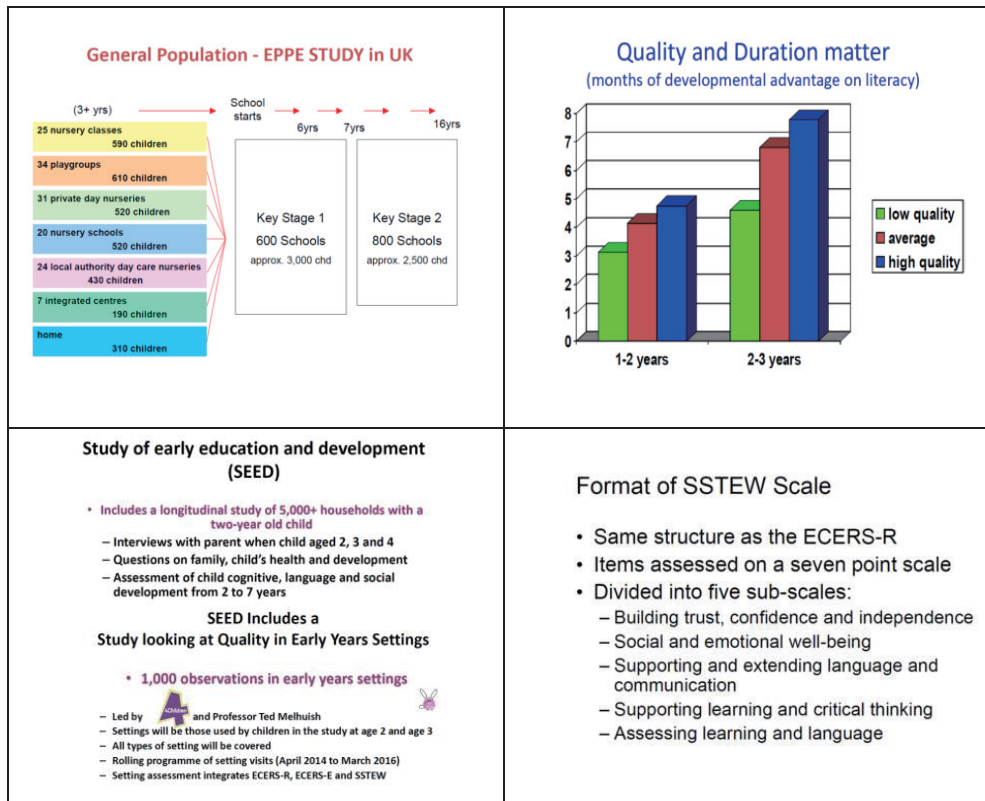
A quick look at its two symposiums will be a good indicator of the Japanese strategic interest to make an effective breakthrough in ECEC practice and policy.

**The 1<sup>st</sup> symposium;** In August, 2015, two key-note speakers reported trends in ECEC research mainly from European perspectives. (1) On Starting Strong IV : Monitoring Quality in ECEC, by Ms. Miho Taguma, a Japanese OECD officer. (2) Quality Childcare and Longitudinal Study in Europe, by Dr. Melhuish of Oxford University.

Prof. Melhuish talked about some famous large scale studies such as "Effective Provision of

Pre-school Education” (EPPE) and “Study of Early Education and Development” (SEED) in England, as well as those done in Norway, Denmark and France. He stressed that it was these evidence-based studies that made and will make big differences in ECEC policies. He also introduced a new evaluation scale his team developed: “Sustained Shared Thinking and Emotional Well-Being” (SSTEWS).

These are the equivalent slides to those presented at the symposium; only the Japanese versions were available on the CEDEP site, so these were taken from other paper which was already on the web.



SSTEWS was translated into Japanese and published in 2016 by Prof. Akita and her team. As the Early Childhood Environment Rating Scale (ECERS-R) and ITERS were already published in Japanese, Japanese researchers and practitioners now have one more tool available originated in Anglo-Saxon cultures, and one would expect the introduction of these tools will affect the ECEC in Japan in many ways.

**The 2<sup>nd</sup> symposium:** Held in January 2016, followed the Asian reform trend focusing on leadership in ECEC workplaces. Leadership was seen as a channel to assure “Process Quality”. Researchers were invited from China, Taiwan and Singapore and, together with Japanese specialists, reported and discussed various approaches in search of the essential features of good leadership in ECEC.

Dr. Wang from the Chinese National Professional Development Center for ECE Teachers talked about the national organization of in-service training, and the introduction of Standards for the Profession in ECEC.

Dr. Shou and Dr. Kow of Taipei City University presented their in service training for teachers - the national coaching program for the leadership in curriculum delivery - and provided two case studies. Their



*Curriculum Leader's Handbook* and the *Supervisor's Coaching Manual* were explained and some chapters were translated into Japanese and handed out.

Dr. Lim of Singapore Sim University gave an international literature review of leadership in the ECE workplace from a Singaporean context which is very academically-gearred, with high parental expectation/demands stand and a strong Euro-US orientation. She analyzed two major types of leadership models - hierarchical and collaborative - and other ideas of leadership by introducing several world-known educators' views and identifying what Singaporeans need to learned from the literature.

### **2-5. Establishment of Early Childhood Education Research Center at NIER**

Newly established in Tokyo in April 2016 as the very first state funded national center of this kind, this center will undertake research studies on early childhood education, build research networks and disseminate research achievements. In FY2016, a new empirical study on the educational effects of ECE has been started through a longitudinal survey concerning preschool education across seven municipalities. Preliminary results are not yet available.

### **3. In Conclusion**

The main challenges for Japanese ECEC have already been mentioned by Dr. Akita, and Dr. Sakakibara's list of research questions tells what Japanese researchers are currently looking at.

The following is the presenter's view on the basis of the literature search for this presentation.

1. The research themes and framework of the OECD's ECEC reports have been well understood. Assessment scales have already been modified for Japanese settings and are ready to use. Studies done so far "Look East" as well as West.
2. Japan is far behind the major OECD countries in data and evidence collection, and the lack is evident. More studies in search of quality in the process of ECEC as well as the structure of ECEC are required. These should include large scale longitudinal surveys, studies of leadership in the workplace and research involving evaluation and monitoring of existing assessment tools.
3. The lack of channels/hubs for the distribution of ECEC research findings is serious. The existing search engines, even in the government departments' homepages, are not efficient enough. The establishment of CEDEP and the ECE Research Center at NIER are both great steps forward.
4. The importance of valuing Japanese ECEC culture and traditional educational methods that respect compassion and empathy should be acknowledged by Japanese ECEC researchers, practitioners and policymakers.

Before closing, let the presenter introduce one of her own research projects.

She has carried out several micro-scale comparative studies, one of which was a kind of dialogue analysis using video-taped classrooms. A Japanese and a US preschool teacher were invited to join the project, and they visited each other's classrooms, video-recorded what their counterpart was doing. Then

they talked about what was in their videos. There were scenes involving pre-service students on practicum in both videos, as the setting were both preschools attached to universities that offered teacher education programs.



This is a shot from the video that the US teacher recorded and shows the typical position a Japanese student takes when the class teacher leads the group activities - she acts as if she herself were one of the children in the class. In contrast the Japanese teacher never saw US student-teachers sitting behind the preschool group. They were usually in front or by the side of the children and never acted as a member of the group.

When the presenter saw this, she started to think about what this difference meant; this could be one of the key elements that has enhanced Japanese teachers' empathy to children's feelings and deeds. She concluded that a comparative study to her was more about who am I, than where am I.

Thank you.

#### References (English links only)

- "Comprehensive Support System for Children and Child-rearing"  
[http://www8.cao.go.jp/shoushi/shinseido/event/publicity/pdf/naruhodo\\_book\\_2609/eng/print.pdf](http://www8.cao.go.jp/shoushi/shinseido/event/publicity/pdf/naruhodo_book_2609/eng/print.pdf)
- "ECEC System in Japan"  
[www.oecd.org/dataoecd/16/20/44647895.ppt](http://www.oecd.org/dataoecd/16/20/44647895.ppt)
- "Social Security in Japan 2014"  
<http://www.ipss.go.jp/ssj-db/e/ssj-db-top-e.asp>
- JSPS Kakenhi  
<https://kaken.nii.ac.jp/>
- Benesse and CRN  
[http://www.childresearch.net/data/international/2010\\_01.html](http://www.childresearch.net/data/international/2010_01.html)  
<http://www.childresearch.net/events/ecec/>
- CEDP  
<http://www.cedep.p.u-tokyo.ac.jp/en/>

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# Government Financing on ECEC in OECD Countries: Outlook





# Government Financing on ECEC in OECD Countries: Outlook

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## I. Public Expenditures on ECEC in OECD Countries

Fertility rates have been declining in most developed and developing countries over the past decades. To raise the fertility rate and to make the community child-raising friendly, several countries have introduced policies on early childhood education and care (ECEC), and have also increased the share of public expenditure to implement them. This study reviews the general trend in public spending on ECEC in each Organization for Economic Cooperation and Development (OECD) country. In addition, by analyzing the OECD family database for selected countries, the study aims to establish how this financial input affects the mother's age at childbirth. A woman's age at her first childbirth is an indirect measure of the change in fertility.

### 1. Total fertility rate in OECD countries

Total fertility rates (TFR) in selected OECD countries are shown in Figure 1. The TFR trend is divided into two groups: countries with relatively high rates versus those with low rates. Sweden experienced a dramatic decrease in its TFR until 2000. In 1990, it was 2.14, slightly above the replacement rate (2.00), but plunged to 1.50 in 1999 – the lowest in Sweden. However, it recovered to 1.98 in 2010. Similarly, South Korea experienced a significant drop in TFR. Prior to 2000, the country sustained a TFR of over 1.50. By 2005, it reached a historical low of 1.08. On the other hand, Belgium had a TFR of 1.6 in 1990, dipping marginally by 1995, and rising gradually until 2010. Japan and Germany are the only countries that experienced an increase in TFR after 2010. Germany's TFR fluctuated at around 1.3, but has been rising since 2005. More specifically, Germany's TFR trend saw an upturn after 2000. However, Japan's TFR was above 1.5 in 1990, and declined thereafter. In 2005, TFR stabilized and started to increase.

### 2. Mean age of women at childbirth

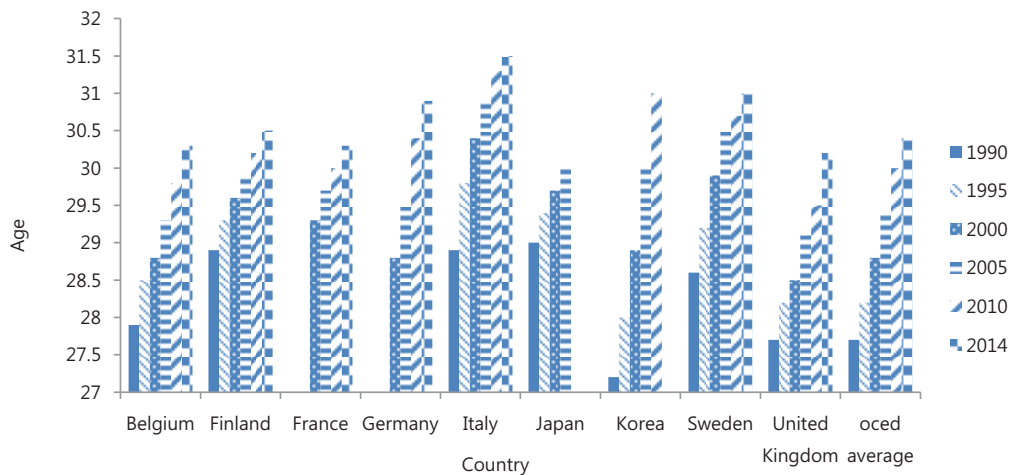
As shown in Figure 2, all OECD countries witnessed an increase in the mean age of women at childbirth, although variation is apparent among countries. For example, in Finland and France, the increase seems relatively gradual. Korea shows the largest increase, compared to other OECD countries.

