

Institution: University of Essex		
Unit of Assessment: 16		
Title of case study: Improving Government and other stakeholders' understanding of the impact of UK childcare subsidies		
Period when the underpinning research was undertaken: October 2012- 2017		
Details of staff conducting the underpinning research from the submitting unit:		
Name(s):	Role(s) (e.g. job title):	Period(s) employed by submitting HEI:
Birgitta Rabe	Reader in Economics	July 2007 to date
Emilia Del Bono	Professor in Economics	November 2005 to date
Mike Brewer	Professor in Economics	April 2011 to December 2020
Period when the claimed impact occurred: 2015 - 2018		
Is this case study continued from a case study submitted in 2014? N		
1. Summary of the impact		
<p>Essex research on the free childcare policy in England, which costs the Government GBP1.9bn a year, has changed the views and practices of Government and policy makers, interest groups, third sector organisations and UK research funders. Results have changed the way in which important stakeholders view the effectiveness of the policy, clarifying that its main impact has been a financial transfer to families rather than helping with child development or mothers' employment. This has led policy makers to redefine the aims of a recent childcare policy bill. The research has also informed third sector organisation on what works in Early Years policy and influenced UK funders' research strategies.</p>		
2. Underpinning research		
<p>The impact is based on an Essex-led research project funded by the ESRC and involving researchers at the Institute of Social and Economic Research (ISER - Rabe, Del Bono, Brewer) and at Institute for Fiscal Studies (Cattan, Crawford) [G1 with follow-up support from G2]. A Nuffield Foundation grant awarded simultaneously to University of Surrey was found to have overlap with Essex's ESRC grant; the decision was made to collaborate on the overlapping project areas, leading Essex to partner with Surrey on two papers [R1, R2]</p> <p>High-quality formal childcare is thought to improve outcomes for children, and, if it targets children from deprived backgrounds, to reduce inequalities in society. Childcare is potentially also a powerful instrument for promoting maternal employment. Our project provided the first robust evidence on the effect of providing free early education for 3 and 4 year olds in England, a policy for which the Government spends around GBP1.9bn a year and which has been expanded from September 2017 to cover more hours for working families. The policy's gradual roll-out and its age-based entitlement rules enabled the use of robust quasi-experimental methods.</p> <p>Research found positive and statistically significant effects of eligibility to free part-time childcare on child outcomes in school [R1]. These effects are small, however, and fairly short lived: improvements in age 5 assessment scores fade out quickly and no benefit remains at age 11. There is no evidence that the policy disproportionately benefitted children from disadvantaged backgrounds, suggesting that it has not worked to close the gap in attainment between those from richer and poorer families.</p> <p>Blanden et al., 2017 [R2] further examine whether the effect of free childcare on child cognitive outcomes varies by the quality of the nursery attended, as measured by staff qualifications and</p>		

nursery inspection ratings. We find that there is no beneficial effect of more time in a nursery with highly qualified staff, but children have better educational outcomes at age 5 if they spend more time in a setting with the highest inspection ratings. This is in stark contrast to previous descriptive research which has emphasised the importance of graduate teachers for child outcomes.

Brewer et al., 2016 [R3] investigate parents' labour supply responses to being offered free childcare. Research compared the effects of offering free part-time childcare and of expanding this offer to the whole school day - a policy option that has been considered by several countries, including the UK. We find that free part-time childcare only marginally affects the labour force participation of mothers whose youngest child is eligible, while expanding the offer to full-time care leads to significant increases which emerge immediately and grow over the months following entitlement. The effect is non-negligible but not large enough to transform female employment.

The main reason free part-time childcare has had relatively little impact on children and mothers was that it did not significantly change parents' use of childcare. 82% of three-year old children were already accessing some form of childcare in 1999 before the age 3 entitlement came into effect [R1]. Of six places funded under the policy only one was a new place taken up by a child that would not otherwise have attended nursery. This suggests that the policy was mainly a financial transfer to parents of young children rather than affecting what parents do and consequently child outcomes and parental employment.

The research provided evidence that was contrary to the direction of policy and the views of interest groups of non-governmental organisations and so the impacts provide a salient example of the ways in which independent, academic, research can mitigate against uncritical assumptions in policy and in society.

3. References to the research [can be supplied by the HEI on request]

Publications

[R1] Blanden, J., E. Del Bono, S. McNally, B. Rabe (2016): Universal pre-school education: the case of public funding with private provision, *Economic Journal* 126 (May), 682-723. <https://doi.org/10.1111/econj.12374>

[R2] Blanden, J., E. Del Bono, K. Hansen, B. Rabe (2017): The impact of free early childhood education and care on educational achievement: a discontinuity approach investigating both quantity and quality of provision. DP in Economics 06/17, University of Surrey https://www.surrey.ac.uk/sites/default/files/DP06-17_0.pdf

[R3] Brewer, M., S. Cattan, C. Crawford, B. Rabe (2016): Free childcare and parents' labour supply: is more better? IZA Discussion Paper DP10415 <http://ftp.iza.org/dp10415.pdf>

Grants

[G1] Brewer, M., S. Cattan, C. Crawford, E. Del Bono, B. Rabe, The effect of free childcare on maternal labour supply and child development, ESRC Small Grant 10/2012-3/2014, £184k

