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**DIRECTORATE FOR EDUCATION
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Network on Early Childhood Education and Care

RESPONSES ON FINANCING ECEC SERVICES: NETHERLANDS

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Questionnaire for the 7th 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.
No change.

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		Integrated system	
	% of registered children	% of services, centres, pre-schools	% of registered children	% of services, centres, pre-schools	% of registered children	% of services, centres, pre-schools
Public provision	- 25% playgroups*	Playgroups: - 81% public	100	100		
Private not for profit provision	- *	Playgroups: 19% private				
Private for profit provision	- 61% daycare	Daycare: 100% private for profit				
Other type of provision						

Source(s): Kerncijfers 2005-2009 (CBS): will be published at 19May. Regioplan (2007), Regelgeving en financiering kinderopvang en peuterspeelzalen, http://www.regioplan.nl/publicaties/rapporten/regelgeving_en_financiering_kinderopvang_en_peuterspeelzalen

Known data limitations: * 25% playgroups: we don't know how many children are in public or in private playgroups.

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		Integrated system	
	Public services	Private services	Public services	Private services	Public services	Private services
Public expenditure (as % of GDP)	Too small: -€193.000 playgroups - € 260 mln early childhood education	0,005*	0,003			

Source(s): CBP: <http://www.cpb.nl/nl/prognoses/nlinfo.html>; Kerncijfers 2005-2009 (CBS): will be published at 19May.

Known data limitations: * We only have the budget for 0-12 years, not for 0-4 years

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	Early childcare		Pre-primary education		Integrated system	
	Total amount (local currency)	% of GDP	Total amount (local currency)	% of GDP	Total amount (local currency)	% of GDP
National/Federal	3034.600.000 (daycare) 260.000.000 (early childhood)	0.005	1.800.000.000	0,003		
State/Provincial/ Regional						
Local/Municipal	193.000	-				

Source(s):

Known data limitations:

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%.

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

Source(s):

Known data limitations:

1.3 Private spending on ECEC services

		Total spent, in local currency		
		Early childcare	Pre-primary education	Integrated system
Private sources	Household expenditure	Known for playgroups: Average: €450 per year per child	*	
	Expenditure of other private entities		*	
	All private sources		*	
Private: of which subsidised			*	
Others, please specify				

Source(s): Regioplan (2007)

Known data limitations: All direct expenditure (or payments) from private households on educational institutions, whether partially covered by public subsidies or not.

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 definitions for the targetgroup for ECEC-centre-based programmes

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?

- financing programmes

- financing workers

- financing quality-improvement/ accreditation

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?

- financing for reaching the targetgroup for ECEC-centre-based programmes: it depends on the kind of actions that (local) authorities start to reach the target group (for example via health care centres, visiting parents at home)

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.)?

- lack of agreed common definitions of ECEC-services,

- municipalities are responsible for implementing policy: it's difficult to have agreement of what kind of costs are included f.e. when you ask "what are your costs in reaching the targetgroup".

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

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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

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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.)?

In 2009 the longitudinal study preCOOL started. This is a large-scale national cohort study among about 5000 2- to 5-year-old children, with the aim of assessing the short and long term effects of different provisions of early childhood care and education (ECE), including family upbringing, on children's cognitive and social-emotional development. The study is commissioned by the Ministry of Education, Culture and Sciences and the national scientific research foundation NWO. The study is carried out by a consortium of the Langeveld Institute (UU), the Kohnstamm Institute (UvA), and the Institute for Applied Social Sciences (ITS, RUN).

PreCOOL is connected to the COOL 5-12 and COOL 12-18 cohort study. Children participating in PreCOOL will enter COOL at age 5 and will be followed till age 18, enabling the assessment of the long term effects of preschool ECE, the additional effects of primary school on children's school careers, social-emotional development, and behavioural adjustment, and finally attained educational level. In this study we can examine which of the government's policy measures within the field of Early Childhood Education have influenced the long-term effects. Finally, the costs and benefits of investment in Early Childhood Education will be compared. The draft legislation includes a working plan for the

collection of data between 2010 and 2020. The first set of results are expected from 2014.
<http://www.pre-cool.nl>

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.

