Child care: Welfare or investment?

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Child care: welfare or investment?

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Abstract

Child care (also called day care or preschool) has generally served three purposes: to care for children while parents are employed; to provide early childhood education; and to cater to the needs of poor and disadvantaged children. This article proposes that the welfare approach to child care be augmented by a social investment approach to enhance human and social capital investments among low income families and communities and to contribute to wider social development goals. The Head Start program in the United States and the Integrated Child Development Scheme in India are used to illustrate this argument.
Child care is the supervision of children while their parents work or are engaged in other activities. It is often known by other terms. Day care is commonly used as a synonym, though a large number of parents work evening and night shifts and require odd-hour care. Preschool and nursery school are types of child care, but do not give a sense of the extended care hours and parental support offered by child care providers. The term kindergarten is also used to denote child care, especially in Europe. Calling child care babysitting dismisses its importance and the skills needed by care providers (Scarr & Eisenberg, 1993). The term used often depends on the primary function of care, whether to serve the needs of working mothers or to provide benefits to children (Scarr, 1998).

Child care has traditionally served three important purposes: substitute care for children while their parents work, educational opportunities to promote cognitive and emotional development, and interventions intended to help poor and disadvantaged children (Scarr & Eisenberg, 1993). This latter model is the focus of the article. From the first public nurseries, to today’s publicly-funded Head Start programs and child care provisions for welfare mothers, the ‘welfare’ model of child care has had a mixed commitment to education and caregiving, behavioral management, provision of social and health services, and socialization to the mainstream culture and English language, among other goals. Services are intended to compensate for disadvantages associated with poverty by providing educational enrichment commonly available to middle class children (Scarr, 1998).

This article contends that child care with enriched services for disadvantaged children represents an investment in their capacities, not simply a form of welfare. The paper has been developed based on secondary data to stimulate debate on the role of child care in social welfare. A brief description of the social investment approach and the mechanisms of human and social capital are provided and serve as background for a discussion of two national child care intervention strategies (in the United States and India) and the ways in which they foster
investment in the capacities of children, families, and communities. The Head Start program in the United States and the Integrated Child Development Scheme (ICDS) program in India were selected as examples of two nationally-implemented child care programs which explicitly benefit poor children and communities. Serving millions of children, these programs are large-scale social experiments with significant policy implications for a social investment strategy. The article concludes by arguing that investment-oriented child care for poor children is compatible with the larger goals of the social development approach, and can be productively combined with remedial approaches to better promote the social welfare of children and families.

**Child care**

Historically, care provided for children has transformed in concurrence with societal changes. In the United States, since its inception, working class women have been expected to engage in productive labor. When engaged in agricultural and household labor, women often brought small children with them. Care was also shared, among parents, older siblings, extended family, and community members. With industrialization came new challenges for the combination of productive labor with child care. As employment shifted to factories, conditions did not permit women to both work and care for small children, forcing them to rely increasingly on male breadwinners for support. For indigent women such as widows and immigrants, who were forced to work, social reformers of the Progressive Era established public nurseries to provide child care beginning in the 1840s. These initiatives heralded the beginning of the child care movement in the United States. Public nurseries generally excluded African Americans, who were employed in disproportionate numbers, prompting the establishment by female Black reformers of nurseries and kindergartens. Similar efforts took place in Europe, with child care centers for working parents established in most major
European cities and industrial centers by the mid-19th century (Encyclopedia of American History, 2007).

Efforts to educate young children, not simply provide for their physical care, began with Friedrich Froebel’s establishment in Prussia of the first kindergarten in 1837. The kindergarten movement emphasized the psychological and social development of children ages 4 to 6 or 7 through play and organized activities. In the mid-to-late 19th century, the kindergarten model was widely adopted throughout Europe and North America. In the United States, kindergarten was established as part of the public education system (Shapiro, 1983). Kindergartens have traditionally been organized for part-day, and therefore best accommodate middle-class families with one parent at home (Scarr, 1998). Many private American preschools and kindergartens operate according to pedagogical models that emphasize the development of creativity and independence, such as Montessori, which allows for child-directed learning using teacher-selected materials.

The child care and early childhood education movements developed to serve different purposes. Child care arose from the need for alternative care for working parents, whereas early childhood education was developed to offer mostly middle class children a part-time learning experience. Yet with more and more mothers working, and with growing understanding of the importance of early childhood development, the two goals have largely merged into child care services that provide both caregiving and education (Scarr & Eisenberg, 1993). Child care has also been used to intervene in the lives of poor and immigrant children. High quality early intervention services can, in some cases, ameliorate exposures to risks in the home. A longitudinal study of effects of child care on child development, conducted by the National Institute of Child Health and Development, found that low-income mothers whose children spent part of the day in high quality child care interacted more positively with peers than similar children who were not in care or were in
low quality care. Government subsidies of care often provide higher quality services than low-income parents can afford on their own; comparison studies of publicly subsidized child care centers and community-based centers that rely on private payments tended the rate the former more highly (Phillips & Adams, 2001).

