

Reducing Inequalities by Investing in Early Childhood Education and Care

Key messages from Starting Strong VIII



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The *OECD Starting Strong* policy reviews identify key elements of successful Early Childhood Education and Care (ECEC) policies around the world.

This brochure presents the key messages from the Starting Strong VIII report, *Reducing Inequalities by Investing in Early Childhood Education and Care*. It provides the OECD perspective on the importance of developing high-quality ECEC systems, outlines guiding principles and areas for a policy roadmap towards ECEC with a lasting impact on equity and inclusion, and invites international experts to provide their views on the key themes of the report.



Why investing in early childhood education and care?

The OECD perspective

Far too often, children miss out on quality Early Childhood Education and Care (ECEC). Cultural barriers and a lack of information limit enrolment, while some families simply cannot afford it. The data show that vulnerable children are most affected, with substantial socio-economic gaps in ECEC participation in most countries, especially for children aged 0 to 2. In eight out of 28 OECD countries, these gaps have widened for children aged 3 to 5. What is more, disadvantaged children often receive lower-quality ECEC services. Evidence suggests that overall quality is only improving in a handful of cases. Many OECD countries can, and should, do better.

The importance of ECEC cannot be overstated. It is a cost-effective way to close achievement gaps before they widen and become entrenched. Unlike interventions aimed at addressing inequalities later in life, high-quality ECEC promotes the development of foundational skills like language, literacy and numeracy, essential for later success. Early years policies, if co-ordinated and evidence-based, can reduce the need for expensive remedial education and social services in the future.

In the past 20 years, countries have increased funding and improved ECEC policies. Enrolment rates are up, and many countries have adopted research-informed curriculums that build on play to foster child development and well-being. Children who attend high-quality ECEC are more likely to succeed in school, graduate and secure good jobs. They are less likely to engage in criminal activities or rely on social welfare. The return on investment is substantial. For every dollar, yen or euro spent on high-quality ECEC, society saves much more in future costs – and supports happy childhoods.

Yet, despite these benefits, many children are left behind. OECD data show large socio-economic gaps in maths scores for 15-year-olds. Only two OECD countries narrowed these gaps between 2015 and 2022. This is, at least partly, a hangover from ECEC as, in some countries, the socio-economic gaps in early years participation are particularly stark. Children from low-income families are less likely to attend ECEC programmes. Even when they do, the quality of services they receive is often inferior. This perpetuates a cycle of disadvantage that is hard and costly to break.

The reasons for these gaps in enrolment and quality are complex. In some countries, ECEC is prohibitively expensive. In others, there are not enough high-quality

programmes available. Cultural factors also play a role. In some communities, there is a lack of awareness about the importance of ECEC. In others, the sector is fragmented. Across the OECD, public investment in early years education and care is low compared to other levels of education, and budget constraints are tight. Staff shortages and lack of quality training are often an issue.

The OECD has responded to this situation by creating a policy roadmap, outlined in the report *Reducing Inequalities by Investing in Early Childhood Education and Care*. There are numerous factors to consider, but two stand out.

First, countries need to combine universal and targeted policy approaches, which reach everyone but are aimed at the most disadvantaged. This includes additional support for children living in poverty, with special needs, with language barriers or facing other challenges. Policymakers should focus on cost-effective policies like evidence-based curriculums, high-quality staff training and targeted funding allocations. Vulnerable children should also be supported with specialised staff and subsidies for low-income families.

Second, countries must develop a cross-sectoral approach. Fragmented early years services complicate access for families. Governments need integrated early education, health and social services with common goals to ensure investments support vulnerable children and have a lasting impact. The role of parents also cannot be ignored. ECEC programmes must work in partnership with parents, including giving them information and resources to support children's learning at home.

