

**For Official Use**

**EDU/EDPC/ECEC/RD(2010)16**



Organisation de Coopération et de Développement Économiques  
Organisation for Economic Co-operation and Development

**16-Jun-2010**

**English text only**

**DIRECTORATE FOR EDUCATION  
EDUCATION POLICY COMMITTEE**

**Network on Early Childhood Education and Care**

**RESPONSES ON FINANCING ECEC SERVICES: MEXICO**

**21-22 June 2010  
Conference Centre Room CC4  
OECD, Paris**

Miho Taguma, Policy Analyst; Tel: +33 1 45 24 92 65; Email: [Miho.Taguma@oecd.org](mailto:Miho.Taguma@oecd.org)

**JT03285702**

Document complet disponible sur OLIS dans son format d'origine  
Complete document available on OLIS in its original format

**EDU/EDPC/ECEC/RD(2010)16  
For Official Use**

**English text only**

## QUESTIONNAIRE FOR THE 7<sup>TH</sup> MEETING OF THE NETWORK ON EARLY CHILDHOOD EDUCATION AND CARE (ECEC): FINANCING ECEC SERVICES

### PART I: Data on ECEC costs and financing and data-related issues

#### 1.1 General information: types of ECEC services

1.1.1 This question aims to update the information on childcare and early education services presented for your country. Please review Annex A. If updates need to be made, please provide the necessary information below. If existing information is still accurate, simply indicate “No Change”; you do not need to duplicate.

Annex A has a small mistake, which need to be corrected; the elementary school begins at 6 years old.

1.1.2 This question aims to complement Question 1.1.1 and elicit a fuller picture. Which type of ECEC provision is mostly in use or in operation in your country?

Please indicate in the table below the proportion of:

- Children registered for each type of ECEC provision as a percentage of the total number of children of the age group; and
- Care services, centres or pre-schools for each type of ECEC provision as a percentage of the total number of such services.

Type of provision	Early Childcare		Pre-primary education	
	% of registered children	% of services, centres, pre-schools	% of registered children	% of services, centres, pre-schools
Public provision	13%	99.5%	67%	85%
Private not for profit provision	m	m (*)	m	m
Private for profit provision	m	0.5%	11%	15%
Other type of provision:(please indicate)				

Source(s): Population data: [www.conapo.gob.mx/index.php?option=com\\_content&view=article&id=123&Itemid=226](http://www.conapo.gob.mx/index.php?option=com_content&view=article&id=123&Itemid=226),  
 Education Ministry (SEP): [www.dgpp.sep.gob.mx/Estadi/NACIONAL/index.htm](http://www.dgpp.sep.gob.mx/Estadi/NACIONAL/index.htm)  
 Educational Care Center CENDI: [www.dgpp.sep.gob.mx/Estadi/NACIONAL/index.htm](http://www.dgpp.sep.gob.mx/Estadi/NACIONAL/index.htm)  
 Educational Care Center CENDI: <http://dgpp.sep.gob.mx/estadistica.html>  
 Wealth fare Ministry (SEDESOL): <http://www.sedesol.gob.mx/archivos/802373/file/TercerInformeTrimestralSedesol2009.pdf>  
 Third Government Inform DIF: <http://www.informe.gob.mx/informe>

Known data limitations: - Early Childcare - This data is just an estimate since Mexico has no organization or policy that regulates private early education services therefore the information is very limited in relation to these centers.

- Private not for profit provision - (\*)Civil society organizations like Nuestros Niños, Save the Children and COPOME, which are financially supported by NGOs, are neither regulated nor registered in any organization. For this reason there is no statistical information about these centres. Nevertheless it is estimated that in total they do not reach 1%.

#### 1.2 Public spending on ECEC services

##### 1.2.1 Public spending on public and private ECEC services

This question aims to clarify whether public expenditure on ECEC services is spent *only* on public ECEC provision *or* on a mixture of public and private provision, which is not currently well understood.

Annex B provides the public expenditure data on childcare and early education currently available in the OECD Family Database (those figures are currently being updated through other OECD official channels).

The public expenditure does not include cash allowances or tax expenditure such as tax credits, parental leave, etc.; here, you should include only public expenditure spent on ECEC services.

Please indicate in the table below the split in public expenditure between public and private ECEC services in your country, indicating the year the data is from.