Figure 1. Total fertility rate in selected OECD countries (1990-2014), including OECD average



Source: Reconstructed by the author, based on OECD Family Database (<http://www.oecd.org/els/family/database.htm>, accessed September 05, 2016)

Figure 2. Mean age of women at first childbirth in selected OECD countries (1990-2014)



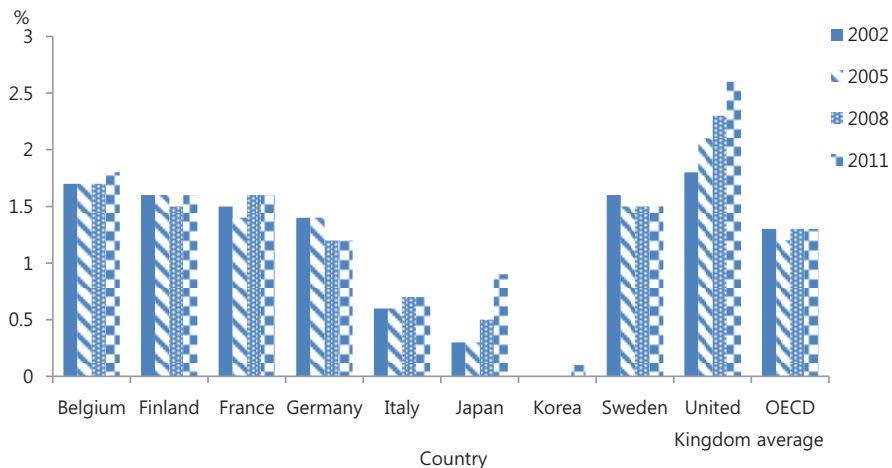
Source: Reconstructed by the author, based on OECD Family Database (<http://www.oecd.org/els/family/database.htm>, accessed September 05, 2016)

### 3. Public expenditures on family benefits

According to the OECD family database (PF 1.1), family benefits refer to the financial supports for families and children, exclusively child-related cash transfers, services, and those provided through the tax system. The other benefits not included in this indicator are spending assistance on family, such as health and housing. For example, cash benefits include child-related cash transfers to families raising children, such as cash allowances. In most countries, these benefits are only given to families with children, and in more than half the countries the benefits are universal, regardless of the family's income levels.

As shown in Figure 3, the United Kingdom has the largest public expenditures on cash benefits. Except Italy, most European countries' public spending on cash benefits is well above 1.5 percent of GDP. Sweden and Germany, however, have reduced their expenditures on cash benefits. On the other hand, Japan and Korea increased their expenditures during the reference period. Korea, interestingly, did not have a record of public expenditure prior to 2011.

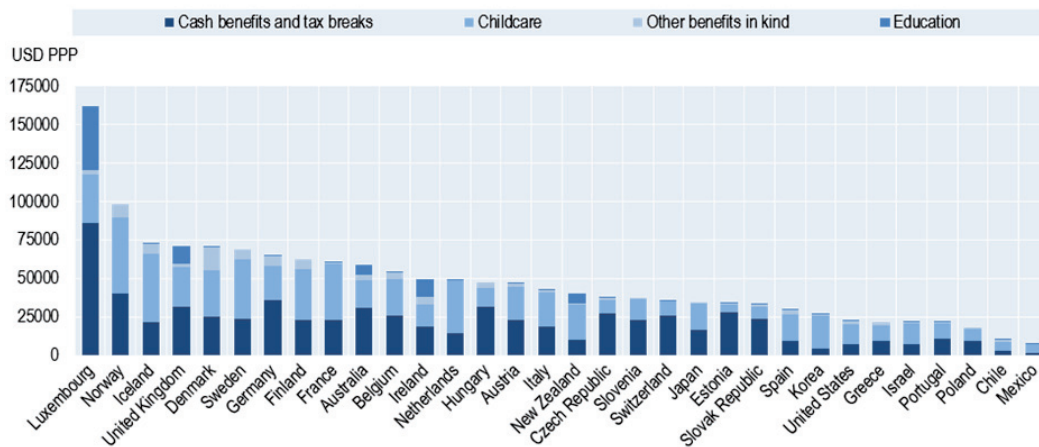
Figure 3. Public expenditures on cash benefits for families (% of GDP), 2002-2011



Source: Reconstructed by the author, based on OECD Family Database (<http://www.oecd.org/els/family/database.htm>, accessed September 05, 2016)

Figure 4 shows each country's public spending on children in early childhood (0-5 years). Israel, the U.S., and Korea spend \$20,000 to \$30,000 dollars per young child; France, Finland, and Germany spend more than \$60,000. Norway spends more than \$98,000 per young child. Surprisingly, Luxembourg spends more than \$162,000 per young child. Large variations are apparent among member countries, and Korea emerges as the lowest spender.

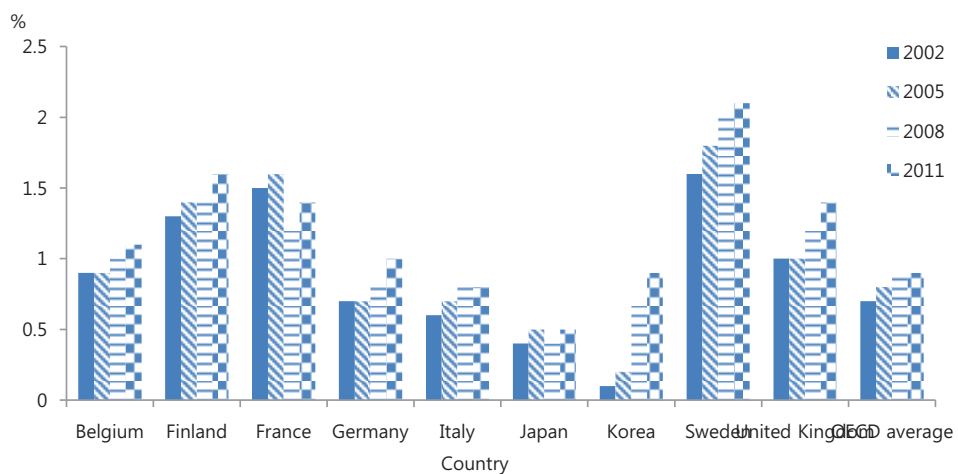
Figure 4. Cash benefits and tax breaks and childcare are important elements in per capita social expenditure on children in early childhood (0-5 years)



Source: Reconstructed by the author, based on OECD Family Database, Chart PF1.6.C (<http://www.oecd.org/els/family/database.htm>, accessed September 05, 2016)

Belgium, Italy, Japan, Korea, and the United Kingdom have increased their public expenditure on both cash and in-kind benefits (including services) for families as a percent of GDP during the reference period, 2002-2011. These are represented in Figure 3 and Figure 5. Japan and Korea represent large increases in those benefits

Figure 5. Public expenditure on in-kind benefits (including services) for families (% of GDP), 2002-2011



Source: Reconstructed by the author, based on OECD Family Database (<http://www.oecd.org/els/family/database.htm>, accessed September 05, 2016)



#### 4. Analysis

The study analyzes the relationship between the mean age of women at first childbirth and public spending on child-related cash and in-kind benefits. This analysis will determine how public financing on ECEC affects the age of women at childbirth. Lutz and Skirbekk (2005) state that if the first childbirth is postponed, women tend to give fewer births during their lifetime. Thus, it is worthwhile to analyze the impact of public financing on families (childcare) decision to delay childbirth. Due to data availability, OECD countries such as Belgium, Finland, France, Germany, and Sweden have been selected for analysis for the period 2005-2011, by using the ordinary least squares (OLS) method. Two models have been examined: 1) public expenditure on cash benefits for families as a percentage of GDP, public expenditure on services and in-kind benefits for families as a percentage of GDP; 2) public expenditure on cash benefits for families as a percentage of GDP, public expenditure on services and in-kind benefits for families as a percentage of GDP, and employment rates of mothers (aged 15-64 years) with at least one child aged 0-15 years.

Table. 1. OLS results

		BEL	FIN	FRA	GER	SWE
M 1	Public expenditure on	cash benefits for families as a % of GDP	0.185 (0.574)	-1.565** (0.450)	1.305 (0.976)	-0.681 (0.392)
		services and in-kind benefits for families as a % of GDP	2.154*** (0.441)	1.435*** (0.248)	0.890 (0.697)	2.684*** (0.382)
		_cons	27.146*** (0.817)	30.457 (0.520)	26.554*** (2.421)	28.646*** (0.478)
		Adj R-squared	0.859	0.844	-0.026	0.888
						0.749
M 2	Public expenditure on	cash benefits for families as a % of GDP	0.223 (0.675)	-1.351* (0.433)	1.056 (0.489)	0.341 (0.623)
		services and in-kind benefits for families as a % of GDP	2.014* (0.762)	1.231** (0.267)	0.928* (0.346)	1.732* (0.587)
	Employment rates for all mothers with at least one child aged 0-15 years		0.014 (0.055)	-0.001 (0.001)	0.061** (0.017)	0.007 (0.004)
		_cons	26.255*** (3.750)	30.491*** (0.469)	22.550*** (1.629)	27.806*** (0.582)
		Adj R-squared	0.816	0.874	0.747	0.932
					0.670	

\* p < .1, \*\* p < .05, \*\*\* p < .01.  
Standard error in parenthesis.

The results show that public expenditures on services and in-kind benefits may lead to women postponing their first childbirth. However, even though only Finland reports statistically significant results, public expenditures on families as a percentage of GDP lowers a woman's mean age at childbirth.

## 5. Conclusion

Most OECD countries suffer from low fertility rates and the respective governments are trying to raise it through public expenditures. This study briefly presents the current trends in public expenditures on ECEC. Belgium, Italy, Japan, Korea, and the United Kingdom have increased their public spending on both cash and in-kind benefits (including services) for families during the reference period, 2002-2011. However, Korea has the lowest public expenditures on cash benefits even though the spending on in-kind benefits (services) matches that of other countries.

Based on the OECD family data, the study analyzes the impact of public expenditures on the mean age of women at first childbirth, which indirectly relates to the fertility rate. Unfortunately, public expenditures on services and in-kind benefits could lead to a woman postponing her first childbirth. However, even though only Finland reports statistically significant results, public expenditures on cash on families as a percentage of GDP reduces the mean age of women at first childbirth. This is a reflection on the Korean government, which has spent relatively more on in-kind benefits (services).

This study is based on a simplified analysis; thus, future studies should consider other empirical models with relatively more specific time-series data for several countries.

## II. Finance of early childhood education and care system in Korea

### 1. Finance of early childhood education

The budget for financing early childhood education can be classified into 1) government financial support (provincial education finance grant) from Ministry of Education, and 2) autonomously executed budget by 17 metropolitan and provincial offices of education. Financial supports for early childhood education policy scheme provided by Ministry of Education can be classified into 5 following fields: human resource operation, professor-education activity support, education welfare support, school finance support and administration, school educational condition improvement support. Since 2009 early childhood education budget is allotted by provincial education finance, after Nuri process was passed in 2012, kindergarten financial aid (Nuri process support fund & operating cost) was included, and size of the budget kept growing from 271.2 billion KRW in 2001 to around 5.4 trillion KRW in 2015.

〈Table 2〉 Categorized list of early childhood education budget: 2001-2015

Unit: 1million KRW							
	Labor Cost	Early childhood school expense support	Textbook and teaching material cost	Basic Operating Cost	Facility Cost	Miscellaneous (Targeted fund, etc)	Total
2001	-	-	-	-	-	-	271,200
2002	-	-	-	-	-	-	330,200
2003	-	-	-	-	-	-	356,800
2004	-	-	-	-	-	-	456,447
2005	324,762	183,952	6,730	67,721	15,718	38,908	637,790
2006	363,523	293,901	8,777	73,637	23,951	60,431	824,220
2007	414,398	342,593	15,905	82,922	23,905	68,032	947,754
2008	408,896	363,774	23,342	86,362	69,135	60,582	1,012,089
	Human Resource Operation	Professor-Education Activity Support	Educational Welfare Support	Operating Cost and Educational Condition Improvement Support		Total	
2009	470,301	37,686	544,296	183,570		1,235,853	
2010	567,573	53,102	667,431	211,912		1,500,018	
2011	815,144	46,987	795,008	266,764		1,923,903	
2012	720,019	395,261	1,618,939	287,008		3,021,225	
2013	685,486	390,702	2,700,581	362,935		4,139,704	
2014	897,579	377,710	3,466,699	560,280		5,304,268	
2015	-	-	-	-		5,433,410	

Footnote: 2012~2014 kindergarten support included. Figures in 2014 are budget.