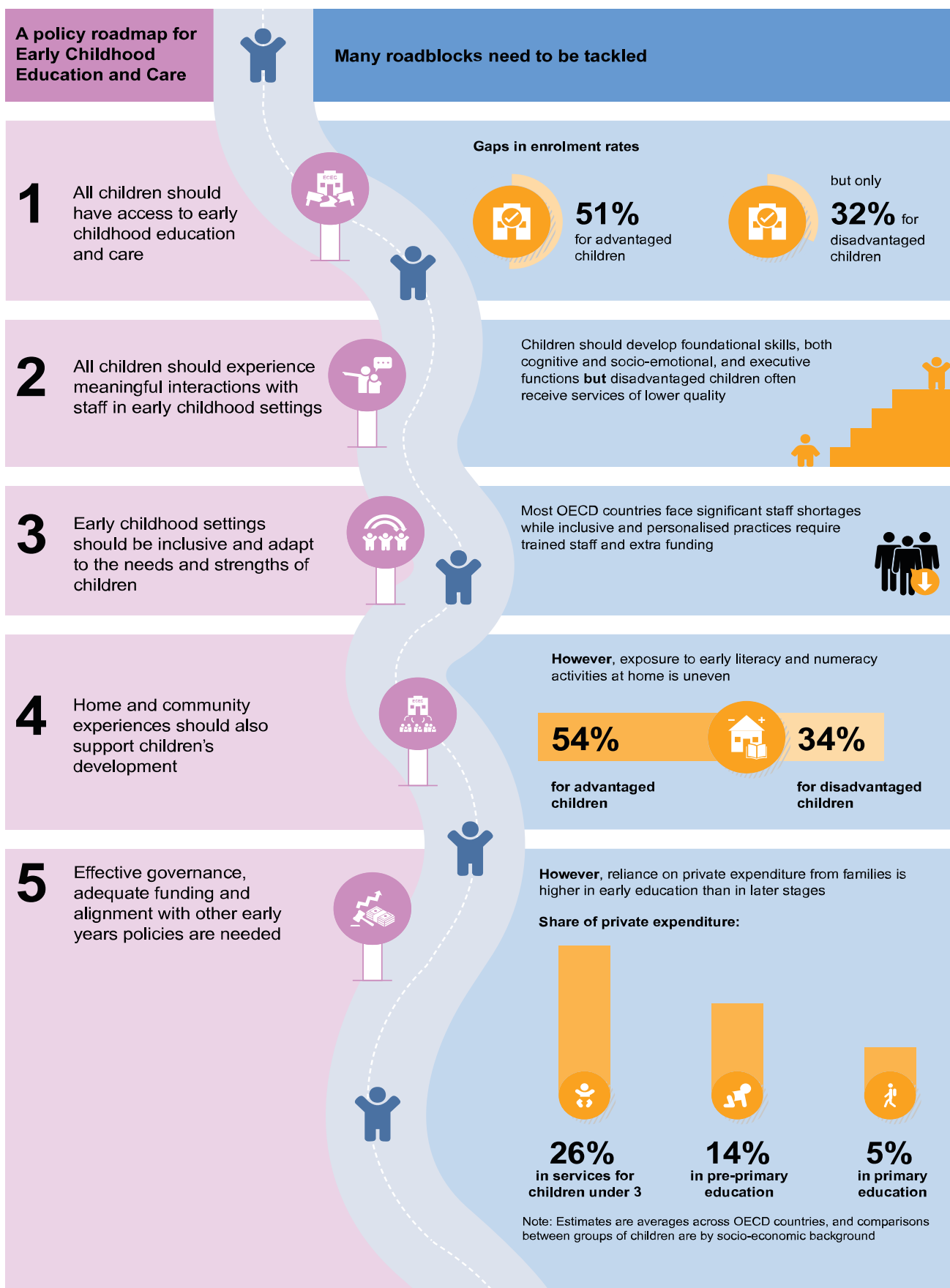
The stakes are high. At the moment, children are born with varying opportunities to develop and learn, leading to lifelong inequalities. As communities become increasingly diverse, new forms of mutual understanding and solidarity must emerge. Ensuring strong education pathways for all is crucial for building cohesive societies and fostering economic growth.