Among OECD countries, early childhood education and care is generally publically funded through subsidies or tax credits, and either publicly provided, through facilities at or near primary schools, or provided by a mix of private nonprofit institutions, such as churches and parents’ cooperatives. Costs are largely assumed by the government; only in Anglo-American countries do parents cover the majority of costs through fees. The predominant model for child care among OECD countries is provision of subsidized preschool services for children 3-6. A smaller percentage of children 0-2 tend to receive government provided or subsidized care. The best developed systems can be found in France, Belgium, and Italy, where upwards of 95% of children age 3-6 receive free preschool education lasting 7 or 8 hours and supplementary programs providing care over the lunch hour, before and after school, and during holidays. Administrative control of early childhood programs often echoes the historical divide between care and education; the most common pattern in Europe is oversight by social welfare for infants and toddlers and by education for children 3-6 (Kamerman, 2001). Public funding for early childhood education and care in European and Nordic countries reflects a common view that such services constitute a public good by offering socialization experiences to children and preparing them for school and later life (Waldfogel, 2001).

By contrast, governmental involvement with child care in the United States has been intermittent and focused on the connection to gainful employment. The federal government became involved in child care during the Depression, and again during World II, to facilitate female employment. After World War II, the federal government largely withdrew its support
and encouraged women to give up employment to care for their children. Despite this advice, maternal employment increased throughout the 20th century, exponentially increasing the need for child care (Boschee & Jacobs, 1997). Federal funding since this time has essentially been limited to the Head Start program (described in detail later in this paper) and to child care subsidies for welfare recipients. While many other western, industrialized countries (notably in Scandinavia) have established comprehensive, government-funded and operated child care systems, the U.S. has resisted this approach. An initiative to establish universal child care (the Comprehensive Child Development Act) was passed by the U.S. Congress in 1971, but vetoed by President Nixon, who cited his unwillingness to endorse communal child care over a family approach (Cohen, 1996).

While child care for disadvantaged children has historically been viewed primarily as a means to encourage parental employment while addressing some of the deficits associated with poverty, another paradigm has emerged that conceptualizes child care as an investment strategy for the future. This model emphasizes that interventions for young children not only provide care and basic services at a certain point of time, but that they also pay a rate of return over time by increasing stores of human and social capital that make families stronger and more connected to their communities, and children better equipped for a healthy and productive life. The next section describes the social investment approach and how it can be implemented through the development of human and social capital.

**Social investment**

A developmental perspective is emerging in the field of social welfare that connects social interventions with economic development. Major advocates of this approach include Sen (1999) and his capability approach, Giddens (1998) and his concept of the social investment state, and Midgley (1995, 1999) and his colleagues’ work on social development (Midgley & Sherraden, 2000; Midgley & Tang, 2001). Social investment is a strategy that seeks to invest
in the capabilities of individuals, families, and communities and to integrate economic growth with people’s well-being to ensure equal participation and access to the benefits of development (Beverly & Sherraden, 1997). Three clear programmatic requirements for the social development approach have been laid out by Midgley (1995, 1999): social development initiatives must clearly articulate the integration of social and economic efforts and be institutionalized through formal arrangements; economic planning must support social welfare; and social policies must support economic aims by contributing to development, rather than simply consuming resources, as with conventional, remedial models.

Under this approach, social problems are addressed comprehensively through prevention efforts as well as remediation. The central aim is productivist: to generate a rate of return on investments, manifested as increased capacities for participation in economic activities among those traditionally served by government social programs (Midgley & Tang, 2001). A number of policy and programmatic methods for implementing social development have been devised, and can be broadly classified as investments in the capacities of individuals, investments in communities, investments to promote employment, and investments to encourage the development of assets among the poor. Overarching all the social development strategies is a commitment to cost-effective programs, to address criticisms of traditional social services as wasteful, inefficient, and bureaucratic and to ensure that social programs are efficient and effective in meeting their goals. Key among the social development methods are investments in human capital and social capital, which build individual’s capacities and strengthen their relationships with others (Midgley & Sherraden, 2000). These types of investments are particularly relevant to child care and will be discussed next.
Human capital and social capital

The term ‘human capital’ was first used by Theodore Schultz in an article entitled ‘Investment in Human Capital’ in *The American Economic Review* in 1961, and later expanded into a book of the same name. His colleague Gary Becker further developed and popularized the idea in several publications, including *Human Capital: Theoretical and Empirical Analysis, with Special Reference to Education*. Becker (1975) defines investment in human capital as “activities that influence future monetary and psychic income by increasing the resources in people” (p. 9). Previous to the elucidation of human capital, there was a gap in formal economic theory regarding association between education, training, age, and income. Through economic analysis of these phenomena, Becker demonstrated that education and training produce a rate of return to the individual and to society in much the same way as investment in physical capital (Woodhall, 2002). Rate of return is measured in quantifiable terms – for example, increased income associated with years of education. Cost is also factored in; there is cost to the employer or society for providing the education, as well as direct and opportunity costs for the individual (Becker, 1975). Further research has corroborated Becker’s finding, with the most significant return found in primary education and basic literacy (Coclough, 1982; Psacharopoulous, 1985).