Source: KSECE (2007). Early childhood Education White Book 2001-2005

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E. Choi, J. Lee, S. Kim (2015). Outcomes of the Early Childhood Education Policy in 2015 and Future Tasks. p. 60.

## 2. Finance of early childhood care

Since 2004, the early childhood care project focused on expanding financial supports and improving quality of care (Suh and Lee, 2014). Details of the budget can be sorted out into kindergarten operation, early childhood care infrastructure establishment, kindergarten appraisal authentication, financial support for kindergarten, financial support for family home care allowance.

The early childhood care budget by central government in 2001 was around 170 billion KRW, and in 2004, when early childhood care subsidy scheme expanded, it was around 400 billion KRW, this figure had continued grow after. In 2011/12 and 2012/13, early childhood care budget increased greatly due to free early childhood care system and expansion of home care allowance, targeting to all age and all social stratum. In 2016, the early childhood care budget sized around 5.27 billion KRW

〈Table 3〉 Annual size of National Treasury supported budget: 2001-2015

Unit: 1million KRW, %

	Early childhood d care facility operation support	Infant Care Cost Support	Early childhood d care facility function reinforce ment	Early childhood care infrastructure establishment	Appraisal authentic ation	Kinderg arten support	Home care allowan ce	Miscel laneou s	Total	Prop ortio n to GDP
2001	97,878	66,254	1,220	733	-	3,932	-	546	170,563	0.02
2002	105,164	97,446	2,070	708	-	4,014	-	878	210,280	0.03
2003	169,240	117,143	6,587	1,735	100	4,156	-	978	299,939	0.04
2004	218,693	152,444	20,821	2,627	100	9,155	-	1,157	404,997	0.05
2005	262,243	267,088	50,420	2,763	600	11,511	-	5,466	600,091	0.07
2006	297,193	438,554	34,268	4,488	1,580	14,925	-	-	791,008	0.08
2007	382,578	593,605	41,729	4,235	7,378	13,763	-	2,877	1,046,165	0.10
2008	549,747	807,851	24,039	5,658	11,987	14,364	-	10,000	1,423,646	0.13
2009	343,856	1,282,168	21,437	29,787	4,191	15,301	8,100	-	1,704,840	0.15
2010	349,528	1,632,240	9,438	12,181	3,401	55,093	65,664	-	2,127,510	0.17
2011	395,023	1,934,611	14,650	16,250	4,975	23,077	89,794	-	2,478,380	0.19
2012	423,153	2,391,291	11,867	15,377	6,026	78,207	102,646	-	3,028,567	0.22
2013	444,463	2,598,219	23,610	26,990	6,668	150,445	880,950	-	4,131,345	0.29
2014	467,111	3,333,028	42,432	18,268	8,600	189,061	1,215,319	-	5,273,819	0.35
2015	496,945	3,056,880	40,233	16,661	9,800	221,707	1,101,768	-	4,943,994	0.32

Footnote: Author's calculation (base year 2010) based on Statistics Korea, accessed on 2016.08.08.

Source: M. Suh, H. Lee (2014). The Increase in the Budget of and its Effect to Early Childhood Education and Care: 2004-2014p 85. Ministry of Health and Welfare (2015). Information on Childcare Services.

〈Table 4〉 Present condition of National treasury and city, province supported early childhood care budget: 2001~2015

Unit: 1million KRW, %

	National Treasury project cost (A)	City·Provi nce Special project cost (B)	city·tow n·district special project cost (C)	Total (A+B+C)	Proporti on to GDP1)	Special project cost to National Treasury project cost	Nuri process support aid (D)	Overall Total (A+B+C +D)
2001	360,027	41,755	-	401,782	0.06	11.6		
2002	435,517	43,552	-	479,069	0.06	10.0		
2003	627,705	156,230	28,081	812,016	0.10	29.4		
2004	872,285	143,904	45,544	1,061,733	0.12	21.7		
2005	1,322,974	176,464	96,175	1,595,613	0.17	20.6		
2006	1,723,613	224,842	89,647	2,038,102	0.21	18.2		
2007	2,286,084	292,763	101,169	2,680,016	0.26	17.2		
2008	2,944,883	255,883	108,074	3,308,840	0.30	12.4		
2009	3,570,376	378,054	132,662	4,081,092	0.35	14.3		
2010	4,288,978	483,527	171,298	4,943,803	0.39	15.3		
2011	5,018,610	365,775	549,051	5,933,436	0.45	18.2		
2012	6,132,183	533,835	625,497	7,291,515	0.53	18.9	455,967	7,747,482
2013	8,222,709	594,743	441,599	9,259,051	0.65	12.6	1,163,894	10,422,945
2014	8,490,800	653,752	416,732	9,561,484	0.64	12.6	1,634,484	11,195,968
2015	7,950,735	1,411,872	235,715	9,598,322	0.67	20.7	1,762,336	11,360,658

Footnote: 1) The national treasury project cost is combination of national expenditure and province expenditure, the city·province special project cost is combination of city·province and city·town·district budget for city·province special projects. city·town·district project cost is city·town·district's innate special project cost.

2) Author's calculation (base year 2010) based on Statistics Korea, accessed on 2016.08.08.

Source: M. Suh, H. Lee (2014). The Increase in the Budget of and its Effect to Early Childhood Education and Care: 2004-2014 p. 86.

H. Yoo, E. Kang, A. Cho(2015). Achievements of the Childcare Policy in 2015 and Future Tasks. p. 95.

### 3. Finance of early childhood education and care system.

Overall figure of finance of early childhood education and care system was around 610 million KRW and this figure continually increased. In 2012, when Nuri Process and free early childhood care system expanded entirely, proportion to GDP increased up to 0.75 percent and in 2014 above 1 percent was maintained. This figure exceeds the OECD average.

〈Table 5〉 Change in the size of the early childhood education and care project: 2001-2015

Unit: 1million KRW, %

Early Childhood care			Early Childhood Education		Total	
National Treasury and Province budget	Proportion to GDP		(provincial education finance grant)	Proportion to GDP		Proportion to GDP
2001	401,782	0.06	271,200	0.02	672,982	0.08
2002	479,069	0.06	330,200	0.03	809,269	0.09
2003	812,016	0.10	356,800	0.04	1,168,816	0.14
2004	1,061,733	0.12	456,447	0.05	1,518,180	0.17
2005	1,595,613	0.17	637,790	0.07	2,233,403	0.24
2006	2,038,102	0.21	824,220	0.08	2,862,322	0.30
2007	2,680,016	0.26	947,754	0.10	3,627,770	0.34
2008	3,308,840	0.30	1,012,089	0.13	4,320,929	0.39
2009	4,081,092	0.35	1,235,853	0.15	5,316,945	0.46
2010	4,943,803	0.39	1,500,018	0.17	6,443,821	0.51
2011	5,933,436	0.45	1,923,903	0.19	7,857,339	0.59
2012	7,291,515	0.53	3,021,225	0.22	10,312,740	0.75
2013	9,261,001	0.65	4,139,704	0.29	13,400,705	0.94
2014	9,561,484	0.64	5,304,268	0.35	14,865,752	1.01
2015	9,598,322	0.66	5,433,410	0.38	15,031,732	1.05

Footnote: Author's calculation (base year 2010) based on Statistics Korea, accessed on 2016.08.08.

Source: M. Suh, H. Lee (2014). The Increase in the Budget of and its Effect to Early Childhood Education and Care: 2004-2014:p. 92.

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# Public Finance Feasibility on Early Childhood Care and Education in Japan



# Public Finance Feasibility on Early Childhood Care and Education in Japan

Keiichi Ogawa<sup>1</sup>

## 1. Introduction

Inspired by previous work showing higher rates of return from investing in Early Childhood Care and Education (ECCE), there is growing attention on how to ensure sustained public funding to ECCE, which is known as one of the most underfunded sub-sectors (Denboba et al. 2014). While Japan performs better than average in most of the ECCE outcome indicators, the previous literature has shown notably low public spending on ECCE (OECD 2012). However, there has been little discussion on this issue based on the detailed review of the level and composition of public expenditures. This topic is particularly important in providing evidence-based assessments for Japan's new comprehensive support system for ECCE.

Against this background, this paper aims at providing an analytical discussion of the public finance feasibility on ECCE in Japan. The rest of the paper is organized as follows. Chapter 2 and 3 provide an overview of the national ECCE system and the current trend in access to ECCE facilities, respectively. Chapter 4 reviews the recent trend in financing ECCE. The last chapter concludes the paper with the summary of findings and policy recommendation.

## 2. National Early Childhood Care and Education System

In Japan, ECCE has been provided by two types of facilities under different systems with different frameworks. The first is kindergarten (*youchien*), which is in the public school education system under the jurisdiction of the Ministry of Education, Culture, Sports, Science and Technology (MEXT). The second is day nursery (*hoikusho*), which is in the welfare system under the jurisdiction of the Ministry of Health, Labor and Welfare (MHLW). In Japan, both kindergartens and day nurseries have their own long history and rich traditions.

However, Japan is currently at a transition stage from traditional “dual” system to a comprehensive support system for ECCE. It is argued that the unification of kindergarten and day nursery systems by combining their respective strengths is the best way to respond to equal access to education and childcare for every child under the recent rapid changes in social circumstances, including increasing female labor participation, declining birth rate, as well as the widening income gap among child-rearing families (Iwatate 2015; Kimata and Kaneko 2015). There is a long list of children waiting to be enrolled in nursery centers especially under 3 years old in urban areas. Under such circumstances, a new type of facility,

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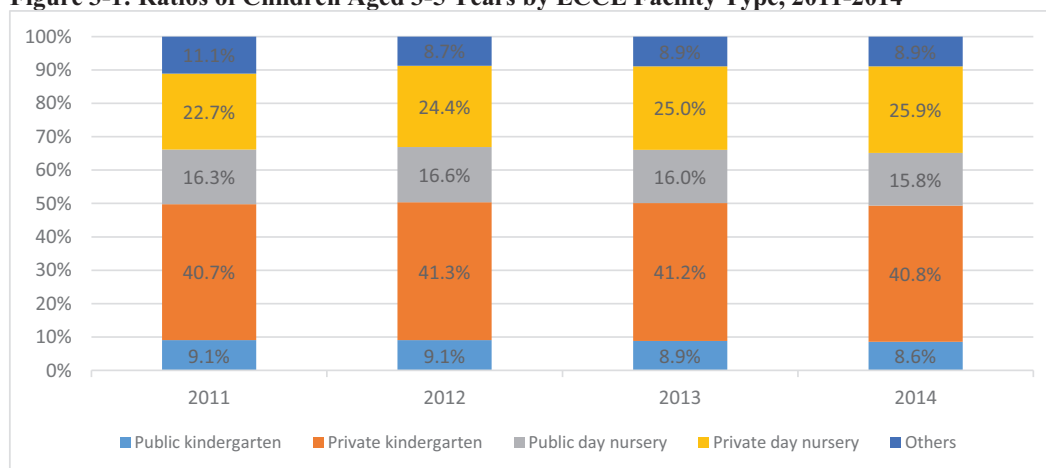
which is called ECCE Center (*Nintei Kodomo-en*) and functions as both a kindergarten and day nursery, was established in 2006.

Recently, Japan made another significant step towards the unification of the two systems. Based on the three laws enacted by the Japanese government in 2012, the Comprehensive Support System for Children and Childcare (CSSCC) was officially launched from April 2015 as part of the Integrated Reform of the Social Security and Tax Systems. Under this new system, Unified Type ECCE Center is given single status both as a public school education facility and welfare facility supervised by the Cabinet Office (CO).

### 3. Access to Early Childhood Care and Education

As shown in Figure 3-1, around half of the children aged 3-5 years enroll in kindergartens and around 40% of them enroll in day nurseries in Japan. This overall trend has not changed between 2011 and 2014, although the ratio of 3-to 5-year old children in day nurseries has slightly increased during this time period (from 39.0% in 2011 to 41.7% in 2014). The figure also shows that the private sector generally plays an important role in providing ECCE facilities in Japan, and the share of private sector's provision is gradually increasing. In 2014, 82.7% and 62.2% of 3- to 5-year old children in kindergartens and day nurseries, respectively, are in private ones (see Figure 3-1).

