

Public sector childcare proposals raise significant IR issues

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Direct public sector provision of childcare services – promised by several parties in the recent General Election campaign – would have major industrial relations implications for the sector, which currently employs about 30,000 workers.

Fine Gael's manifesto promised to create 30,000 publicly-owned childcare places (which would require about 4,000 workers) in 500 individual services, at a cost of €340 million. These would be aimed at areas of unmet or future demand, with an opt-in for existing services.

A commitment to a similar level of new publicly-provided childcare places was made by the Labour Party, who may yet be coalition partners, while the Social Democrats proposed the setting up of a National Childcare Agency to run public creches, investing €100 million in buying 80 providers each year.

A more arms-length model of public childcare could negotiate pay on a standalone basis

Fianna Fail stopped short of direct public provision, but along with all of the other three potential coalition partners above, it backed the continuing use of Employment Regulations Orders (EROs) linked to public funding to increase wages in the sector, as has been the policy of the outgoing Government since 2022.

While it remains to be seen how many of these ideas end up in the Programme for Government, the emphasis on direct public provision – even if alongside existing privately-owned commercial and community not-for-profit facilities – raises a number of questions.

WHICH PUBLIC SECTOR?

If publicly-provided childcare is to become a significant part of the sector, will they be full public servants, like teachers in primary schools – or employees of a state-owned commercial or non-commercial agency

If they are full public servants, this would presumably bring them under the scope of public service agreements as a sector of their own, with its own set pay scales for all regardless of location, rather than through the current ERO process that sets a floor on pay in the sector (although some providers in large urban areas pay significantly above ERO rates).

Another question is what current public service scales would they be linked to? Union sources suggested that non-graduate staff could be linked to special needs assistants (SNAs), while graduate staff would be more analogous to teachers.

A more arms-length model of public childcare provision would be through a state agency, which could negotiate pay on a standalone basis driven by its own needs, like a commercial semi-state, outside of the strictures of public service pay.

This could take account of regional recruitment and retention needs and changes in educational requirements, without having to factor in potential implications for the rest of the public service.

But whatever public sector industrial relations model would be chosen for such a service, it is possible that the greater security employment and remuneration that would be provided would

act as a draw for experienced childcare staff in existing public and community providers, in the same way as health sector workers in Section 39 organisations are drawn to the HSE.

DIRECT PAYMENT

One way of avoiding this ‘brain drain’ would be for the State to assume direct responsibility for paying all childcare staff, even though those employed by private and community providers would remain employees of those organisations.

The General Election position of the main union in the childcare sector, SIPTU, makes the case for this approach, arguing that it is “not a radical departure from current policy”, under which wages for those providing the universal ECCE scheme are paid by the State.

A similar transition, although on a much smaller scale, was implemented in recent years for about 3,000 school secretaries (many of whom are members of the Fórsa trade union), who had been paid varying wages by individual school boards, but are now paid on national scales by the Department of Education.

However, while SIPTU argues that the additional cost would be limited, as it would involve the redirection of existing subsidies, linkages with other public servants and their benefits could prove costly for the State.

Public service status has proven not to be a panacea for recruitment and retention problems in primary and secondary schools, for example – problems which are driven by housing issues as well as pay and conditions.