	Early childcare		Pre-primary education	
	Public services	Private services	Public services	Private services
Public expenditure (as % of GDP )	• <b>0.12%</b>	<b>m</b>	<b>0.4%</b>	<b>0.07%</b>

Source(s): National Institute of Statistics and Geography (INEGI): <http://dgcnesyp.inegi.org.mx/bdiesi/bdie.html>

Education Ministry: <http://www.dgpp.sep.gob.mx/Estadi/Principales%20cifras/Principales%20Cifras%202007-2008.pdf>

Third Government Inform: <http://www.informe.gob.mx/informe>

Known data limitations: Private Early Childcares

Private ECEC services are register at the Treasure Ministry as Educational Services; this means that they are not differentiated from other private educational centers (for example elementary or high school). For that reason private ECEC's GDP cannot be found.

### 1.2.2 Public spending on ECEC services at different levels of government

This question aims to clarify funding arrangements between national and sub-national governments.

While Annex B provides overall public expenditure data on ECEC services, we do not currently have figures for what is spent by national governments *versus* what is spent at sub-national levels (e.g. regional and/or local).

Please provide the most recent data for public spending for national and sub-national levels of government. Please note that “fiscal transfers” between levels of government should be netted out in order to avoid double-counting. Please also note that the question focuses on direct public spending on ECEC services, excluding cash benefits or tax credits.

Year (2009-2010)	Early childcare		Pre-primary education	
	Total amount	% of GDP	Total amount (local currency)	% of GDP
National/Federal	m	m	<b>\$58, 393 Millions of Mexican Pesos</b>	<b>0.4%</b>
State/Provincial/ Regional	m	m	m	
Local/Municipal	m	m	m	

Source(s): Education Ministry: <http://basica.sep.gob.mx/seb2008/start.php>

Third Government Inform: <http://www.informe.gob.mx/informe>

Known data limitations: - Preschool Education - The Federal Government is in charge of giving the States a certain quantity of resources for Education. The amount of money differs from State to State. Due to the fact that States have autonomy in educational matter, a different quantity of the budget is assigned to Educational Municipal services in general, it is not exclusively for ECEC centers. For this reason it is difficult to determine how much it is spend in preschool services at this government level.

- Early Childhood Education - Authorities in charge of ECEC services have no record of how much they designate to the State /Municipal branches. Therefore it is difficult to know the total amount of money invested on ECEC center at this level.

### 1.2.3 What is covered by public spending?

This question aims to understand what the public money is specifically spent on. Please indicate the estimated share, as a percentage of total ECEC public spending, for each category in the table below. The total should add up to 100%.

CONAFE - Service category	% of total public expenditure on		
	Early childcare	Pre-primary education	Integrated system
Infrastructure			
Workforce supply (e.g. salaries, recruitment etc.)	<b>44%</b>		
Workforce development (e.g. in-service training, support services for staff, etc.)	<b>23%</b>		
Curriculum and pedagogical materials	<b>8%</b>		
Ancillary services (transport, meals, etc.)			
Research on ECEC			
Others, please specify - OPERATION COST	<b>25%</b>		
Total	<b>100%</b>	100%	100%

Sedesol - Service category	% of total public expenditure on		
	Early childcare	Pre-primary education	Integrated system
Infrastructure			
Workforce supply (e.g. salaries, recruitment etc.)			
Workforce development (e.g. in-service training, support services for staff, etc.)			
Curriculum and pedagogical materials			
Ancillary services (transport, meals, etc.)	3.8%		
Research on ECEC			
Others, please specify: Subside	95.1%		
General spending	0.1%		
Total	100%	100%	100%

Source(s): Conafe: [www.conafe.gob.mx](http://www.conafe.gob.mx)

Wealth fare Ministry (SEDESOL): [www.sedesol.gob.mx/archivos/802373/file/TercerInformeTrimestralSedesol2009.pdf](http://www.sedesol.gob.mx/archivos/802373/file/TercerInformeTrimestralSedesol2009.pdf)

Known data limitations: There is not a general criteria on what organization should expend their GDP. Each institution spends their budget on their own necessities; furthermore there are no special categories for ECEC services. This information is just an example of how budget is spending in ECEC services.