Governments should act now and take a more comprehensive approach to their early years policies to better support children and families, and give a real boost to those who need it the most. Investing in the early years is not just a moral imperative; it is an economic and social one. The cost of inaction is too high.

Andreas Schleicher
Director for Education and
Skills at the OECD



The path to ensuring equal opportunities from the early years





What can countries do?

The OECD report *Reducing Inequalities by Investing in Early Childhood Education and Care* presents a new policy roadmap to improve equity and inclusion in the sector, and provide

lasting benefits for economies and societies. Below are key recommendations that support this roadmap.

Combine universal and targeted approaches

To truly reduce inequalities, governments need a policy mix of universal and targeted approaches. Policies should reach everyone but focus more on the most disadvantaged. This strategy can adapt to different contexts, recognising that most OECD countries face tight public budget constraints:

- Make ECEC affordable, available and accessible for families facing participation barriers.** This includes providing targeted financial support and improved infrastructure, particularly in areas with many vulnerable children and service shortages. Indirect barriers can be overcome by providing clear and accessible information, simplifying enrolment procedures, and promoting family and community involvement to strengthen trust in ECEC services.
- Develop curriculum frameworks that value diversity and build foundational skills.** These curricula can address all aspects of child development while including skill-specific components within a play-based approach. They should be adaptable to all ECEC settings. In order to succeed, these frameworks require strong preparation and continuous development for all ECEC staff.
- Mix universal policies with personalised support for areas with many vulnerable children.** These include improving staff-child ratios, targeted training and having specialised staff to better identify and support children's needs. They can be scaled up according to the level of need. If ECEC is of high quality, intensive participation – such as starting from an earlier age or involving more hours – can be particularly beneficial for vulnerable children. Inclusion can also be supported by attracting a more diverse ECEC workforce.
- Develop more equitable and efficient funding mechanisms.** A third of children aged 3 to 5, and half of children under 3, are enrolled in private institutions on average across OECD countries. To ensure public funding promotes quality and equitable access, even with private ECEC providers, policies should allocate funding conditionality to some criteria, monitor large for-profit players, and limit family costs. Funding allocation mechanisms should be used to steer recipients towards quality and equity.



Align ECEC with the broader early years policies

ECEC policies are only one aspect to the social inequality puzzle. A cross-sectoral approach, including co-ordination with other social and health services for children and parents, smart funding and governance, is critical to mitigate social inequalities and ensure ECEC benefits last over time.

- **Design flexible ECEC programmes to better support families and foster development.**

Child learning can be supported by offering longer operating hours, regular communication and opportunities for parents to connect with staff. Parents of low socio-economic status tend to spend less time on developmental activities with their children, which is a key driver of inequalities. This is due to limited resources and higher exposure to stress rather than different beliefs about child development.

- **Improve co-ordination within different stages of ECEC and schools.** Improved co-ordination would ensure that vulnerable children are exposed to more ambitious and less redundant curricular content. Co-ordination is also critical to support the continuity of pedagogical approaches and ensure they are adapted to a child's age.

- **Develop mechanisms to support co-ordinated services throughout childhood.**

This co-ordination should start with prenatal services and continue throughout early childhood and primary school. This would help sustain the benefits from one set of services to another.