Extending the work of Schultz and Becker, Heckman (2000) has made a special case for investment in early intervention. Heckman has made the point that earlier models of human capital neglected to recognize the “dynamic complimentarity of learning…learning begets learning” (p. 4). By supporting the foundational development of cognitive and non-cognitive skills associated with learning at an early age, greater learning can be achieved throughout a lifetime. While the American education system places greatest emphasis on cognitive skills, Heckman argues that social-emotional skills also contribute significantly to adult success, manifested in adults as motivation and self-confidence. For these reasons,
investments in human capital for the young produce greater returns than interventions to remediate skill development for adults.

In addition to education and early intervention, research on investment in basic needs, namely nutrition and health care, has also demonstrated significant returns. By meeting these basic needs, countries can realize cost savings through fewer missed days of work due to illness; extended working lives; increased enrollment of children in school; improved ability to learn; and reductions in health care treatment (World Bank, 1993). Contributions to basic needs and primary education appear to have synergistic relationships – boosting resources in one area (e.g., better nutrition) can lead to improvements in another (e.g., education), ultimately resulting in greater stores of human capital that connect back to economic participation as well as other social goods, including increased connectedness, participation, and stability among people and society. This has been called a ‘virtuous circle’ because development in any area complements others and acts in synergistic ways to enhance human development (Beverly & Sherraden, 1997). Investment in human capital may also compensate for inherited disadvantage and thus contribute to the reduction of social exclusion (Esping-Andersen, 2002).

Expanding human capital to the social realm of human relationships is essentially the work of Pierre Bourdieu, James Coleman, and Robert Putnam, the three main theorists who have developed the concept of social capital. The central theme of social capital is a focus on the importance of human connections in networks of family, community, and society for positive individual and collective outcomes. In Bourdieu’s (1973) model, it is the relationships which enable elites to maintain control over economic capital for themselves and their progeny. Social capital is “the sum of resources” derived from participation in a densely connected network (Bourdieu & Wacquant, 1992, p. 119). James Coleman (1988) sees social capital as connections among family and community members which enable
access to a given individual’s human capital in order to develop new human capital, and is therefore particularly significant in relation to children and adolescents. Just as economic theory defines financial and human capital as creating a return, social capital also creates a rate of return for individuals and for societies. However, in contrast to economic and human capital, which are private goods individually realized, social capital represents a public good which may benefit all members involved in a structure (Coleman, 1988). For Robert Putnam (1993), social capital is a quality present in dense networks which possess behavioral norms, expectations, and mutual trust, and which produce beneficial outcomes for individuals and society. As with Coleman, Putnam sees social capital as a public good that arises as a by-product of social interaction. Social capital is an essential quality for collective action that enforces cooperation instead of selfishness, through networks of civic engagement and norms of reciprocity.

Human capital and social capital theory have important implications for interventions that promote child development and well-being. With oft-repeated phrases of ‘investing in our children’ and ‘it takes a village to raise a child’, the application of human capital and social capital to early childhood development seems apparent, yet large-scale governmental programs on behalf of children often fail to take advantage of the synergies promised by human capital and social capital creation. At-risk families all too frequently lack positive support from their communities. Due to poverty, such families may also have limited resources to invest in improving their children’s life chances. Interventions which help children and families create a network of social connections and build human capital may result in a number of secondary benefits including the promotion of positive parenting behaviors (Cochran & Neigo, 1995) and increased participation in children’s schooling (Sheldon, 2002). Two governmental interventions for children, one in the United States and one in India, will be considered for ways in which they promote the development of human
capital and social capital. Possible ways to improve upon program design to better capture the benefits of social investment will also be discussed.

**The Head Start program in the United States**

Head Start is a federally-funded governmental program with the explicit goal of preparing underprivileged children for primary education (Administration for Children and Families, 2006). Funding is provided through the Administration for Children and Families, a division of the Department of Health and Human Services and programs are administered by public and private agencies which in turn provide services on the local level. Since its inception in 1965, more than 25 million children have participated in cities, towns, and rural areas across the nation (Administration for Children and Families, 2008). The sole eligibility criteria are age (prenatal enrollment of pregnant mothers to children 3 years of age for Early Head Start; ages 4-5 for Head Start) and family income (at or below 100% of the poverty line, or $20,650 for a family of four residing in the contiguous 48 states in 2007) (Administration for Children and Families, 2007). Generally only about one-third of those eligible receive services, as the funding allocated by Congress has never been sufficient to meet the total need (Garces, Thomas & Currie, 2000).