[G2] Brewer, M. ESRC Centre on Micro-Social Change, ESRC 10/2014-9/2019 £5.6m

4. Details of the impact

Changing the way UK Government and Parliament view the objectives and effectiveness of the free childcare policy

The main aims of the free childcare policy in England were to simultaneously support child development and encourage maternal employment, thereby creating a 'double dividend' (Cabinet Office, 2002). Our research constitutes the first causal evaluation of this important and costly government policy and we presented results to HM Treasury (HMT), Department for Work and Pensions (DWP), Department for Education (DfE), the Welsh Government, the Government Equality Office and others. Our finding that the policy had to a great extent crowded out private investments into early education with little behavioural change among parents and consequently very small and short-lived effects on children's outcomes and modest increases in female labour force participation significantly changed the way that Government viewed the effectiveness of the

free entitlement policy. In particular, our research clarified to Government and policy makers the trade-offs inherent in early years' policy in the UK. Our written and oral evidence to the House of Lords Select Committee on Affordable Childcare is cited in their report multiple times, highlighting that the policy had little impact on child outcomes or maternal employment [S1]. The Treasury Select Committee on childcare policy and its influence on the economy cites our evidence and highlights that free childcare had not led to a significant impact on working patterns of parents [S2, S3].

Our research has aided policy makers to understand that the policy instead has a substantial transfer element and has displaced expenditure by parents to a significant degree. Department for Education (DfE) Chief Analyst wrote, "*We have briefed our Minister, Sam Gyimah on your research and it fed into discussions about what objectives we are really pursuing in early years.*" [S4]. Consequently, for the first time, the aim of helping families with the cost of raising children was included as a policy aim of the extension of the free entitlement from 15 to 30 hours for working families from September 2017 in England.

The research provided a unique evidence base for Government on the effect of free childcare on maternal employment. The finding of a larger effect of full-time rather than part-time subsidies has led the Government Equalities Office to take "*a more nuanced approach to the policy changes we were seeking.*" [S5].

Improving understanding of third sector organisations and interest groups on 'what works' in Early Years Policy

We provided evidence on the Early Years policy features that are related to favourable outcomes for children. We demonstrated the limited importance for child development of having graduate teachers in childcare settings while documenting a significant role of settings that have been rated as Outstanding by Ofsted [R2]. This provided a strong challenge to third sector organisations and interest groups. For example, Save the Children was campaigning for graduates to be present in all childcare settings. They say "*Their findings (...) have challenged our thinking and led to us to consider what quality means in early education, how it influences children's early development and what we can do to ensure all children have access to high quality settings.*" [S6]. Ofsted was made "*to think carefully about what the particular features of Outstanding nurseries might be, and to focus much more of [their] published statistical analysis on Outstanding settings rather than the combination of Good and Outstanding as [they] did previously.*" [S7]. The Executive Chairman of the Education and Policy Institute states that our research has made it "*clear at policy level that a more nuanced view of the link between qualifications and quality is needed.*" [S8].

Influencing research strategies by funders and government departments

Essex has influenced research strategies by funders [S9] and government departments [S4]. The Nuffield Foundation launched their new Early Years research stream with a report on lessons from evidence and future priorities that drew heavily on the results of our research. Our work "*helped to shape our research priorities in this area and led to a new research programme on Early Years Education and Childcare.*" [S10.] Further, Essex worked with Frontier Economics on a project for HMRC and DfE on how best to evaluate the tax-free childcare, and the extension of free childcare to 30 hours [R3]. We have advised the Early Intervention Foundation on research strategy, explaining the uses and limitations of existing data sets and fed back on their research plans. Essex submitted to a DfE consultation on surveys on childcare and early years in England contributing to changes of the focus of the surveys from ages 0-14 to pre-school aged children [S11].

5. Sources to corroborate the impact

[S1] House of Lords (2015) Select Committee on Affordable Childcare Report, citing Essex research 17 times (pages, 39, 40, 43, 57, 65, 66, 67, 71, 79, 82)

[S2] House of Commons Treasury Committee (March 2018) Report on Childcare, citing Essex research 6 times (pages 9,10, 51)

[S3] House of Commons Treasury Committee (June 2018) Childcare: Government Response to

the Committee's Ninth Report, citing IFS (Essex) research 3 times (page 4)

[S4] Ward, D (2015). Email testimonial from Department for Education regarding influence of research on Government, written when Ward was Chief Analyst at the Department for Education.

[S5] Testimonial: Team Leader, Government Equalities Office

[S6] Testimonial: Head of UK Policy, Save the Children.

[S7] Testimonial: Head of Early Years and Social Care, Data Insight, Ofsted

[S8] Testimonial from Rt. Hon David Laws, Executive Chairman, Education and Policy Institute

[S9] Nuffield Foundation (2015) Early years education and childcare. Lessons from evidence and future priorities citing research 9 times (pages 15, 26, 35, 37, 43, 44, 46, 47, 59)

[S10] Testimonial: Director of the Nuffield Education Programme, The Nuffield Foundation.

[S11] Department for Education (2018). Surveys on childcare and early years in England. Government consultation response (Page 17)