

## Free Early Childhood Education – Not Really Education, and Definitely not Free

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*This paper examines the proposed policy of subsidizing education for early childhood day care centers, considering the three possible goals it seeks to accomplish: increased childbirth, increased female labor participation or increased benefit to children. In depth research and analysis shows all three would not be achieved: increased childbirth is unnecessary in Israel; female labor participation is unaffected by early childhood education subsidies; and the costs and requirements of implementing the policy not only preclude the possibility of creating conditions that benefit early childhood but may even pose a risk.*

The **first chapter** examines subsidizing early childhood institutions as a mechanism to encourage childbirth and demonstrates that the demographic challenge in Israel is very different and even opposite to what other developed states face.

The **second chapter** examines this policy as a mechanism to encourage female labor participation, and demonstrates how Israel already enjoys a high rate, while the existing barriers in minority populations showing lower rates are not contingent on subsidized institutions.

The **third chapter** reviews the literature regarding the effect of early childhood institutions on cognitive, emotional, and social development, as well as participants' earning capacity later in life.

The **fourth chapter** presents the conditions for implementing quality education that would ensure a positive effect. It also lays out the budgetary costs of implementing such a policy and examines its effectiveness.

The **fifth chapter** summarizes the findings.

### Summary:

Recently, various initiatives are being promoted to expand compulsory education and implement a "free education from birth" policy, or at least expand and deepen government subsidies of day care centers for under three-year-olds. In principle, there can be several justifications for such policies as evidenced by their practice around the world. However, such comparisons are false, as the circumstances of all relevant parameters are very different in Israel.

Firstly, as a declared tool for **encouraging birth rates** it is most likely **unnecessary**, as the birthrate in Israel stands at 3.1 – the highest in the OECD. Conversely, there is no doubt such a subsidy will increase the burden on small families and single adults.

Secondly, the **rate of employment for women** who can successfully join the work force is nearly fully realized so that no significant potential exists to increase it by a subsidy for early childhood day care centers. The barriers to female employment in the Arab population are mostly cultural and so similarly **unaffected** by such a subsidy.

Finally, most of the research finding **positive outcomes for** the cognitive, emotional, and social development of **children** due to early childhood day care enrollment are contingent on high quality schools in terms of number of caregivers per child, staff education and more.

In particular, research by Professor Heckman, most widely quoted by proponents of the subsidy proposal is misrepresented. The study was conducted within an at-risk population and used special, tailored programs in high quality (and costly) institutions. Prof. Heckman's findings cannot be applied to the general public.

Creating government funded quality institutions for the entire population is **not only inefficient but virtually impossible**, due to the high number of under three-year-olds in Israel and the high costs of establishing and running day care centers, alongside the necessary largescale staff recruitment. The required number of caregivers, the increased number of children eligible for the benefit and the expected higher salaries for caregivers translate into a significant increase of public spending and the tax burden. Costs are estimated to be between 20-32 billion NIS a year, without including the expense of constructing new day care facilities. Additionally, implementing such a population-wide policy entails recruiting quality manpower on a large scale, something that is expected to be extremely challenging in Israel, as early childhood educational institutions are already struggling today with staffing issues.

This means that the resultant day care will be of low quality: the high demand for caretakers will lead to indiscriminate hiring, while the high demand for day care will lead to high density and failure to meet requirements, thus increasing the chance for neglect and even abuse in early childhood institutions.

Such realities refute all claims to benefit from the proposed policy. It would not only be ineffective but is predicted to harm everyone – the welfare of the general under three-year-old population forced to reside in low quality day care, the employment rates of minorities and the public at large, taxed with paying for this useless subsidy.

[Full Paper in Hebrew](#)