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Network on Early Childhood Education and Care

RESPONSES ON FINANCING ECEC SERVICES: SWEDEN

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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. 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.

If your country is *NOT* listed in Annex A, please list different types of ECEC services offered in your country and provide the following information for each of the services:

- Which category (a) centre-based care (b) family-day care or (c) pre-primary education;
- What age range is covered;
- Whether public or private; and
- Whether compulsory or not.

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 2009 | |
|---|--------------------------|-------------------------------------|--------------------------|-------------------------------------|--------------------------|-------------------------------------|
| | % 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 | | | | | 81,3 | 76,3 |
| Private not for profit provision | | | | | 6,4 | 8,7 |
| Private for profit provision | | | | | 8,6 | 10,8 |
| Other type of provision: (please indicate) | | | | | 3,7 | 4,3 |

Source(s): Swedish National Agency for Education (Skolverket)

Known data limitations:

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 (2008) | |
|-----------------------------------|-----------------|------------------|-----------------------|------------------|--------------------------|------------------|
| | Public services | Private services | Public services | Private services | Public services | Private services |
| Public expenditure (as % of GDP) | | | | | 1,36 | 0,23 |

Source(s): Swedish National Agency for Education (Skolverket) & Statistics Sweden

Known data limitations

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 2008 | 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 | | | | | | |
| State/Provincial/ Regional | | | | | | |
| Local/Municipal | | | | | SEK 50 713 286 000 | 1,61% |

Source(s): Swedish National Agency for Education (Skolverket)

Known data limitations:

Comment: Funding is provided through resources contributed by the municipalities themselves out of local tax revenues plus a general government grant to municipalities, which is linked to a special equalisation system intended to create equal financial conditions for all municipalities and county councils. In addition to this, there are special funds in the form of targeted grants for special initiatives on the part of the state. The contribution from the special equalisation system and the targeted grants are included in the amount on the municipal level in the table above.

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 2008 | % of total public expenditure on | | |
|--|----------------------------------|-----------------------|---|
| | Early childcare | Pre-primary education | Integrated system |
| Infrastructure | | | 13,5 |
| Workforce supply (e.g. salaries, recruitment etc.) | | | 73,6 |
| Workforce development (e.g. in-service training, support services for staff, etc.) | | | included in expenditure on workforce supply |
| Curriculum and pedagogical materials | | | m |
| Ancillary services (transport, meals, etc.) | | | m |
| Research on ECEC | | | m |
| Others, please specify | | | 12,9 |
| Total | 100% | 100% | 100% |

Source(s): Swedish National Agency for Education (Skolverket)

Known data limitations: The information refers only to pre-school, not family day care.

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.

| 2008 | | Total spent, in local currency | | |
|------------------------------|---------------------------------------|--------------------------------|-----------------------|---|
| | | Early childcare | Pre-primary education | Integrated system |
| Private sources | Household expenditure | | * | SEK 4 106 988 000 (=8,1% of total expenditure) |
| | Expenditure of other private entities | | * | n.a |
| | All private sources | | * | n.a |
| Private: of which subsidised | | | * | n.a |
| Others, please specify | | | | n.a |

Source(s): Swedish National Agency for Education (Skolverket)

Known data limitations: _____

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? **As we have a very decentralised system where the municipalities are responsible for the resources for preschool it is hard to get a detailed picture on the Swedish national level. Among other things we don't collect data on the distribution of resources among age-groups or if the distribution of resources in each municipality is on the basis of needs. Furthermore, in Sweden care and education are fully integrated in preschool at all ages. Earlier attempts to single out the educational part of Swedish preschools have in reality underestimated Swedish pre-primary education in comparison to other countries.**

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? **Systems for distribution of resources on the basis of needs of the children/families. For example: Is the resources distributed differently between areas with a relatively high degree of high-income households and areas with a relatively high degree of low-income households. Furthermore, we would like to know more about different systems for inspections and evaluations.**

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? **Knowledge of the effect of preschool on children's learning and knowledge formation. Studies with the overall aim to gain knowledge of the characteristics of preschool as a learning environment by studying various preschool environments and the impact they have on children's knowledge formation/experiences of different aspects of communication, mathematics and interplay.**

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.)? **A very decentralised system, see also 1.4.2.**

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

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

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.)?

Three Swedish cohort studies have been published. All three of these indicate positive effects of pre-school (day-care), after being controlled for social background of the parents

(Andersson 1989) <http://www.ncbi.nlm.nih.gov/pubmed/2758882?dopt=Citation>

(Broberg 1997) <http://www.ncbi.nlm.nih.gov/pubmed/9050391?dopt=Citation>

(Bohlin 2000). <http://www.cambridge.org/uk/catalogue/catalogue.asp?isbn=0521533465>

The effects of pre-school on 15-month-olds are however unclear. Andersson 1989 finds that it has beneficial effects whilst Bohlin 2000 indicates the opposite.

