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An experiment on free of charge early childhood education and care for five-year-olds: The second phase of evaluation. Participation in early childhood education, its costs and organisation

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An experiment on providing five-year-olds with free of charge early childhood education and care (ECEC) was launched by the Government for the period 2018–2020. The purpose of the experiment was to increase the participation of five-year-olds and their siblings in ECEC and to promote their guardians' employment. The experiment also aimed to develop the pedagogy and service counselling of ECEC. The long-term goals were strengthening equality in education as well as increasing the participation rate in ECEC, which is lower in Finland than in the other Nordic countries.

The Finnish Education Evaluation Centre (FINEEC) carried out an evaluation of the achievement of the experiment's objectives, which was commissioned by the Ministry of Education and Culture. This report encompasses an evaluation of the second phase of the experiment on free of charge early childhood education and care. In the second phase, 26 municipalities participated in the experiment. The participating municipalities offered 20 hours of free of charge early childhood education and care to the families of five-year-old children. Central government compensation was granted to cover 40% of the estimated reduction in the accrual of fee revenue. This report examines changes in participation in early childhood education and care among children aged five and younger, the costs arising from the experiment, and issues related to its organisation. The evaluation drew on both quantitative and qualitative data.

The evaluation results indicate that the experiment increased five-year-old children's participation in ECEC in densely populated municipalities. In particular, the experiment on free of charge ECEC increased the participation of families with a low average income. On the other hand, the experiment did not increase the ECEC participation of families in the lowest or highest income classes. The experiment also increased the participation in early childhood education and care of children aged four, whereas there was no statistically significant increase in the participation of children below this age.

Additionally, the evaluation looked at the costs arising from the experiment. The evaluation results indicate that amendments to the Act on Client Fees in Early Childhood Education and Care have led to lower client fees both in the municipalities participating in the experiment and other municipalities. In proportion to the number of residents, however, the decrease in fee revenue was no greater in the participating municipalities than in others. Offering free early childhood education and care reduces the municipalities' client fee revenue in proportion to the number of children participating in ECEC. However, the data indicate that many children who started attending early childhood education and care as the fees were dropped participate in ECEC for more than 20 hours, and the family consequently pays the client fee laid down in the Act on Client Fees in Early Childhood Education and Care for ECEC participation for the period exceeding 20 hours.

Thirdly, issues related to the practical delivery of early childhood education and care for five-year-olds in the participating municipalities were evaluated. The principal form of free early childhood education and care for five-year-olds was ECEC provided in a municipal day-care centre. However, the types of groups the five-year-olds attended varied between and also within municipalities. Regarding pedagogy, few municipalities or operating units had formulated separate policies or defined focus areas of pedagogy concerning only five-year-olds. If the municipality had common pedagogical policies or focus areas, in most cases they concerned all children of ECEC age. Officials emphasised in group interviews that the starting point was following the National core curriculum for early childhood education and care, which guides ECEC activities for all age groups. While no major changes had been made to the child groups or contents of the activities during the experiment, the experiment had led ECEC providers to pay more attention to practices related to pedagogy and assessment.

Based on the first two phases of the experiment, the expert group issues the following recommendations for promoting participation and developing early childhood education and care:

**If participation rate in ECEC is to be increased, it is essential to examine ECEC fees as part of the family policy system. Barriers to access to ECEC should be identified and, where possible, removed. Based on the evaluation it is likely that the participation rate could be increased, for example by following actions:**

- There are regional variations in ECEC participation, which cannot be explained by the fees. Local barriers to access needs to be identified and removed. To accomplish this, wide discussion with different stakeholders is needed.
- Municipal policies for ECEC have impact on participation rate. National decisions already made to abolish restrictions on the subjective right to ECEC and to set the child-adult ratio in ECEC group sizes at no more than seven children aged over three per one adult are very likely to increase access.
- Five years olds who have a younger sibling cared for at home, are themselves more likely to be cared for at home. The criteria for receiving child home care allowance for siblings and municipal supplement to home care allowance need to be reviewed to ensure that older siblings can participate in ECEC without financial losses to the family.
- When continuing the development of ECEC client fee reform it should be ensured that it enhances participation of children regardless of the income level of their family. Levelling out the progression in client fees more strongly in order to reduce the fees for an increasing

number of families would be one way of doing this. This would mean that ECEC fees would not form an obstacle to parents' employment, for example. Progression could be levelled out in all age groups to increase participation.

- According to the evaluation, the service guidance was mainly aimed at families who were already participating to ECEC. It is useful to further develop service guidance to ensure that it also reaches those families who do not yet participate in ECEC services.

**When aiming to increase the participation rate in ECEC, it should be ensured that the quality of ECEC is paid attention to. When developing the content and practices of ECEC and pre-primary education the best interests of the child should be kept at the center. Based on the evaluation, the development of the quality of ECEC could be promoted, for example by:**

- ECEC officials and teachers who participated in the evaluation expressed concern that, if the experiment continues, pedagogical attention is focused on five-year-olds, which could lead to an unnecessary age division in pedagogy. ECEC pedagogy should be developed as a whole, without separating five-year-olds as a group from other age groups. Rather than creating a strict division into age groups, the development of holistic pedagogy leaning on the principles in the National core curriculum should be supported by taking into account children's individual needs and individual progress in development and learning in all age groups.
- Availability of qualified personnel was reflected by teachers and officials who participated in the evaluation: If pre-primary education is extended to two years, qualified personnel could increasingly transfer to the groups in which pre-primary education is provided for children aged five and six. The availability of qualified personnel for groups of children of all ages should be secured.
- A limited number of ECEC actors have been consulted during this evaluation. When considering further actions concerning free of charge ECEC and/or extending pre-primary education to two years, an advance evaluation of the impacts on children should be carried out. In addition to five-year-old children and their families, the impacts of reforms should be carefully considered from the perspective of what these reforms would mean for the everyday life of children younger than five. If more permanent decisions are made on these reforms, a multidisciplinary group of experts and researchers should be consulted, and sufficient time should be reserved for preparations.

**If a decision is taken at national level to move to fully or partially free of charges ECEC, it is necessary to find out how the increased costs can be covered and, if necessary, compensated more extensively to municipalities:**

- With free of charge ECEC, more and more children will participate ECEC services. Discussion on who is responsible for the increased costs of (free of charge) ECEC is needed. A clear policy concerning the role of private ECEC services is needed at the national level. The compensation of costs should also be examined more diversely, for example taking into account compensation paid to private ECEC providers and requisite investments in facilities.
- The goal of increasing the participation rate was not directly reflected in the municipalities' ECEC budgets. In order to guarantee quality of ECEC, the goal of increasing the participation rate should be taken into account in the budget allocated to ECEC both locally and nationally.

- This report evaluates the experiment at the same time as its implementation and therefore, for example, not all register data have yet been available. Producing a more detailed evaluation covering a longer period of the experiment's impacts and costs, among other things drawing on register data as well as special expertise for example in economics and childhood studies, will be important.

**Keywords:** early childhood education and care, child care, waiving of fees, home care, costs, five-year-olds, experiment