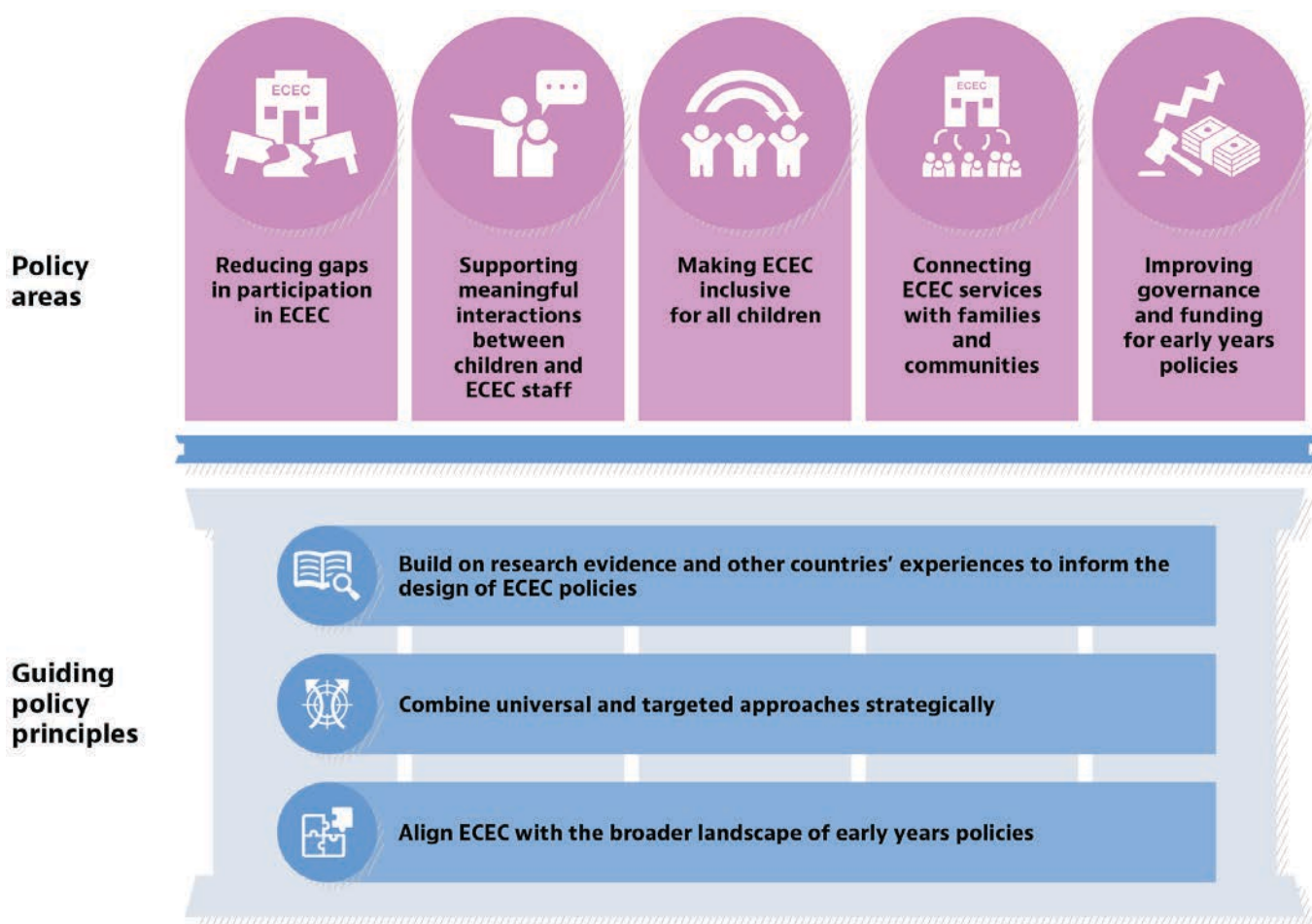
- **Consider the development of cross-sector national quality frameworks.** All programme components need to be of high quality to support co-ordinated services while avoiding substitution effects. Integrated service hubs operating under a quality framework can promote awareness and the use of ECEC and other services.

- **Combine investments for a more consistent policy approach.** Total investment in education and families need to remain more stable throughout early childhood. At the moment, many countries see a sharp decline in spending between age 1, coinciding with the end of maternity leave entitlements, and the beginning of pre-primary education (usually around age 3). When possible, public funding for early years policies should be increased to develop a stronger workforce and support the implementation of policies that reduce inequalities.

A policy roadmap for early childhood education and care with a lasting impact on equity and inclusion

The OECD Starting Strong policy reviews provide an international perspective to support countries in designing their policies on Early Childhood Education and Care (ECEC). Starting Strong VIII presents a policy roadmap towards ECEC with a lasting impact on equity and inclusion. The roadmap is underpinned by three guiding and transversal principles, and identifies five key policy areas central to mitigating inequalities in the early years.