A systematic review looking into the importance of various quality aspects has been published (Bremberg 2001). http://www.fhi.se/Documents/Vart-uppdrag/BoU/Uppslagsverket/060426policies_preschool.pdf

This review showed a reduced prevalence of externalised mental problems in cases where the pre-school used child-centred teaching methodology. No significant effect of teacher-child ratio and group size on the prevalence of externalised mental problems could be shown, provided that the teacher-child ratio was within the interval of 14-26 adults per 100 children and that the groups were 15-20 children in size. The prevalence of learning difficulties seems to be possible to combat by using child-centred teaching methodology and employing a high proportion of qualified pre-school teachers.

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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.

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?

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”.

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/ municipa |
|---|----------------------|-------------------------------|--------------------|
| 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 | | | |
| Transfers from other levels of government as part of general block grants | X | | |
| 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 | | | |

Source(s): _____

Known data limitations: _____

Comment: Funding is provided through resources contributed by the municipalities themselves out of local tax revenues plus a general government grant to municipalities, which is linked to a special equalisation

system intended to create equal financial conditions for all municipalities and county councils. In addition to this, there are special funds in the form of targeted grants for special initiatives on the part of the state.

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”. **Yes public spending has increased 26 percent between 2005 and 2008.**

Please share your country experience such as:

- where the increased resources came from; **The increased resources came from government grants to municipalities and from the municipalities themselves.**
- 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 spendings in infrastructure has increased 29% and the spendings in workforce has increased 24%.**

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.

N.A

| | Government-run and subsidised non-profit private ECEC services | Subsidies to for-profit private providers | Others (Specify) |
|--|--|---|------------------|
| Name/ type of scheme | | | |
| Duration of programme: hours per day, days per week, hours per year | | | |
| Purpose of subsidies | | | |
| Universal or targeted (if targeted, specify conditions or eligibility) | | | |
| Parents' share (e.g. %, free, set ceiling, etc.) | | | |
| Annual costs of programme per child/family (in local currency, year) | | | |

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? **The Education Act regulates specified quality requirements, however not highly specific:**

- well-trained or experienced staff, pre-school teachers and child carers (In reality Pre-school teachers (3,5 years university education) represents 54% of the staff and child carers represents 39% (who have a post-secondary training/high-school or a post- secondary supplementary training program/continuation course around 1 year) - **appropriate premises for pre-schooling; - suitable mix and appropriate size in children's groups; - program based on children's individual needs**

The Act also specifies that children in need of special support should also have their needs provided (satisfied) for.

The curriculum for preschool (Lpfö 98) is an ordinance with binding provisions issued by the Government. It is intended to STEER the pre-school and it contains the requirements that the state imposes. The curriculum provides a foundation for assessing quality requirements. It also expresses the requirements and expectations parents and children may make on the pre-school. The pedagogical approach is a Child – centered. The curriculum have Goals to strive towards – to be aimed at for the pre-school. The goals specify the orientation of the work of the pre-school and the desired quality targets in the pre-school. There are also guidelines for the staff/working team states the responsibility the staff has to ensure that work is directed towards the goals of the curriculum.

The National Agency for Education has published *General guidelines and comments for quality in Preschool*. The guidelines are directed both at the municipality and at the staff of the preschool, and they illustrate the division of responsibility between the municipality and the preschool.

The information to parents are communicated by the municipalities (website etc.), the respective preschool and the staff. The Agency has published a brochure about the preschool curriculum *Preschool is for your child* where parents can learn about the expectations and demands they as a parent can have of the preschool.

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)?

Municipalities should grant permission to an independent pre-school if

- their program meets the set standards for safety and quality**
- fees charged are reasonable (maximum fee)**

The municipality have to give grants to the independent pre-school according to the costs of the municipality's own costs for pre-school. 18 per cent of all children are in independent pre-schools, both non-profit and for-profit providers.

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 Swedish Schools Inspectorate ensures that the responsible authority, that is to say the municipality, follows the laws and regulations, which apply to the supervision that the municipality should have in the independent preschools. The Inspectorate has no regular supervision of an independent preschool as they have for schools. If a parent or someone else is not satisfied with or has complaints about a child's preschool situation, he or she can report this to the Schools Inspectorate. The Schools Inspectorate can also on its own initiative undertake an investigation of a pre-school after receiving a report of shortcomings from other sources. An investigation may lead to an official reprimand from the Inspectorate to the responsible authority and a demand for action.

National statistics tells us that in the independent preschools in general the groups of children are slightly larger, they have less percentage share of preschool teachers, and less staff-to-child ratio than preschools run by municipalities.

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? n/a