**Figure 3-1: Ratios of Children Aged 3-5 Years by ECCE Facility Type, 2011-2014**



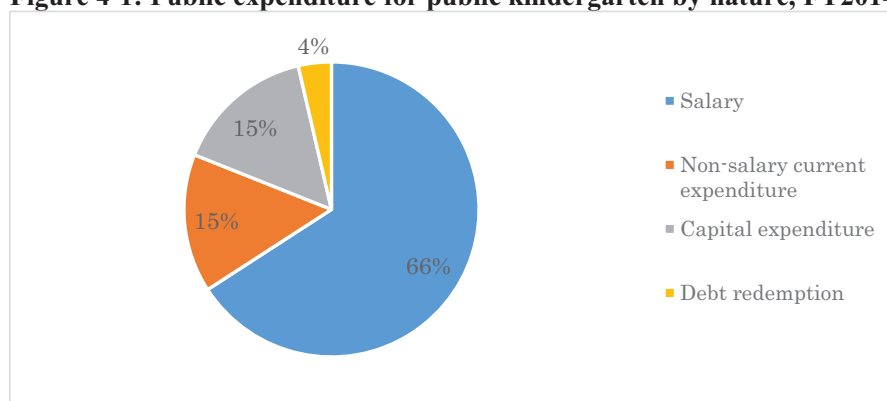
Source: Created by the author based on MIC Bureau of Statistics (2016), MEXT (2015a), and MHLW (2015).

Note: Statistics on the number of children in kindergartens are as of May 1 in each year. Statistics on the population estimates and the number of children in day nurseries are as of October 1 in each year. Others include Local Discretionary Type ECCE Centers, non-approval day nurseries, day nurseries in kindergartens, and family childcare businesses. The children enrolling in Kindergarten Type ECCE Centers are counted as enrolling in kindergartens. The children enrolling in Unified Type and Day Nursery Type ECCE Centers are counted as enrolling in day nurseries.

#### 4. Funding of Early Childhood Care and Education

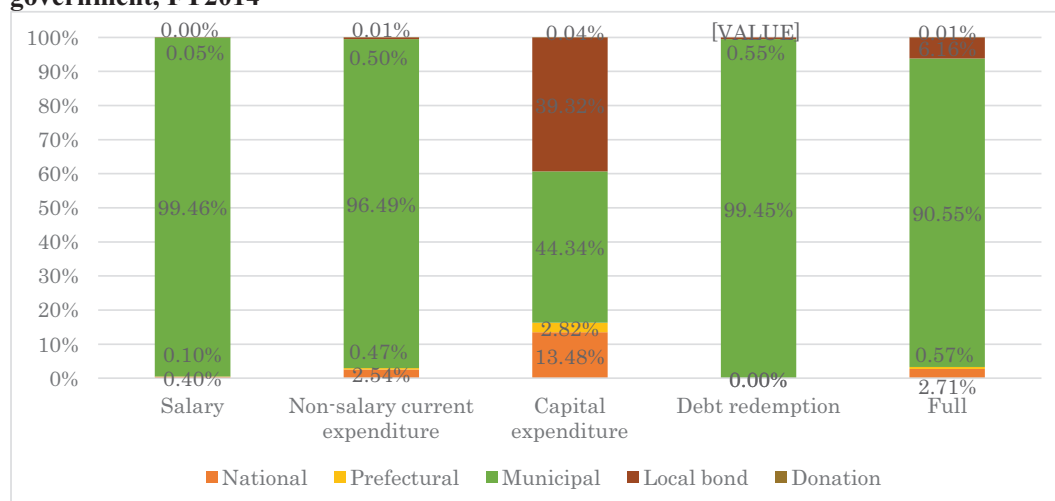
Public expenditure on ECCE comprises only 0.1% of the GDP in Japan, which is notably lower than the Organisation for Economic Co-operation and Development (OECD) average of 0.6% (OECD 2014). This may imply that an inadequate level of public financing for ECCE in Japan. Besides, according to OECD (2014), the share of private expenditure on pre-primary education institution was 55% in 2011, which was substantially higher than the OECD average of 19%. Annual expenditure per student in ECCE was USD 5,591 in 2011, also significantly lower than the OECD average of USD 7,428 (OECD 2014).

**Figure 4-1: Public expenditure for public kindergarten by nature, FY2014**



Source: Created by the author based on MEXT (2016).

**Figure 4-2: Public expenditure for public kindergarten from different levels of government, FY2014**

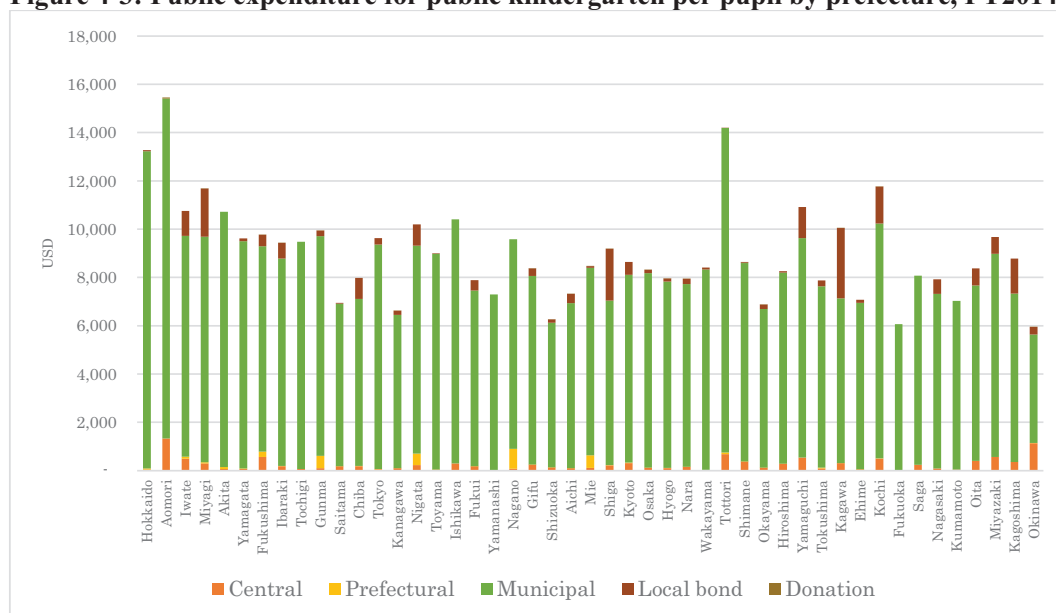


Source: Created by the author based on MEXT (2016).

Little data is available to see the breakdown of the actual public spending for day nurseries. However, MEXT has been collecting data on local governments' expenditure on operating

public kindergarten as well as its breakdown by nature. As shown in Figure 4-1, around two thirds of the public expenditure for public kindergarten was allocated for salary in FY2014. Both no-salary current and capital expenditures accounted for 15% of the public expenditure for public kindergarten. In addition, more than 90% of the public expenditure for public kindergarten came from the municipality (see Figure 4-2). The figure also shows that capital expenditure for public is largely covered by local bond (39.32%). The central government also contributes to capital expenditure for public kindergarten (13.48%). Moreover, Figure 4-3 shows that there is a significant variation in per pupil public spending for public kindergarten across different prefectures.

**Figure 4-3: Public expenditure for public kindergarten per pupil by prefecture, FY2014**



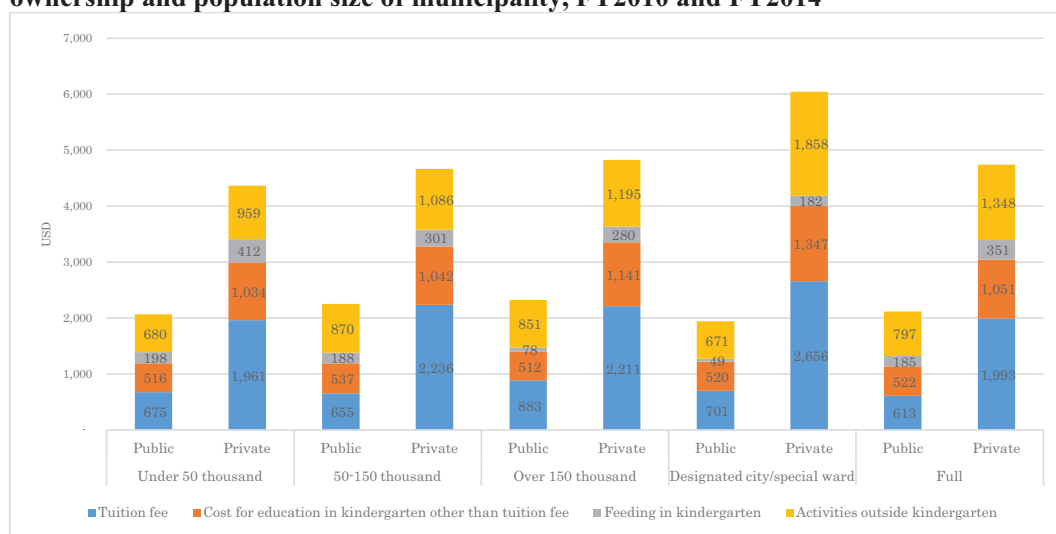
Source: Created by the author based on MEXT (2016). Original expenditure data are provided in JPY. Money value is converted to USD using the PPP in 2014 from OECD (2016).

Although little data on household spending for day nursery service is available, MEXT has been collecting data on household education spending for children in kindergarten every second year. The dataset allows us to partly see how the level of household contribution for ECCE varies across different groups. Basically, analysis shows that parents/guardians who send their children to private kindergarten pay much more expenses than those who send their children to public kindergarten. As shown in Figure 4-4, annual household education expenditure for children in private kindergarten was USD 4,743 in FY 2014, which was more than twice the amount spent for children in public kindergarten. In addition, this significant gap may be mainly attributed by the gap in tuition fees. Moreover, the figure generally shows that household education expenditure for children in private kindergarten is larger in a municipality with a bigger population. A similar trend is observed in the one for children in

public kindergarten. However, the correlation is weaker and the amount is the lowest for children in a designated city/special ward.

It is important to note that the government also pays expenses to support private kindergarten where prefectures play a significant role. In addition, parents/guardians of children enrolling in private kindergartens are eligible to receive "Subsidies for Parents/Guardians of Children Entering Kindergarten" (*Youchien Syuuen Syourei-hi Hozyokin*) through municipalities. One-third of the budget is covered by the central government at a maximum, while the rest is covered by municipalities. The amount of the subsidy for each child is decided based on the income level of his or her parents/households, as well as the number of his or her siblings. In general, parents/guardians can receive more subsidies if they are poorer and have more children. Taking all these into consideration, the central, prefectural and municipal government in Japan share approximately 10%, 36% and 54% of public expenditure, respectively (according to MEXT [n.d.]).

**Figure 4-4: Annual household education spending for children in kindergarten by ownership and population size of municipality, FY2010 and FY2014**



Source: Created by the author based on MEXT (2015b). Original expenditure data are provided in JPY. Money value is converted to USD using the PPP in 2014 from OECD (2016).

Facility-type benefits, introduced under CSSCC, have several innovative features worth highlighting. First, it standardizes the procedure for providing financial support for each child regardless of the type of ECCE facility he or she enrolls in. This is effective in that it equalizes the amount of user fees paid particularly between public and private facilities. Second, the level of financial support for each child is decided based on his or her parents'/guardians' income and the number of siblings. Since a part of the budget for

implementing CSSCC is covered by the increased revenue from the increase in consumption tax, this scheme may have income redistribution effect.

CSSCC also introduced some innovative measures to deal with the shortages of child-rearing support services for children under the age of three years. First, the government starts providing financial supports to the small-scale childcare facilities, called “Community-type Childcare Services (*Chiiki-gata Hoiku*),” which is licensed only at the municipal level. Second, the government starts to provide financial assistance for the projects--“Community Childcare and Child-rearing Support Project (*Chiiki Kodomo Kosodate Shien Jigyō*)--that are planned and implemented by the local governments so as to respond to the various needs of each community.