### 1.3 Private spending on ECEC services

This question aims to give a comprehensive picture of private spending relative to public spending, covering both childcare services and early education, which has long been wished for by many countries. The UOE (UNESCO-UIS/OECD/EUROSTAT) has attempted to answer this question with regard to early education (\* in shaded cells) and is in the process of updating the data (See Annex C).

In order to complement what is already known from the UOE data, please provide in the table below figures on private spending for early childcare (please indicate the year the data is from).

If your country has an integrated system, please provide the figures, which have not been asked by the UOE data collection process.

(m)		Total spent, in local currency		
		Early childcare	Pre-primary education	Integrated system
Private sources	Household expenditure		*	
	Expenditure of other private entities		*	
	All private sources		*	
Private: of which subsidised			*	
Others, please specify				

Source(s):

Known data limitations: Any law or institution does regulate in Mexico private early childhood education centers. Private ECEC services are registered before the Treasure Ministry under the item of educational centers. This means that they are not differentiated from other private educational centers (for example elementary or high school). For that reason private ECEC's GDP cannot be tracked.

### 1.4 Issues on data collection

Some network members have expressed their concern that data on ECEC in general are collected based on availability rather than policy needs.

#### 1.4.1 What are the most critical gaps in national data and international comparisons?

Different authorities cover the Mexican ECEC services. On one hand each authority has its own form of regulation; therefore the main gap is that the information is no consolidated into one document. One the other since ECEC is not considered as an educational level, any institution is obligated to record the information. Furthermore the main limitation that this issue brings is Mexico's possibility to compare international data due to the lack of equivalent information.

1.4.2 Bearing in mind the possible quality limitations of comparative data, what internationally comparable data on financing ECEC would be most relevant for policy making in your country?

The most relevant information Mexico is more interested on is:

1. Cost per Child in early childhood education.
2. Cost per early childhood service (Daycares, Healthcares and Educational-cares).
3. Budget assigned to private and public services.
4. Budgetary classification.

1.4.3 Where quantitative data is not available, what kind of qualitative information – at a national and international level – on financing ECEC would be most useful for policy making in your country?

The most useful information for policy making would be to be able to know the laws and regulations that each county has developed to control the financial and operation of early childhood education services.

1.4.4 What are the biggest challenges in collecting data on financial aspects of ECEC services in your country (e.g. low policy priority, jurisdictional, lack of resources and capacity, fragmentation of ECEC services, lack of agreed common definitions of ECEC services within a country, etc.)?

The biggest challenge of collecting data on financial aspects of early childhood education is the fragmentation of the services and the lack of national policy that regulates them.

1.4.5 If you have taken some actions to improve data on financial aspects or ECEC in general, please describe your country experience.

No

## **Part II. Why invest in ECEC? Research on benefits of ECEC**

This section aims to gather updated information on existing research from network member countries relating to ECEC participation and children's outcomes.

Please provide details of research NOT already included in *Starting Strong II*, which you do not need to duplicate. List relevant references and attach corresponding documents if available. If articles/reports are not in English or French, please provide abstracts in English or French.

2.1 What research has been carried out in your own country on:

- Net benefits to children, parents and society of public and private investment in ECEC
- Net benefits or evaluations of specific ECEC programmes or initiatives

They are not known studies under that specific topic

2.2 What research has been carried out in your country on the relative benefits of public ECEC investment to increase accessibility (i.e. children's enrolment) *versus* increasing quality of services (e.g. raising staff qualifications, improving staff/ child ratio, etc.)?

During 2004-2005 CONAFE through a research developed their early childhood education program, taking into account the population necessities and characteristics to increase the quality in the services. In consequence the children's enrollment increased. Furthermore, CONAFE in 2008 made an impact evaluation on its program in order to adjust it and offer their population a better service.

## **Part III. Financing mechanisms and funding strategies**

This section aims to elicit:

1. information on overall policy contexts and trade-offs between different policy alternatives;
2. where resources on ECEC come from;
3. how the resources are managed; and
4. other policy issues.

### **3.1 Overall policy contexts**

#### **3.1.1 Policy objectives**

Starting Strong II identified 5 main policy objectives for public investment in ECEC:

1. Responding to the rise of the service economy and the influx of women into salaried employment;
2. Reconciling work and family responsibilities in a manner more equitable for women;
3. Managing demographic challenges: falling fertility and continuing immigration;
4. Acting against child poverty and educational disadvantage;
5. Early childhood education and care as a public good.