The roadmap is informed by research evidence and countries' experiences. It builds on analyses of 8 international databases, consultations with more than 20 countries, and a collaborative process of knowledge mobilisation through 7 workshops which brought together 28 international experts as well as policymakers in the OECD Network on ECEC.



The full roadmap, with concrete policy pointers and examples, can be found in the report <https://doi.org/10.1787/b78f8b25-en>.

WHAT ARE THE EXPERTS' VIEWS?

Overcoming the historical legacy of inequalities in ECEC

Michel Vandebroek

*Professor Emeritus of Social Work and Social Pedagogy,
University of Ghent, Belgium*

It is one of those policy enigmas. Robust research tells us that ECEC has positive outcomes – provided it is of good quality – and that vulnerable children benefit most from it. And yet, inequalities in access and quality continue to deprive many vulnerable children from attending. Moreover, the access gap is particularly significant for the youngest children, despite the evidence that the development of these children may benefit most. Why is that so and what is there to do?

In many countries worldwide, the gap is moulded by the weight of history. While preschool education for 3–6-year-olds has long been considered as a valuable good for all, that was not often the

case for the care and the education of their younger peers. The latter has long been seen merely as an instrument for female employment rather than a right of the child or a crucial start of lifelong learning. As a result, many countries have a split system in which the “care” for the youngest children is marked by lower investments, lower professional qualifications, worse working conditions, higher parental fees and, yes, a more substantial gap in enrolment than the “education” for the preschoolers.

Enrolment gaps are much less to be attributed to parental choice than to structural features. Geographical disparities, shortages of places and priorities for dual earner families have

substantially contributed to inequalities in accessibility, especially for the youngest children. Over the last two decades, countries have increasingly encouraged private for-profit actors to invest in childcare, rather than expanding the offer of public institutions. However, in most cases this has not led to closing the enrolment gap, neither has it led to higher quality standards or better working conditions for staff. This illustrates how the costs of switching from one alternative to another may increase over time and why it is not easy to escape the weight of history.

We now enter a phase in which a majority of children, from a very early age, spend significant portions of their time outside of the family. Never before in history has the education of the youngest children been to such an

extent a shared responsibility between the private and the public sphere. This offers unique opportunities for realizing more equal educational opportunities for all children.

Whether we succeed in doing so, will depend on the political and societal choices we make in order to overcome the historical legacy of inequality. And we now know quite well what the necessary measures are to make significant steps forward: providing places while prioritizing less privileged areas; equip these childcare spaces with well-qualified professionals; invest in their continuous professional development; and inspire them with curricula that combine care, play and learning, while taking a clear stance against structural forms of discrimination.

Michel Vandenbroeck is Emeritus Professor from the Department of Social Work and Social pedagogy at Ghent university, Belgium. He is also member of the Board of the international organisation ISSA. He works as a policy advisor for the Flemish minister competent for childcare.



WHAT ARE THE EXPERTS' VIEWS?

Perspectives and pragmatics: Can we restack the odds for the world's children?

Sharon Goldfeld

Professor, University of Melbourne; Director, Centre for Community Child Health, Royal Children's Hospital, and Director Population Health, Murdoch Children's Research Institute, Australia

Let's begin with the idea of *what* could be. Starting Strong VIII is challenging us all to think urgently about the policies and services that will deliver for this generation of children and the adults they will become - this is *what* could be.

But *how* needs perspectives. As a developmental paediatrician, a public health researcher and a seasoned health and education public servant, I see the ability to help a single child and family, and the importance of keeping populations of children healthy and developing well, as carrying equal weight. Both important, but solutions will vary because the perspectives of children, families, communities and governments matter. Considering all perspectives is vital to finding new ways

to turn mere hope into more equitable outcomes for our children. This is messy but urgent.