## **5. Conclusion**

The paper reviewed the Japanese ECCE system and provided an analytical discussion on its overall fiscal situation. The study found that the level of user’s contribution is relatively high although the government is implementing various mechanisms to mitigate the financial burdens for the lower quantiles. In addition, there seems to be a variation in the level of public financing among different municipalities as a result of highly decentralized financing schemes, although more detailed analyses are required to make the conclusion. Moreover, enrollment in the private ECCE facility is still increasing and government support for parents/guardians who send their children to private ECCE facilities seems to be not effective enough to mitigate their financial burden. There seems to be a scope for the Japanese government to make a more concerted effort to reduce the overall amount of users’ contribution required to receive ECCE service, as well as its variation among different municipalities and between public and in private facilities.

Japan is currently in the midst of drastic reforms in ECCE policy to deal with recent rapid changes in socio-economic conditions including increasing female labor participation, declining birth rate, and the widening income gap among child-rearing families. The new public financing scheme under the new system has several innovative features, which include standardization of user charges among various types of facilities, promotion of decentralization in management, and boosting the entry of stock company to childcare service business. Further studies using the data after the reform will be necessary to assess if the new public financing system effectively deals with the issues identified in this paper.



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# **The German Early Childhood Education and Care System**



# The German Early Childhood Education and Care System

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Discussion paper from 12th September 2016 for the KICCE Seminar on the 29th September 2016 (Seoul, Korea)

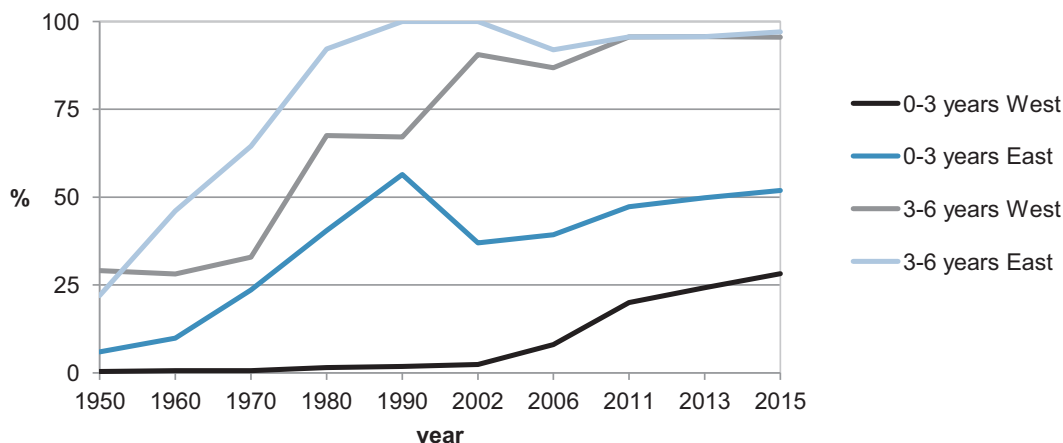
## Traditions of German ECEC and family policy context

The paradigm that caring for young children was the foremost responsibility of the family was dominant in Germany for several decades (Riedel/Klinkhammer, 2016). At least in West Germany the majority of mothers stayed at home with their children and, if they did so, re-entered the labour market late and primarily part-time. It was quite different in the former German Democratic Republic (GDR), where centre-based ECEC for all young children 0 to school entry was a natural part of the lives of families in the GDR. From an early age they should be educated in the socialist tradition and be prepared for life in a socialist society.

Since the end of the 1990s the family and labour market context in Germany has significantly changed. A demographic change has and still is taking place with a growing number of elderly people and low birth rates. An important driver of an ECEC policy change was a social investment strategy within welfare policy that spread in the early 2000 years in European countries. Against the backdrop of the shift towards “knowledge societies” a discourse came up that stressed the promotion of human capital and which impacted various policy strands. At the core of this approach was the political support of female labour market participation and child oriented investments (Klinkhammer/Riedel, 2016).

Despite the significant expansion of ECEC services and provision policies, also accompanied by upward trends towards higher female labour market participation and the progressing removal of gender roles, mothers still work to a lower extent than fathers and are primarily employed part-time when they have young children. Figure 1 shows the participation rate of children in ECEC in East and West Germany from the 1950s till today.

**Figure 1: Participation rates in ECEC for children 0-3 and 3-6 in East and West Germany, 1950-2015**



Source: Tietze et al., 2013, Statistical Offices of the Länder, various years

## The structure and legal and funding competences of ECEC in Germany

In Germany ECEC is part of the public welfare system, for which the government of the Federal Republic of Germany, the Länder (referring to the 16 Länder/federal states) and municipalities/local authorities share responsibility. On federal level the ECEC system is under the auspices of the Federal Ministry of Family Affairs, Senior Citizens, Women and Youth (BMFSFJ). It is an integrated system since it covers the age range from 0 to school age years, and it is universal in its orientation, not focusing on particular target populations. The government of the Federal Republic of Germany sets a statutory framework that includes binding objectives and principles. These are expressed in the *Child and Youth Welfare Services Act*<sup>1</sup>.

The 16 Länder are responsible for further elaborating on the child and youth welfare obligations according to the SGB VIII. Thus, all 16 Länder have specific laws and regulations, which legally regulate early childhood education and care services in the respective federal states. These laws stipulate in detail quality requirements and the funding of services. In this way, regulations concerning staff-child ratios or modalities of funding can differ widely between the Länder. State laws either concretely define which costs have to be carried by whom (state, districts, municipalities, providers, parents) and to what extent, or solely distribute responsibilities, while the implementation is left to municipalities. The practical arrangements of municipalities again vary widely.

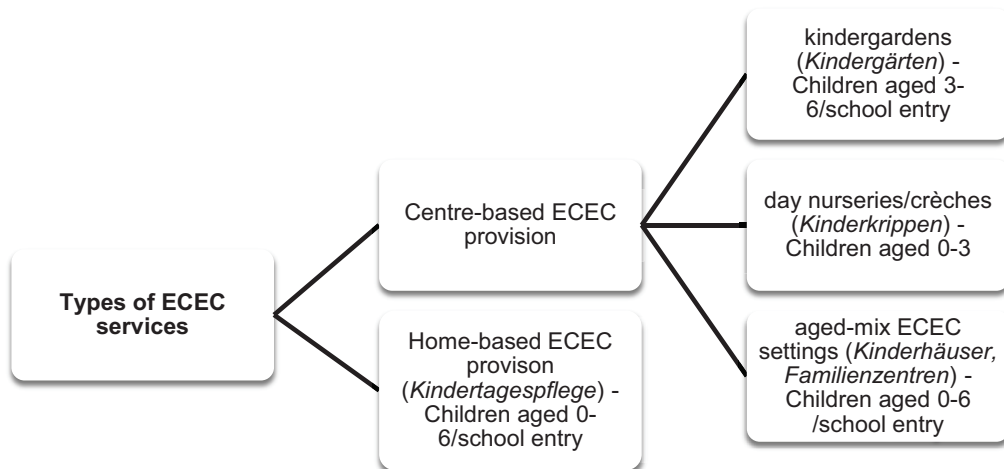
The municipalities are responsible for planning and implementing early childhood education and care services at the local level. They are also responsible for the major part of the funding of these services. At municipal level, the *Child and Youth Welfare Services Act* assigns the responsibility of public welfare provision to the youth welfare offices. The youth welfare offices have the overall responsibility – including planning, coordinating, and supervisory responsibility – for ECEC services and providers within their administrative area (see § 69 SGB VIII). They also support private providers in their quality development. At the same time youth welfare offices also act as direct providers of services.

In Germany attendance of ECEC is voluntary and obligatory school starting age is 6 years. Various forms of early childhood education and care services are offered. ECEC centres for children up to three years of age are called *Kinderkrippen* (crèches or day nurseries); ECEC centres which are generally attended by children aged three to six (or school entry age) are called *Kindergärten* (kindergartens). There are also a growing number of ECEC settings, which offer education and care for children of all age groups either in aged-mixed groups (covering more than a range of 3 years) or age homogenous groups (covering a range of 3 years, in East Germany often covering only children of the same age). Next to centre-based early childhood education and care services, home-based, family day care (*Kindertagespflege*) services are another form of early childhood education and care offered in Germany. Since the 1970s, family day care developed from a privately organized service into a publicly subsidized early childhood education and care servicing, providing qualified education and care.

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<sup>1</sup> *Kinder- und Jugendhilfegesetz – SGB VIII*; [https://www.gesetze-im-internet.de/sgb\\_8/](https://www.gesetze-im-internet.de/sgb_8/) (last visited 12th september 2016)

**Figure 2: Types of ECEC services in Germany**



Source: own

ECEC providers can be either public or private providers (also so-called “free providers”). Public providers are bodies of state administration (e.g. youth welfare offices at municipal/local or federal state level), while private providers are mostly non-profit organizations, associations, institutions or co-operatives. 33% of ECEC centres are run by public providers and 64% by private non-profit providers. For-profit providers only account for a minority of 3% of services (Statistisches Bundesamt, 2016, T1.1). The large majority of private non-profit providers are church-based welfare organizations (catholic and protestant). Particularly in Western Germany, parents' co-operatives or associations also operate as welfare providers.

The principal of subsidiarity is underpinning the governance, funding and provision of early childhood services in Germany. It determines the relationship between public and private providers. Private providers are given priority over public providers when new services are established. Public providers are asked to intervene only when the existing demand cannot be covered by private providers (see § 4 SGB VIII). Private providers are entitled to support and financial grants. In addition, they are granted far-reaching autonomy in the design, conceptual foundations and the organisation of their services. They are not perceived as contractual providers within a model of top-down delegation, but participate as main partners in the governance of the field e.g., through representation on boards and involvement in decision-making processes. In addition to the principle of subsidiarity, the early childhood and care system in Germany is also governed by the principle of diversity of child and youth welfare services and providers. This principle is based on the parents' right to choose a provider as well as pedagogical concept according to their wishes (see § 5 SGB VIII).

In recent years the German government advanced the quantitative and qualitative expansion of ECEC services by passing the 2005 *Day Care Expansion Act*<sup>2</sup> and the 2008 *Childcare Funding Act*<sup>3</sup>. The 2005 *Day Care Expansion Act* required local authorities to provide a childcare place to children 0-3 years in case their parent(s) were in employment or in any form of educational or professional training, or in case ECEC was considered crucial for the child's wellbeing. It also provided the framework for the equal status of family day care and centre-based ECEC facilities in public child and youth welfare for children 0-3 years. Three years later, the *Childcare Funding Act* stipulated a universal and unconditional legal entitlement for all children from their 1st birthday. According to legislation, every child aged 1 or 2 years had to be guaranteed a childcare place either in centre-based or a family day care setting from August 2013. By this, local authorities were given another five years time to expand ECEC services and prepare for the entitlement. During this 5-year period progress in the expansion of places and parents' excess demand of child care were closely monitored in yearly reports and surveys.

<sup>2</sup> *Tagesbetreuungsausbaugesetz, TAG*

<sup>3</sup> *Kinderförderungsgesetz, KiföG*

Since the *Childcare Funding Act* has been passed, new places for children 0-2 years have been continuously created. The participation of under-three-year-olds in ECEC increased significantly over the last 10 years. Starting from a relatively low level of provision in 2006, the overall number of places more than doubled from less than 300 000 in 2006 to around 700 000 in 2015 throughout Germany (Autorengruppe Bildungsberichterstattung 2013, table C3-1A). Flexible attendance hours have also been introduced. Data shows that full-time attendance of publicly subsidized ECEC for children aged three to six has increased, while the classic model of half-day attendance of early childhood services seems outdated (Autorengruppe Bildungsberichterstattung, 2016, table Tab. C3-4A). Although family day care still plays a minor role within ECEC provision, the number of young children under the age of three in family day care more than tripled within a decade. Altogether, from 2006 to 2015 the participation rate in ECEC of children under the age of three increased from 13% to 33% while differences between East and West Germany are still striking (Autorengruppe Bildungsberichterstattung 2013, table C3-2A).