Please indicate which of the above can explain the current policy objectives, underpinning your country's public investment in ECEC. If there has been a shift of policy focus in recent years, please describe how policy thinking has evolved.

The National Education Program 2007-2012 (Programa Sectorial de Educación 2007-2012) is an official document where are established the next years educational goals. For the early childhood education some of the main objectives are the following ones:

1. Responding to the rise of the service economy and the influx of women into salaried employment.
2. Acting against child poverty and educational disadvantage.

In the last two years the Wealth fare Ministry (SEDESOL) has taking into account the importance of gender equity and its' impact on the country's development. This has brought new objectives and actions into play reconciling work and family responsibilities.

#### **3.1.2 Political debate – balance between parental leave benefits and childcare services**

Countries often look to find a balance between encouraging parents with young children to stay home to care for their children and encouraging parents, especially mothers, to maintain an attachment to the labour market by providing ECEC services. Policy instruments – which can be used in combination - include:

- Paying parents through “parental leave”, “child-rearing leave” with low flat-rate payment, etc.
- Giving universal child/ family allowances;
- Giving targeted child/ family allowances by income level,
- Giving targeted child/ family allowances by work status, etc.

Regarding public investment in childcare services *versus* parental leave benefits, what are the current challenges and trade-offs in your country? Are these underpinned by specific policy objectives?

Mexico's federal labor law (Ley Federal del Trabajo) states that women has the right to stay 45 days after labor with her new born baby before going into the labor market once more. In relation to this law the policy instrument which applies to this case is the following:

- Paying parents through “parental leave”, “child-rearing leave” with low flat-rate payment, etc.

The biggest challenge is to increase the amount of parental leave time in order for the mother to spend more quality time with the baby and breastfeed the child. Another challenge is to realize the importance of the father in the child integral development and include him in the parental leave.

### **3.2 Main sources of financing ECEC – where do resources come from?**

#### **3.2.1 Various sources**

This question aims to give a fuller picture of the main sources of financing ECEC services in your country to complement your responses in questions under 1.1.2 and 1.3. Six major sources of financial resources have been identified in past research:

1. governments (See question 3.2.2);
2. parents;

3. for-profit providers,
4. ECEC as business communities;
5. social organisations, and
6. international organisations

Please indicate which of the above is applicable in your country and describe challenges and advantages associated with the current financing mechanism. Feel free to answer separately for the childcare and early education sectors if more appropriate in countries with the “split systems”. [Maximum 200 words]

The main sources of financing early childhood education services are:

Government ; For-profit providers.

The biggest challenge this current finance mechanism presents is to involve more business communities in order to support families in need. In order to enhance funding mechanism it would be important to create a law which establishes the percentage the government, companies and civil society are going to invest to increase children’s enrollment in ECEC services. Another challenge this presents is budget optimization and effective distribution of it, since there is no equal distribution in different government levels.

### 3.2.2 Sources from governments

This question aims to identify what kind of public revenue sources are allocated to ECEC services at different levels of governments. Please complete the table below, indicating “x” in the columns applicable in your country.

Types of public finance	Federal/ national	State/ province/ region	Local/ municipal
General tax revenues	x	x	-
Ear-marked tax revenues for ECEC sector	-	-	-
Earmarked tax revenues for specific ECEC programmes, type of services or categories of expenditure	x	-	-
Transfers from other levels of government as part of general block grants	-	-	-
Transfers from other levels of government as block grants to ECEC sector	-	x	-
Transfers from other levels of government earmarked for specific ECEC programmes, type of services or categories of expenditure	-	x	-

Source(s): Ministry of Treasury: <http://www.shcp.gob.mx/>

Known data limitations:

### 3.3 Funding strategy – how to manage financial resources for ECEC

#### 3.3.1 Strategies to increase public spending on ECEC

Has there been an increase in public spending on ECEC services since 2005? If yes, how much increase? What were the driving forces in making a case for increased spending on ECEC? Feel free to answer separately for the childcare and early education sectors if more appropriate in countries with the “split systems”.

Please share your country experience such as:

- where the increased resources came from;
- strategies or research evidence that helped the argument for the increase;
- challenges associated with the increase and policy lessons you have learnt in tackling them;
- key political debates among politicians, general public, and the media of the time;
- how the increased budget was spent (e.g. to build more childcare places, increase the number of staff, increase staff salaries, increase participation of low-income families, etc.); etc.