Right now, there are sustained global inequities in young children's health, development and well-being. This is extraordinary system failure in any rich country with dire economic ramifications. Inequities in early childhood typically persist into adulthood, at substantial cost to individuals, society and governments (across health, education and welfare budgets). Increasingly opportunities for thriving are also socially patterned. To address this, governments must weather the short-term political risk to front-end their investment in human systems despite the long lead time to impact. No countries have achieved this goal yet.

There are no silver bullets, but many real and tangible opportunities exist to “stack” the odds for children and redress the seemingly immutable socio-economic gradient. A stacking approach – combining multiple complementary interventions – is essential for closing the child equity gap and improving outcomes. This includes interventions that are already known to work, combined with optimal utilisation of existing education, health and social infrastructure. Grounding this approach in principles of proportionate universalism will ensure that an early years universal service base, especially early childhood education and care and primary health care, remains the backbone; and that this is enhanced with tailored interventions at a scale and intensity proportionate to local need. Right now, the mutual and cumulative benefits of these services are rarely considered in their design or delivery.

The road to equity must be paved with more than good intentions. The COVID-19 pandemic taught us that radical change can happen at speed and scale. This idea of radical pragmatism – a willingness to try whatever works, with an experimental mindset and commitment to empiricism and measuring results – is exactly what’s needed now. Repurposing existing services and systems (health, education, social care) will help to deliver on new approaches that we can test rapidly and at scale; but these systems will not change by themselves. Change requires policy authorisation at the local level putting data use and the skills for improvement in the hands of the real change agents – the front-line practitioners.

We *can* eliminate inequities in children’s development within a generation. Now, wouldn’t that be radical?

Professor Sharon Goldfeld is a paediatrician and Director, Centre for Community Child Health (CCCH) at the Royal Children’s Hospital, and Theme Director, Population Health at the Murdoch Children’s Research Institute in Melbourne, Australia. She has a decade of experience in state government as a senior policymaker in health and education, including the Victorian Department of Education and Training. Her research program is made up of complementary, synergistic, and cross-disciplinary streams of work focused on investigating, testing, and translating sustainable policy relevant solutions that eliminate inequities for Australia’s children. She is an invited expert on many national government advisory committees for early childhood including education, disability and place. Professor Goldfeld recently received an Order of Australia (AM).



WHAT ARE THE EXPERTS' VIEWS?

Putting relationships at the centre of quality- and equity-improvement in early childhood

Stephanie M. Jones

*Gerald S. Lessor Professor of Child Development and Education,
Harvard University, United States*

Developmental psychologists have perfectly described the central, and essential, role of relationships in human development – particular in early childhood. For example, Urie Bronfenbrenner emphasized that for a child to grow and thrive, they need increasingly complex, back-and-forth interactions with adults who care deeply about them. Similarly, Sunya Luthar noted that resilience is rooted in relationships, and that beyond driving growth, strong relationships provide warmth, emotional support, and investment, shielding children from the effects of stress, adversity, and trauma. Together, these foundational ideas capture the essence of a generation of research and practice in child

development and are at the core of much of what we know about effective practice in early education and care. We also know from decades of research that access to early childhood settings and systems characterized by such high-quality interactions and relationships is unevenly distributed and that this is due to systemic structural inequities that are rooted in socio-economic disadvantage, racial-ethnic and economic marginalization, and the challenges early childhood systems typically have in responding and adapting to the needs of all children.

What's interesting to me about these core principles is that they so clearly indicate that the focus of any effort to

support young children and/or improve the quality of their early education and care settings should be centered on ensuring the relationships and interactions they have with adults are (1) consistent, predictable, warm, and emotionally supportive, and (2) increasingly intricate and challenging over time as children's social, emotional, and cognitive skills expand. Yet, most efforts to improve early childhood learning settings focus on structures, rather than on the developmental processes described just above. What I mean by structures here are the tangible, concrete parts of any plan, strategy, program, or intervention. They include things like curricular materials, ongoing assessments, staff and educator training, or professional development and support. Processes, on the other

hand, are not tangible and they are not easily seen, but they are what make structures effective as they embody those developmental relationships that are the active ingredients of any effective strategy, practice, or intervention.