In parallel with the expansion of ECEC places, ECEC is one of the most rapid growing work fields in Germany. The number of staff has increased by 78% from 1990/1991 to 2015 to a total of 642 300 staff. A rapid increase could particularly be observed from 2006 onwards (Autorengruppe Fachkräftebarometer, 2015, webb-app.1). With this personnel volume the employment sector of day-care centres in Germany is not only the largest of its kind in Europe, but also shows a homogeneous personnel structure in international comparisons (OECD, 2015). As part of the legal equalization and expansion of family day care there has been a growing demand for child minders. To become a child minder it is sufficient to obtain a basic qualification mostly in the extent of 160 hours. Around half of all child minders participated in a qualification course of 160 hours or less, but 31% of child minders have a pedagogical qualification (Autorengruppe Fachkräftebarometer, 2015). In recent years the German government has supported the professionalisation of family day care, especially focusing on the qualification of child minders.

## Funding of ECEC

The availability of data on the German system of financing of ECEC is restricted so that this issue can only be shed light on partly and fragmented. In the focus of data collection and reporting are Länder and municipalities within the Länder. However, they are not the only actors that participate in the financing of ECEC. Other actors are the federal government, the providers and the parents.

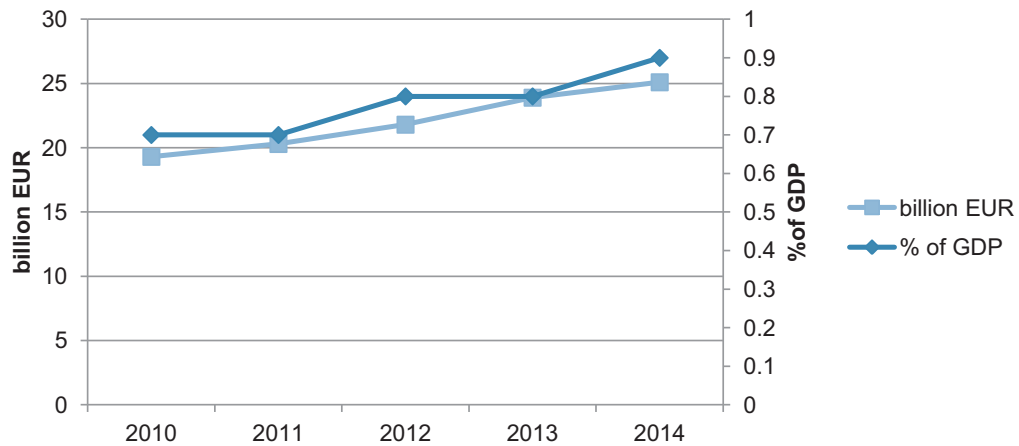
There has been a dynamic development of costs over the past decade which has modified funding arrangements:

- While the Federal Government has no competence in the regular funding of ECEC from 2006 onwards it started to invest heavily in ECEC in order to alleviate the burden from municipalities which had to assure the expansion of ECEC services for under 3 year-olds. However, despite investments amounting to a total of 5.4 billion in the period between 2008 and 2014 the federal government is estimated to have contributed only up to 5% of the total funding of ECEC with a decrease after 2014.
- Own contribution of providers steadily decreased over time and are no longer expected in several Länder; this trend is likely to continue.
- In the expansion period after 2006 some redistribution also occurred between the local and Länder level however with no clear direction among the Länder (Bertelsmann Stiftung, 2015).

In Germany, public and private expenditure on early childhood education and care amounted to 25.1 billion EUR in 2014; the total spending represents 0.9% of GDP. This is 0.1 percentage points of GDP more than in 2012 and 0.2 percentage points more than in 2010 (see figure 3).



**Figure 3: Total expenditure on ISCED0 and share of GDP (2010-2014)**

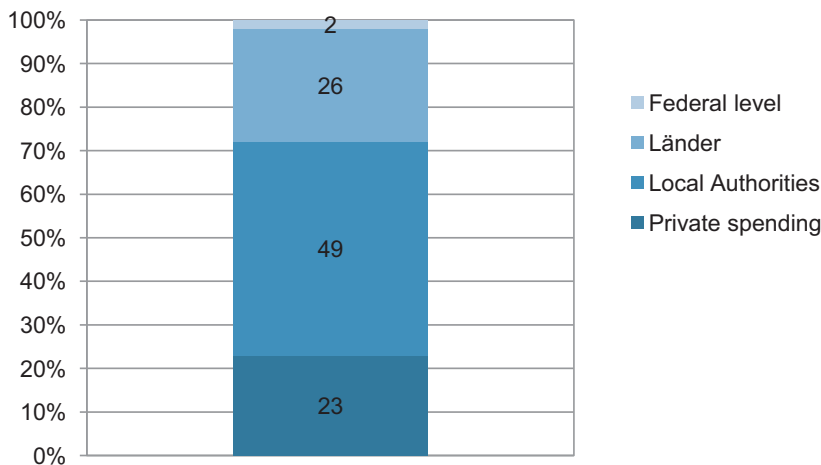


Source: Autorengruppe Bildungsberichterstattung 2016, Tab. B3-2A

The main financiers of ECEC in Germany are municipalities that carry roughly half of all costs (see figure 4). Traditionally they are responsible for the provision and of social and care services, and among these of ECEC services. The shift from ECEC services from provisions for small groups in need of external childcare to universal provision has put a heavy financial burden on the local authorities, particularly since many of them suffer from tight budgets since mid-1990s.

The Länder have the legal competence to fix their share in the funding of ECEC and the modes of co-funding which is laid down in the respective ECEC laws of the Länder. The rules on subsidies on the part of the Land and the municipalities vary greatly among the Länder. Existing financing models are among others an equal division of operating costs between the Land and municipalities (for example, Bavaria, where land and municipality carry together 80% of the operating costs, or North Rhine-Westphalia where this amounts to 30%), a fixed state subsidy and a demand-based add-on by municipalities (for example, Saxony, Saxony-Anhalt and Schleswig-Holstein) or a determined state subsidy and a guarantee to carry over costs that are not covered by municipalities (as Thuringia) (Stern et al., 2015).

**Figure 5: Public and private expenditure for ISCED 0 (2013)**



Source: Autorengruppe Bildungsberichterstattung 2016, Tab. B3-1A

With regard to private sources of funding – parents and own contributions of non-profit providers – only estimates are available. According to a study by the statistical office in 2010 the providers carry around 7% of the spending. This value refers to centres run by private non-profit providers. Taking into account all settings, including private for-profit providers and public settings, the share is somewhat lower at 5%. Other contributions to the total spending come from donations by enterprises, organizations and associations and make up around 1% of the total spending (Statistisches Bundesamt, 2012).

While data are available on parents' overall contribution to services of public providers, reliable data on parents' tuition fees and contributions in ECEC services of the free providers is lacking. It is estimated that parents' contributions to overall costs for ECEC lie between 7% and 24% depending on the Land. On average the amount is somewhat above 15% (Bertelsmann Stiftung, 2015). As parents' contributions vary widely between Länder and their municipalities and also between providers, and depend on attendance hours, family income etc. no average fee can be calculated for Germany. As an example the city of Munich is put forward in order to illustrate the family income related system. The Munich Support Formula presents an additional municipal financing and supporting concept for all ECEC settings in Munich. A reduction of parents' contribution is possible if the total amount of income of parents does not exceed 60 000 EUR a year. A reduction is also possible if parents receive social benefits, if the actual income has decreased significantly within the calendar year or is below 15 000 EUR. Depending on parents' income the fees are between 0 and 421 EUR in ECEC settings for children under the age of 3 and between 0 and 202 EUR in ECEC settings for children aged 3 to school entry. In addition to the attendance fees parents have to pay a meal allowance which can be reduced or fully dropped if parents are below a certain income threshold<sup>4</sup>.

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The image features a 3D rectangular frame with a grey border. The bottom portion of the frame contains a perspective view of a checkered floor, with squares in various shades of grey and white receding into the distance. The top portion of the frame is a plain white background.

# **Australian Early Childhood Education and Care Subsidies: Increasing Complexity and Decreasing Participation**



# Australian Early Childhood Education and Care Subsidies: Increasing Complexity and Decreasing Participation

Prepared for:  
Korea Institute of Child Care & Education  
*Public Finance Feasibility on Early Childhood Education and Care Seminar*

29 September 2016

Dr Megan Blaxland

# 1 Introduction<sup>1</sup>

Early childhood education and care (ECEC) has been high on the policy agenda in Australia for the past decade. Debates around quality, accessibility and affordability have led to many significant changes, including a proposal for a new subsidy for ECEC. The Australian Government argues that the new *Child Care Subsidy* (CCS) would simplify the current subsidy system and be better targeted providing more assistance to low and middle income families. In this paper, I argue that the proposed subsidy is far too complex for families and will limit the participation in ECEC of many children from low and middle income families.

## 2 Background

Australian Government funding for ECEC began in 1972 with the passage of the Child Care Act. The Act allowed for funding of government and other non-profit ECEC services for a portion of staff wages (Brennan, 1998). In addition, the Australian Government funded services with fee assistance to reduce costs for low and middle-income families. In the 1990s, operational funding was removed and fee assistance was extended to families attending all licensed services, whether or not they were operating for profit. This funding model is the antecedent to Australia's current ECEC subsidy system.

Historically in Australia, child care and early education have been regarded as separate policy responsibilities. In the Australian federal system, state governments have legislated for and funded preschools and also set child care standards while the Federal Government has held responsibility for funding child care. Significant steps towards integrated early education and care occurred in 2009 with the introduction of the National Quality Framework, which, for the first time, introduced quality standards that were consistent across types of ECEC throughout Australia (Council of Australian Governments, 2009). Preschools, however, remain in state government jurisdiction and, as a result, funding mechanisms vary widely across the country (Productivity Commission, 2014).

Currently the Federal Government spends around 0.6 per cent of GDP on ECEC, less than the OECD average (Brennan and Adamson, 2014). State governments and families also make significant contributions (Productivity Commission, 2014).

## 3 ECEC use in Australia

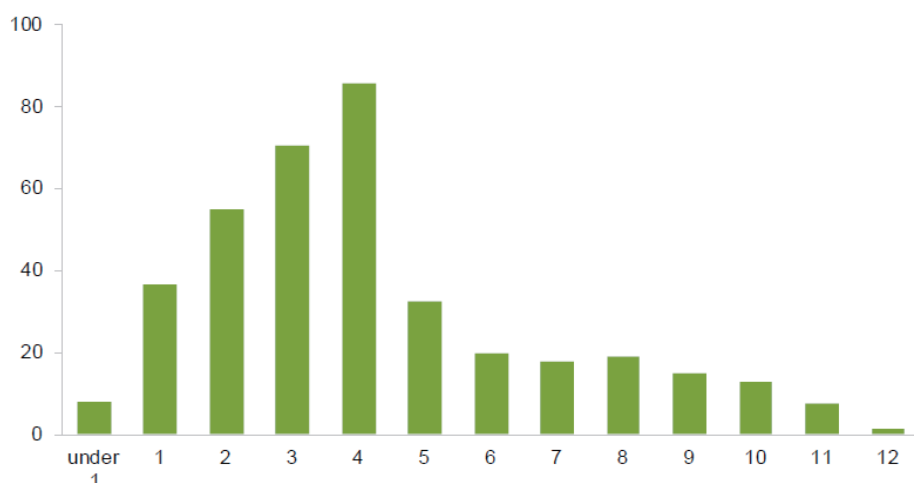
Close to half of all children aged 0-5 years old attend ECEC (Brennan and Adamson, 2014). Very few children attend in their first year of life, but participation increases steadily to peak at 4 years of age, when close to 9 out of 10 children attend (see Figure 1). Children generally begin school at 5 years of age.

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<sup>1</sup> I would like to acknowledge my colleagues Professor Deborah Brennan and Dr Elizabeth Adamson, whose report, *Financing the Future* (2014), has been an important influence in this paper.



**Figure 1: Children's participation in ECEC**



<sup>a</sup> Children aged between 0 and 12, type of care usually attended, including LDC, FDC, occasional care, preschool and before and after school care, as at June 2011.

Source: Productivity Commission, 2014: 93

Most young children attend long day care, with a smaller proportion enrolled in preschool or attending home-based ECEC. Long day care is based in a centre and provides full time or part time care for children aged 0–5 years, usually for a full working day. Some long day care may also provide preschool programs or services.

By contrast, preschools or kindergartens usually operate for shorter hours, either short morning or afternoon sessions or short days (eg 9am to 3pm). Enrolment is limited to children aged between 3 and 5 years old.