The Education and Health Ministries have not increased its budget since 2007 for ECEC services. On the other hand, the Wealth Fare Ministry in 2006 creates a new ECEC service. Since 2006 they enhanced its public spending in early childhood services in 100% (\$2,381

Thousand Mexican Pesos). The resources came from the government in order to support working mothers and promote gender equity issues. The money was spent to increased participation of low-income families and build more childcare places and its faculty in urban areas.

### 3.3.2 *Distribution of public resources to the providers (supply-side subsidies)*

Past research categorizes supply-side subsidies broadly into two types:

1. government-run and subsidized non-profit private ECEC services; and
2. subsidies to for-profit private providers.

Please fill in the table below with relevant information. Examples are provided in Annex E. Where information is missing, please enter “m”. If your country has the “split system” for childcare and early education sectors, please prepare separate tables; one table for childcare and another for early education.

	<b>Government-run and subsidised non-profit private ECEC services</b>	<b>Subsidies to for-profit private providers</b>	<b>Others (Specify)</b>
Name/ type of scheme		Infantile Stays for the support of working mothers (Estancias Infantiles); -Day Care Centres	
Duration of programme: hours per day, days per week, hours per year		8 hours per day	
Purpose of subsidies		To contribute to bring down the delay of access and retaining of jobs of working mothers and single fathers with children between 1 and 3 years 11 months old (one day before they turn 4), in homes with incomes up to 6 minimum wages <sup>1</sup> , increasing the offer of childcare centres.	
Universal or targeted (if targeted, specify conditions or eligibility)		-Targeted Children of single working or studying mothers or fathers earning up to 6 minimum wages <sup>2</sup> per month with no access of child-care services from public institutions	
Parents' share (e.g. %, free, set ceiling, etc.)		National: Monthly Governmental support (max. 3 child per family) - \$ 75- parents earning 4 minimum salaries per month - \$ 50- parents earning minimum 6 salaries per month + parental payment of \$ 25.	
Annual costs of programme per child/family (in local currency, year)		\$ 9, 785 thousand Mexican Pesos	

Source(s): Wealth fare Ministry (SEDESOL); [www.sedesol.gob.mx/archivos/](http://www.sedesol.gob.mx/archivos/)

Known data limitations: Please provide all three measurements, if available.

### 3.4 *Other policy issues*

*Market mechanisms to widen access to, and ensure quality of, ECEC services*

3.4.1 How are ECEC services regulated by public authorities? Please detail minimum quality standards. How are these statutory quality standards set? Who polices them and how? How is the quality

<sup>1</sup> Minimum wage \$328.80 MX (\$23.4 USD)

<sup>2</sup> Minimum wage \$54.80 MX (\$3.9 USD)



(e.g. curriculum, staff qualifications, staff-child ratio, space, etc.) of individual services communicated to parents?

- **Preschool Education**

The Education Ministry is in charge of regulating preschool education. In order to set quality standards the Education Ministry developed a National Curriculum, which is for private and public services compulsory to follow. Moreover they specify the type of qualifications the staff need to have. From time to time the Ministry of Education audits preschools to observe if they are following the norms.

- **Early childhood Education**

Each authority sets it's own laws therefore ECEC services have different quality standards. However, most of standards establish the type of qualification the staffs need to have on the other hand the safety regulation around the environment. These norms and the curriculum are determined by the population characteristics, the number of children the centers received, the number of staff and under the Ministry in charge.

3.4.2 Are the for-profit providers eligible for public funding in your country? If yes, besides the financial incentives, what other incentives do you give to stimulate them to provide more and better ECEC services (e.g. regulation or deregulation on the minimum standards)?

No

3.4.3 If your country has any case studies of a provider failure, inspectorate reports, and/or research on low quality of the private ECEC services, please list references and attach relevant documents, if available.

No

*Financial crisis and ECEC*

3.4.4 Please share your country experience with an increase/ decrease on the budget on ECEC services as a result of, or in response to, the economic crisis. Was there a budget cut on ECEC as a result of the crisis; if yes, how much? Has ECEC been included in the stimulus package; if yes, what was the rationale/ policy thinking behind the decision?

In response to the economic crisis there has been a decrease on the budget on early childhood services. For example, CONAFE's budget diminished in 10%, other organizations or authorities present a similar reduction.