- responding to the rise of the service economy and the influx of women into salaried employment;
 - reconciling work and family responsibilities in a manner more equitable for women;
 - acting against educational disadvantage > the "Bill on opportunities for development through quality and education" will go into force at the first of August 2010. By (partly) harmonising provision, playgroups and day nurseries can combine the best of both worlds. The Bill therefore seeks to boost the quality of playgroups to a level comparable with that of day nurseries. It also ensures that playgroups are affordable, particularly for parents whose children need preschool education. The municipalities will be required to work in partnership with others to improve access to Early Childhood Education. They will also be given instruments to strengthen their role as managers. As a result of these measures, the number of target group children attending Early Childhood Education programmes will increase. In addition, the continuity of learning from preschool to early school education will be improved. For example, municipal authorities and schools will have to make agreements about the results of preschool education. The Education Inspectorate will supervise early school education, partly in response to signals from the municipal health services.

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?

- Because of the "Bill on opportunities for development through quality and education" (see above) municipalities must ask a parental contribution of all parents with a child that participates in Early Childhood Education as if they are in the lowest income. This is a financial disadvantage for parents with a child that doesn't need Early Childhood Education and for playgroups without Early Childhood Education.

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".

- governments (national/ municipalites): challenge childcare: business is growing > always more money needed. Challenge early education: schools are not obliged to spend the money for the 4/5-years old, but for all the children between 4 – 12 years old.

- parents

- for-profit providers,

- ECEC as business communities,

- social organisations.

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		
Ear-marked tax revenues for ECEC sector	x		x
Earmarked tax revenues for specific ECEC programmes, type of services or categories of expenditure			
Transfers from other levels of government as part of general block grants			
Transfers from other levels of government as block grants to ECEC sector			
Transfers from other levels of government earmarked for specific ECEC programmes, type of services or categories of expenditure			

Source(s):

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".

- In 2005 the national government spent 667 million euros and in 2009 3034,6 million euros (in total for children between 0-12 years). This was a huge growing: because of stimulating women to work more and because it was made much more cheaper for the lower incomes. The schools were also obliged to organise childcare after schooltime in 2007.

- In 2005 the spending for Early Childhood Education was: 110 million euros (provided by the national government). In 2011 this will be 260 million (provided by the national government). In this way the Netherlands invest in reaching more children of the target group and to boost the quality of Early Childhood Education. In the "Bill on opportunities for development through quality and education" the responsibilities of the municipalities are described: a quality-place for every child in need. The municipalites receive earmarked allowance from the national government.

Some challenges: - it's not evidence based policy 'enough' in the Netherlands. There were some studies were an Early Childhood program was not well implemented. So there were no results. But in the media the discussion was "the government spends a lot of money but it doesn't work".

- Although these negative reports, it was an argument for us to invest a lot in quality improvement and not only 'reaching all the children'.

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

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

1. government-run and subsidised 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.

	Government-run and subsidised non-profit private ECEC services	Subsidies to for-profit private providers	Others (Specify)
Name/ type of scheme	They are free to choose		
Duration of programme: hours per day, days per week, hours per year	4 half-days a week or 10 hours		
Purpose of subsidies	Quality improvement		
Universal or targeted (if targeted, specify conditions or eligibility)	Universal and targeted		
Parents' share (e.g. %, free, set ceiling, etc.)	ECE: lowest income. Daycare: depends on family income		
Annual costs of programme per child/family (in local currency, year)	m		

Source(s):

Known data limitations:

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

- Early Childhood Care: see Starting Strong II.

- Early Childhood Education: quality standards will be laid down in the Bill mentioned above:

* 4 half a days per week or 10 hours per week

* maximum worker-child ratio of 1: 8

* maximum 16 children

* staff is qualified as an Educational Worker (Level 3), with special training in Early Childhood Education.

* they have to use a integral programme

The quality of Early Childhood Education will be safeguarded through supervision by the Education Inspectorate.

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)?

- Regulation: minimum standards; - Promoting Early Childhood Education; - Inspectorate

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.

The *Nederlands Consortium Kinderopvang Onderzoek* (NCKO) has developed an instrument to measure the pedagogic quality of childcare centres for 0-4 year olds. www.kinderopvangonderzoek.nl. In 2008, the Inspectorate found that the quality of provision in the four largest Dutch cities was adequate and in some cases, 'exemplary'. <http://www.onderwijsachterstanden.nl/vve.php/nieuws/vvenie058.html>

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? No.

- Has ECEC been included in the stimulus package; if yes, what was the rationale/ policy thinking behind the decision? No.