As we look to the next generation of research in child development and its application in policy and practice, it is essential to prioritize building not just foundational structures but also the quality of relationships and interactions that are the true catalysts for meaningful growth and lasting impact. Finally, any effort to improve early childhood systems must also address questions of unequal access to rich, relationship-based, high-quality settings, in particular for the most vulnerable children and families.

Stephanie M. Jones is the Gerald S. Lesser Professor of Child Development and Education in the Harvard Graduate School of Education at Harvard University. Her research, anchored in prevention science, focuses on the effects of poverty and exposure to violence on children and youth's social, emotional, and behavioral development. Over the last ten years her work has focused on evaluation research addressing the impact of preschool and elementary focused social-emotional learning interventions on behavioral and academic outcomes and classroom practices; as well as new curriculum development, implementation, and testing.



WHAT ARE THE EXPERTS' VIEWS?

Promising funding models to steer ECEC systems towards quality and equity

Eva Lloyd

*Emeritus Professor of Early Childhood, University of East London,
and Visiting Professor, University College London, United Kingdom*

Governments face major challenges when setting funding mechanisms to steer ECEC systems towards quality and equity for all children. Examples of such mechanisms include funding conditionality, parental fee capping, and the incentivisation of workforce quality. Building strong partnerships with stakeholders inside and outside government is an essential part of this process. Another prerequisite for success is stakeholders' acceptance of the principle that it is a government's right and duty to combine increased public ECEC funding with increased public management.

Starting Strong VIII's policy roadmap makes visible how each step requires meaningful, transparent and effective

co-operation between and within departments at different levels of government, and with civil society stakeholder groups. Such co-operation in turn requires a strong value-based underpinning across governments, be they coalitions or single-party administrations.

The process required to arrive at an agreed whole-of-government value-based starting point for change in ECEC funding policies is rarely linear or straightforward. Examples from several countries illustrate success factors but also significant pushback from interested parties, especially within marketised ECEC systems, or within federal systems of government

For instance, Ireland's 2018 'First 5 whole of government strategy for babies, young children and their families' manifested the outcome of such foundational work across government departments. This formed the basis for the articulation and realisation of a shared vision for quality and inclusive ECEC with inputs from many stakeholders, including parents and practitioners.

In Norway, in 2019 draft legislation concerning changes to the regulation of private-for profit childcare provision within its mixed ECEC market led to strong lobbying by corporate childcare groups which feared an impact on profits.

Since 2019 the German Federal Government has been investing substantial funding into a nationwide ECEC regulation programme with a view to quality harmonization, in the interest of equity. Nationwide quality standards arising from the Childcare Quality Act 2023-2024 (*KiTa-Qualitätsgesetz*) have

been adopted, but implementation is being slowed by pressures from various stakeholder groups and different levels of government.