Family day care is provided by a network of educators who work in their own homes caring for up to 4 children aged 0–5 years. Educators are supported and monitored by their family day care organisation. Some care is also provided to school aged children. Other forms of home-based care, such as nannies, are not part of the formal ECEC system. However, a small program, In Home Care, provides some services in children's own home where other services are inaccessible due to disability or distance.

Occasional care services usually operate at a centre and provide hourly or sessional care for short periods or at irregular intervals for children aged 0–5 years.

Outside school hours care services are for school-aged children before school, after school, during school holidays and on pupil free days.

**Table 1: Types of ECEC attended by children, 2012–13 (n)**

Long day care	863,690
Preschool	288,000

Family day care & In home care	191,260
Occasional care	13,080
Outside school hours care	462,100
Total	Data

Source: Productivity Commission (2014, Table 3.1)

On average, children attend long day care for 28 hours per week (SCRSP, 2016, Table 3A.23). The largest proportions of children (31%) attend ECEC for between 10 and 19 hours per week (Brennan and Adamson, 2014).

## 4 ECEC Subsidies

The two main ECEC subsidies currently available in Australia are Child Care Benefit (CCB) and Child Care Rebate (CCR). Both are design to reduce the expense of ECEC fees for families. Nearly all families (92%) with a child enrolled in ECEC receive either CCB or CCR and 61 per cent receive both payments (Productivity Commission, 2014:120). Funding that contributes to operating costs for services are highly targeted, design to support services in remote locations, services for Indigenous children and services in low socio-economic areas.

CCB is a means-tested payment. The level of benefit is determined by family income, the number of children in that family using ECEC, the hours used per fortnight, the type of care, and whether or not the child is school-aged.

CCB provides up to AU\$4.24 per hour<sup>2</sup> for non-school aged children, and 85 per cent of that amount for school aged children. This is around half the average cost of long day care at \$8 per hour, but this cost varies widely<sup>3</sup>. Low income families and families receiving income support are eligible for the full \$4.17 but the rate tapers away so that families earning AU\$160,000, depending on circumstances, generally do not receive any payment. This is a very high income, given the mean annual equivalised income for a couple family with dependent children in 2013-14 was \$53,000 and the median, \$45,000 (ABS 2015b, Table 4.2). For sole parent families income was \$36,000 and \$29,000 respectively.

One of the strengths of the current subsidy system is that *all families* can claim up to 24 hours of CCB per week, regardless of their employment. Families may receive up to 50 hours CCB if both parents meet the 'activity test'; i.e. they are studying or working for at least 15 hours per week. Families usually elect to have their CCB paid direct to their service which reduces their up-front fees (Brennan and Adamson, 2014).

CCR is available to all families who meet the activity test. It is particularly designed to reduce ECEC costs for a second earner, so only families where both parents are employed or studying can receive this payment (Brennan and Adamson, 2014). CCR is not means-tested. It covers 50 per cent of 'out-of-pocket' costs; that is the value of ECEC fees after they have been reduced by

<sup>2</sup> At 1 September 2016

<sup>3</sup> Calculation based on data in table 3A.39 for average cost of 50 hours of long day care (SCRGSP, 2016).

the CCB subsidy. The highest CCR payment per family per year is \$7500. Families can receive CCR even if they are not eligible for CCB.

Because higher income families make greater use of ECEC, and are eligible for lower rates of CCB, they benefit the most from CCR (Brennan and Adamson, 2014). The subsidy may be paid directly to services fortnightly, or directly to parents quarterly or annually.

Many have argued that CCR contributes to rising ECEC fees (Brennan and Adamson, 2014; Baker, 2013, Gittins, 2008). Services, particularly in areas of high income and high demand, raise their fees to absorb the CCR subsidy, which ultimately pushes up prices.

## 5 Proposed Child Care Subsidy

In late 2013, the conservative Liberal/National Coalition Government initiated a review of ECEC subsidies by the Productivity Commission, an independent Government agency which provides research and advice on economic, social and environmental issues. The Productivity Commission (2014:v) inquiry was asked to:

...examine and identify future options for a child care and early childhood learning system that:

- supports workforce participation, particularly for women
- addresses children's learning and development needs, including the transition to schooling
- is more flexible to suit the needs of families, including families with non-standard work hours, disadvantaged children, and regional families
- is based on appropriate and fiscally sustainable funding arrangements that better support flexible, affordable and accessible quality child care and early childhood learning.

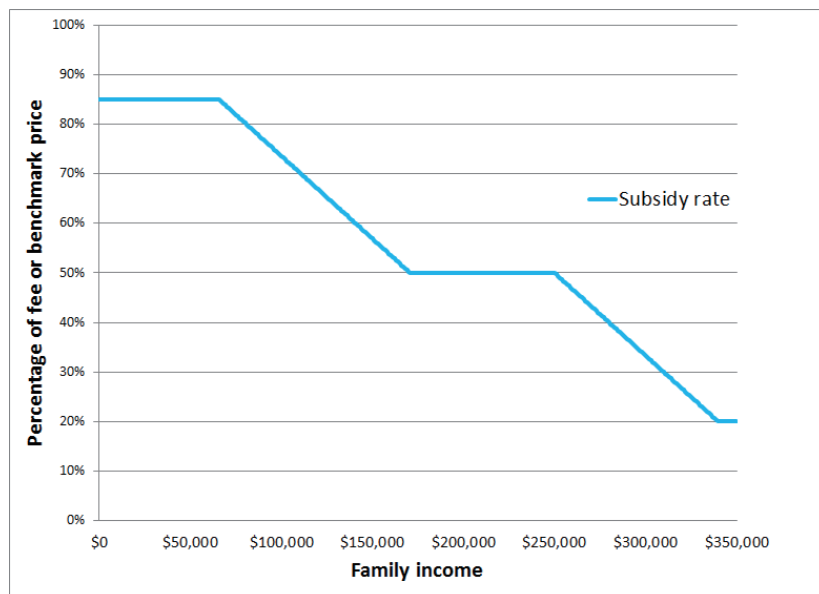
The Productivity Commission's recommendation to combine CCB and CCR into a single payment has been adopted, but modified, by the Liberal/National Coalition Government. The *Family Assistance Legislation Amendment (Jobs for Families Child Care Package) Bill 2015* has not yet been passed by Parliament. The Government intends that payments of the new subsidy will commence on 1 July 2017.

The Department of Education and Training (2015:1) explained that the proposed Child Care Subsidy will

- replace the Child Care Benefit (CCB) and Child Care Rebate (CCR) with a single, means-tested subsidy
- be paid directly to service providers
- be simpler than the current multi payment system
- be better targeted and provide more assistance to low and middle income families.

The CCS is based on the actual hourly rate charged at an ECEC service, or on a benchmark rate which is based on the anticipated average cost of ECEC (Klapdor, 2016). For long day care the benchmark price is \$11.55 and for family day care, \$10.70.

**Figure 2: Rate of Child Care Subsidy by Family Income**



Source: Phillips (2016:19)

The rate of payment is a percentage of the benchmark rate or the actual fee, whichever is lower. The payment rate:

- is 85 per cent for families earning \$65,710 per annum or less
- tapers to 50 per cent for families earning \$170,710
- is 50 per cent for families earning \$170,710 to \$250,000
- tapers to 20 per cent for families earning \$340,000 (Klapdor, 2016)

The payment is capped at \$10,000 per child for families earning \$185,000 or more per annum.

The Productivity Commission (2014) proposed that eligibility for the new subsidy be tied to participation in employment or education. This marked a significant departure from the current CCB subsidy which is available for up to 24 hours per week for all families regardless of employment status. However, following widespread criticism of this measure, the Australian Government has significantly reduced the activity test requirements.

In the current proposal, both parents must be working or studying for at least eight hours each per fortnight to receive any subsidy. In a sole parent family, the parent must meet the activity test. The activity test is tiered as follows:

- working or studying for 8-16 hours per fortnight, can claim up to 36 hours CCS
- working or studying for 17-48 hours per fortnight, can claim up to 72 hours CCS

- working or studying for 49 hours or more per fortnight, can claim up to 100 hours CCS

However, if a family does not meet the activity test and their income is less than \$65,710, then they are eligible for 24 hours CCS available per fortnight. It is important to note that long day care services usually charge in a 12 hourly block, so, in long day care, 24 hours of CCS would be the equivalent of just two days per fortnight.

The activity test will exclude many children from participation in ECEC. Analysis by Ben Phillips (2016) found that 127,250 families would no longer be eligible for ECEC subsidies due as their parents would not meet the eight hour activity test. A significant proportion of these children will be from low and middle income families, the very families that the subsidy is design to better assist.

**Figure 3: Effect of proposed CCS on families**

Family income level	Worse off families								Better off families	
	Activity test				Price reduction	Lower subsidy	%		Better/ No change	% Better/ No change
	Hours worked by parents						Worse off	Worse		
	< 8 hours	< 16 hours	< 48 hours	Total	(Cap)	Other	total	off		
< \$65 000	29 281	4079	2030	35 390	2814	33 428	71 632	25.0%	214 793	75.0%
< \$175 000	79 394	7479	1404	88 278	19 854	36 665	144 797	26.9%	393 359	73.1%
< \$250 000	7013	2187	563	9763	21 369	7186	38 318	30.4%	87 591	69.6%
> \$250 000	11 563	4009	0	15 571	18 610	41 113	75 294	85.6%	12 658	14.4%
Total	127 250	17 754	3997	149 002	62 648	118 392	330 042	31.8%	708 401	68.2%

Source: Phillips (2016:7)

Brennan and Adamson have concluded that the activity test is 'out of touch with international best practice, which has seen many countries expand universal provision for preschool aged children' (cited in Klapdor, 2016). Instead, the Australian system would make participation in ECEC a workforce participation issue and limit the attendance of children whose families are not working.

The proposed CCS would not 'provide more assistance to low and middle income families' as intended (Department of Education and Training, 2015:1). Although the subsidy does direct the greatest level of funding to the lowest income families, the activity test excludes many of their children from meaningful participation in ECEC.

## 6 Families' experience of subsidies

One of the reasons given for the need to redesign ECEC subsidies was the complexity of the system. Families who took part in our *Families at the Centre* study would certainly agree that CCB is difficult to understand<sup>4</sup>. Families at the Centre was a three year study of early childhood education and care among low income families. The project sought to provide insights into the under-representation of low-income families in ECEC services. We conducted semi-structured

<sup>4</sup> <https://www.sprc.unsw.edu.au/research/projects/families-at-the-centre-negotiating-australias-mixed-market-in-early-education-and-care/>

interviews with 126 low income families, mostly mothers, in six neighbourhoods across four Australian states.

While most families understood that some kind of support was available from the Australian Government to help with the cost of child care, many families struggled to understand the details. Around a quarter of the research participants had not finished high school and literacy and numeracy tends to be lower than what is needed to function well from day to day life among this group (ABS, 2006). Even clear and uncomplicated policy information could be difficult for this group to access.

For many families in the study, submitting a claim for CCB was complicated and confusing (Skattebol et al., 2014). And for some, an opaque claims process and poor information led to serious financial issues. Five families paid full fees because they were initially unable to receive subsidies. Alicia's application for Child Care Benefit was delayed:

I think I didn't fill out the Child Care Benefit number... Then they said [they were] processing everything and they take months. So I had to pay the whole fee for months, so I was so worried...but the problem is they didn't tell me

Alicia did not appreciate the importance of the unique identifier the Australian government assigns to each benefit recipient. Without this number, Alicia's claim for Child Care Benefit could not be processed. But it took several months for her error to be identified and resolved. As families living on a low income, paying full fees for months was a serious financial strain.

Most families, once they started receiving the subsidy, had few problems. However, very few could relay the percentage of CCB they were eligible for, and nor did they understand how their subsidy was calculated. This meant they could not determine if they were receiving the level of support to which they were entitled.

Although designed to reduce complexity, the new subsidy, CCS, will be just as complicated as CCB because it uses a similar calculation method. Under the CCS, families will be equally unlikely to know if the calculation of their level of entitlement is correct. Moreover, CCS introduces significant additional complexity in the form of the activity test. The activity test has been strongly criticised for this additional complexity, especially for families whose level of activity varies from week to week (Brennan and Adamson; Early Childhood Australia; cited in Klapdor, 2016).

In addition, the added complexity further disadvantages the most marginalised families, as it is those families who are most likely to working patchwork of multiple and unpredictable jobs. The complexity of maintaining paperwork that demonstrates eligibility for the CCS is likely to be so great that many families will make mistakes or cease to try to make a claim.

## 7 Conclusion

To conclude I would like to reflect on a possible alternative to the complex CCS proposal currently under consideration in Australia. This paper has shown that the current subsidy system is too complex. But the proposed CCS does not reduce complexity, rather the opposite is true, it

adds complexity for many families, especially those who could most benefit from ECEC. Moreover, by tying eligibility to participation in employment or study, the proposed CCS would result in many children having limited or no access to ECEC. Again, these are the children who would most likely benefit from ECEC.

Alternative models of ECEC subsidy could improve children's rates of enrolment in ECEC while also simplifying the system. In New Zealand, children aged 3-5 years are eligible for up to 20 hours per week of ECEC at no cost to their families. The *20 Hours ECE* subsidy is paid direct to services, making the subsidy a very simple benefit for families. *20 hours ECE* increased the proportion of preschool-aged children enrolled in ECEC in New Zealand and the amount of time those children were attending each week (New Zealand Ministry of Education, 2012). Importantly, rates of enrolment among Maori and Pacifica children also increased.

In Quebec, Canada, children may attend ECEC for a flat rate of \$7 per day and children from low income families may attend for free. Fortin, Godbout and Cerny, (2012) estimate that the program directly increased maternal employment by 3.8 percent. Importantly, the increase in employment rate was especially strong among mothers with only a high school education and sole mothers.

Australia could adapt the New Zealand and Quebec models of free or very low cost ECEC for all children in the year before school for 20 hours per week, as proposed by Brennan and Adamson (2014). Gradually the entitlement could be extended to younger children. Such a subsidy would be far simpler for families, as they would not need to engage in constant form-filling to maintain their eligibility. And it should increase the participation of all children, especially the most disadvantaged, as similar schemes did in New Zealand and Quebec. Reducing complexity would be an important step towards increasing children's participation in ECEC.

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# **Comments on “Australian Early Childhood Education and Care Subsidies”**



## **Comments on “Australian Early Childhood Education and Care Subsidies”**

**Jin-Yeong Kim (Konkuk University)**

### **Summary**

- This paper explains the recent policy changes in Australian Early Childhood Education and Care (henceforth, ECEC) subsidies
- It argues that the intention of the recent change is to decrease complexity of the subsidy schemes but that it does not seem to be successful. The subsidy schemes are not simple enough so that beneficiaries, especially low income families still have difficulty in fully understanding the government’s subsidy on ECEC
- The author proposes simpler subsidy program that is close to free education for all eligible kids up to 20 hours per week.

### **Comparison between Korea and Australia, and Lessons from the Experience of Australia**

- Australia has tried to provide equal opportunity for ECEC, by providing more assistance (or more funds) to low and middle income families
- At the same time, Australia has tried to set up a subsidy schemes that are more favorable to working mothers or double-income families
- The policy goal would be the same in every country. Recently, Korea has instituted NURI program, which tries to provide free ECEC to every eligible child. Korea has done it in a very short period of time with large expansion in the budget for ECEC. This is very noticeable achievement and it is hard to find similar experience elsewhere.
- But there are some dark sides. Korea put less emphasis on equality issue. Low and middle income families do not get more benefit than high income families. With the subsidy, high income families can spend more money on private tutoring. In some sense, the government provide subsidy on the private tutoring for high income families. As a consequence, it is very likely that the spending gap on ECEC between low income and high income family persists even after the government subsidy.
- Also, there are quality issues. There are wide differences in the quality of ECEC around the country. For example, it is widely believed that public institution provides better service than the private institution. There are also quality gap among regions. It seems likely that low income families living in less-developed region get lower quality education. Korea needs more effort to close quality gaps.
- In short, Korea needs more care for low income family and working mothers and double income family. It is just obvious that every child must get minimum care. But given the budget constraint of government, more wise use of public funds require more favorable treatments for low income family, and more accessible long day care for working double-

income families. I think that what double-income families need is not just subsidy rather it is high quality long day care.

- But it should be reminded, from the experience of Australia, that complexity makes adverse effect on participation, especially of those who need the ECEC service most. So while making favorable conditions for low income and double income families, we try hard not to create complexity!

### **Some Questions**

- How to insure the quality of ECEC? Are mothers and fathers satisfied with current education and care service? What are major measures that are currently working in Australia? What is the proportion of public provision in the ECEC?

# **Recommendations for the Korean Early Childhood Education and Care (ECEC) Policy**





# Recommendations for the Korean Early Childhood Education and Care (ECEC) Policy

Lee, Chae Jeong

(Policy Analyst, National Assembly Budget Office)

## 1. Improving the efficiency of financial investment on ECEC services

- ❑ carrying on the integration of ECEC based on establishing special account for local education supporting ‘Nuri course’ for children aged three to five
  - the integrated ECEC provides ① ‘Nuri course’, the early childhood curriculum model, to children aged three to five whether they entitled to nursery or kindergarten and ② costs for ECEC services
  - continuous conflicts between the central government and education offices in-local since budget for ‘Nuri course’ in nurseries which are operated by the Ministry of Health and Welfare is covered by the grant for local education finance<sup>1</sup>
- ❑ finding policy alternatives to solve the imbalance of demand and supply of nurseries as the rate of vacancy in nurseries has been decreasing since 2013 and the decline of population aged zero to five is expected
  - the number of nurseries in 2015 (42,517 places) is increased 2,675 places compared with that of 2011 (39,842 places), a year ahead implementing the government provision of costs for

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<sup>1</sup> The grant for local education finance refers to the source of revenue which is provided to the education offices in-local by the central government to utilise establishing and managing local kindergartens and schools.

using nursery, but the rate of vacancy in nurseries in 2015 is 81.1%, 2.1%p lower than that of 2011

## 2. Children aged zero to two: introduction of children's allowance

- ❑ according to the Childcare Survey by the KICCE and OECD family database, the use of nursery among children aged zero to two is universal in Korea as the utilization rate of nurseries among children aged zero to two is higher and the proportion of working mom having children in those age groups is lower in Korea compared with other industrialised countries
  - in 2015, the utilization rate of nurseries among children aged zero to two is 59.5%, and the proportion of working mom with children in those age group is 27.2%, Korea has around 20~23%p lower proportion of working mom compared with France, Germany, the Netherlands and the UK and the utilization rate of nurseries is twice higher than the proportion of working mom
  - according to the Ministry of Health and Welfare, the utilization rate of nurseries aged zero to two has been keeping about 35% since 2012, the year started to provide costs for nursery to every children aged zero to two in Korea, and the most children aged two are using nurseries as it reports 70.1% of the utilization rate
- ❑ providing children's allowance to the children aged zero to two rather than providing costs for nursery or home care allowance according to the children's use of nursery, to mitigate the crowding-out effect of unnecessary demand for using nursery due to the gap of amount between costs for nursery and home care allowance
  - the amount of home care allowance is not sufficient to lead parents' direct rearing of children or to compensate the cost for using private childcare support service such as employing child-minders, baby-sitters, etc.
  - the amount of home care allowance is lower than about 47~68 million KRW per month and only compensate maximum 31.0% of the costs for using private childcare support service

### 3. Children aged three to five: reorganising function of nursery for the integration of ECEC

- specifying the integration of ECEC, began in 2014, for the children aged three to five through reorganising function of nursery such as introducing nurseries for the aged three to five, strengthening qualification of nursing teachers working for these nurseries, etc.
  - nurseries need to provide ‘Nuri course’ for the aged three to five and caring for the aged zero to two together, even though the integration of ECEC will be accomplished, because nurseries are established and operated for children aged zero to five
  - children aged three to five entitled to nurseries need to be managed by the Ministry of Education for the actual integration of ECEC as the competent authorities of ‘Nuri course’ is under the Ministry of Education in Korea



# **Comments on Public Finance Feasibility on Early Childhood Care and Education in Japan**





## Comments on Public Finance Feasibility on Early Childhood Care and Education in Japan

Korea Development Institute, YoungWook Lee

### 1. Overview

☐ Review about the Japan's ECCE system and its overall fiscal situation

- Dual system under which kindergarten and day nursery operates differently
- Transition to a comprehensive support system for ECCE: CSSCC
- Large share of private facilities and highly decentralized financing schemes

### 2. Comments and Suggestions

☐ Korea's ECCE system similar with Japan's

- Separate system between kindergarten and day nursery
- Large share of private facilities
- Trying to integrate the two types of facilities: Japan's case as a good example

☐ More descriptions for Japan's ECCE system needed

- Number/proportion of the unified type's facilities? Effects of its introduction?
- Trend in government spending on pre-primary?: 0.1%(2011, OECD 2014) → 0.23%(2012)
- Reasons to focus on pre-primary education spending, not total ECCE spending?

(% of GDP)	Public Spending on ECCE, 2011		
	Childcare spending	Pre-primary spending	Total Spending
Japan	0.3	0.1	0.4
Korea	0.7	0.1	0.8
OECD	0.4	0.5	0.8

Source: OECD Family Database

☐ Reasons for the significant variation in public spending on ECCE across prefectures?

◦ Reflecting local taxpayers' preference? Then, is the variation still problematic even if a certain level of the service quality could be ensured?

☐ Need to examine the level of household education spending by household income in order to argue that the government's support policy is not effective.

◦ High income households willing to pay more for higher quality service of private facilities

Child's age	Korea's Household Education Spending for Children in Kindergarten by Household Income (USD)				
	~2,000	~3,000	~4,000	~5,000	5,000+
3~4	116	159	193	252	394
5	61	133	125	171	194

Source: Yoon et al. (2013); National Childcare Survey, 2012





**A discussion about the presentation for  
‘The German Early Childhood Education  
and Care System’**



**A discussion about the presentation for  
'The German Early Childhood Education and Care System'**

○ Dr. Chang Hwan KIM (Korean Educational Development Institute)

I listened carefully to Dr. Simone Bloem's presentation about 'Early Childhood Education and Care System' in Germany. She provided very detailed and meaningful contents of it, so that I learned a lot and appreciate her presentation.

She explained the history, structure and funding of the German Early Childhood Education and Care System based on the relevant statistics. Especially, it is very notable that German Early Childhood Education and Care System has the legal basis. And I think we, Korea has an important implication that a securement of finance of its system is proceeded from the legal basis. Recently, a conflict is ensuing between federal and state government through the way to support finances of Early Childhood Education and Care System in Korea. It will offer us another implication to settle the conflict.

I would like to share my opinion with some questions about the presentation today.

1. I am wondering how to solve any problem when there is a conflict between federal government and the states or I am also wondering if there would be possible conflict of financial support between federal and state government, and between state and local government and if so, how to solve the problem.
2. Second is about [Figure 1].
  - 1) Since 1990s, the participation rate was increased. So here, I wonder what it's in connection to the unification of Germany.
  - 2) And since 2000s, the participation rate was gone in the same trend between West and East germany for 3-6 years. Now I wonder why there is still a difference in the West and East germany for 0-3 years old

children.

3. Dr. Bloem mentioned there are two laws to support 'The Early Childhood Education and Care System'. First is 'Day Care Expansion Act 2005' and second is 'Childcare Funding Act 2008.'

1) In this regard, I'd like ask to explain the background, purpose and main contents of those two laws.

2) I've heard that most of children were left in a daycare center in East Germany until the reunification, but many daycare centers were closed in East Germany right after the unity, and at the same time there was an argument about it. And I've heard some of West German citizen stated their views that it is desired to introduce a daycare center system that is one of the strengths of East Germany into the unification of Germany. I am wondering if the two laws are connected with this discussion after the unification of germany.

4. As we see [Figure 5], it shows Leader or Local Authorities takes charge of finances of Early Childhood Education and Care System. So how about the federal government and the federal funding? I wonder what the federal government's role is and how to use the funding from federal government.

Especially, although the financial status is poor in former Eastern Germany(The new federal states of Germany), do they take the federal support much more than the state government of the former Western Germany?

5. I think it is the most important to get the stable securement of finance for Early Childhood Education and Care System. So my last question is what Korean government can do to draw up a plan for the stable securement of finance.