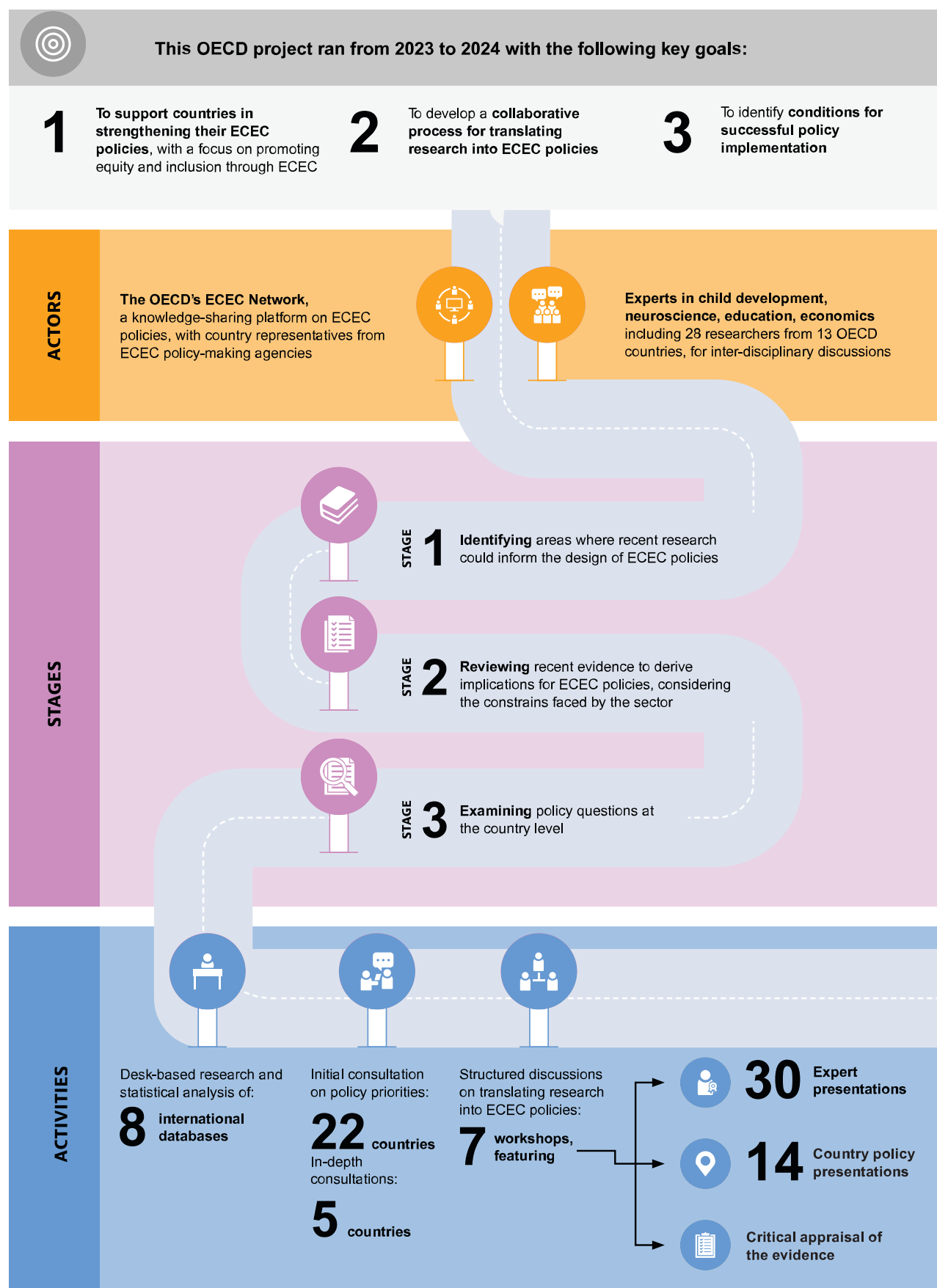
The Canada Early Learning and Childcare Act 2024 embodies a strong vision for a Canada-wide publicly funded and equitable ECEC systems and comes with a substantial federal infrastructure fund. Its realisation requires ECEC expansion to be limited to public and non-profit provision. Yet almost half of net ECEC sector growth continues to be among for-profits.

On balance, this evidence of challenges that countries may encounter in realising a shared vision for quality and equitable ECEC is more encouraging than dispiriting. From my perspective, it reflects the crucial role that stable funding allocation models can play in steering ECEC systems towards quality and equity if they align with policy objectives, and as long as political consensus can be maintained.

Eva Lloyd is Emeritus Professor of Early Childhood at the University of East London (UEL) and Visiting Professor attached to UCL's Institute of Education. She is the former Director of UEL's International Centre for the Study of the Mixed Economy of Childcare -ICMEC - which she co-founded in 2007 with Professor Helen Penn. For four decades Eva Lloyd has specialised in the study of ECEC policies and systems, and their impact on children growing up with disadvantage. She has extensive experience of working with policymakers at central and local government level and with NGOs.



How did the OECD produce this roadmap?



Find out more

www.oecd.org/en/about/programmes/early-childhood-education-and-care-ecec

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