An implicit goal of Head Start is to address the concept of privilege and improve life outcomes for poor children (Garces, Thomas & Currie, 2000). Conceived during the War on Poverty, Head Start was “designed to help break the cycle of poverty” by comprehensively addressing the needs of poor children and families (Child Care Resource Center, 2008). Since that time, Head Start has continued to offer preventative services to address early potential risk factors. In addition to high-quality child development programs, Head Start programs offer children and families an array of medical, dental, mental health, and nutritional services. Services are individualized to the child and family’s needs, taking into account development, culture, and language. Programs also reach out to parents to promote involvement in their
children’s education. During the fiscal year 2007, 27% of Head Start staff were parents of current or former participants and nearly 910,000 parents contributed volunteer time in their local program. Involvement of father is a program priority, and in fiscal year 2007 more than 225,000 fathers participated in events designed to facilitate their involvement with the program (Administration for Children and Families, 2008).

Literally thousands of studies of studies have been conducted on Head Start in the more than forty years since the program began, with methodologies that have become more sophisticated and rigorous over time to account for issues such as self-selection bias (Love, Chazan-Cohen & Raikes, 2006). Longitudinal studies of Head Start conducted by the Rand Corporation have found that participation is associated with significant and persistent gains in cognitive test scores and school attainment (as measured by grade repetition) for white children when compared to siblings who attended preschool or did not attend preschool, while for black children, participation in Head Start resulted in temporary gains in cognitive test scores that were lost by third grade, with no affect on grade retention. Participation in Head Start gave both white and black children greater access to preventative health interventions like immunizations, compared to siblings with no preschool, but had no measurable effect on nutritional status as measured by height-for-age (Currie & Thomas, 1995). For Latino children, participation in Head Start was associated with statistically significant gains in cognitive test scores and reduction in likelihood of grade repetition, compared to siblings who attended and did not attend preschool, with greatest gains for children of native-born and Mexican origin mothers, and little benefit for children of other immigrants and Puerto Rican children, compared to their siblings with no preschool. Based on these studies, Head Start appears to go further in closing the gap between poor children and their more privileged peers for whites and Latinos than for black children (Currie & Thomas, 1996). Differences in benefits accrued by Head Start attendance among different
racial/ethnic groups may be related to home environment, heterogeneity in program delivery across sites, and quality of schools attended post-completion of Head Start. Mixed findings in the area of cognitive development have prompted vocal critics such as Douglas Besharov (2005) to suggest that Head Start needs to be revamped and possibly de-funded in favor of other types of early childhood programs, while others counter Head Start should not be judged on cognitive outcomes alone, but on the broader concept of ‘social competence’ which emphasizes the child’s ability to function in her environment and later life (Love, Chazan-Cohen & Raikes, 2006).

Head Start not only positively impacts children; it also aims to benefit their families. Anecdotal evidence points to greater feelings of self-efficacy and pride for families who become involved with their children’s Head Start program, and success stories of parents who were inspired to better their own lives by pursuing further education and career opportunities with inspiration and support from Head Start staff (Zigler & Muenchow, 1992). While Head Start has done an admirable job of trying to involve parents to build the human capital of children, as per Coleman’s model, it could certainly do more to actually achieve the goal of breaking the cycle of poverty. Here Bourdieu’s interpretation of social capital theory can provide insights for possible improvements to program design. According to Bourdieu’s theory and research, education can help lower classes gain exposure to the ideas and tastes which constitute cultural capital, enabling social mobility. However, classroom education alone can not rival constant exposure in the home. Nevertheless, in an unequal society, it may be the only prospect for providing some degree of equality of opportunity, if not outcomes. Children from families which lack the resources to ensure optimal development should receive universal access to Head Start services. If the goals of the program to promote social capital in order to improve life outcomes was made more explicit, the intervention could place greater emphasis on building the social networks of families through connections with
formal resources such as social service providers as a substitute for the natural resources of well-connected relatives and friends possessed by elite families. Head Start can only be a point of departure, not an end point. While Head Start does offer some long lasting gains, in and of itself, it is insufficient to achieve the goal of equalizing conditions among young children. If the United States were serious about this goal, greater investments in underprivileged children throughout the span of their childhood and adolescent years would be called for.

The Integrated Child Development Scheme in India

Another way in which human capital and social capital theory can inform program design can be examined in the context of early child development programs in India. More than thirty years ago, India launched the Integrated Child Development Scheme (ICDS) to provide comprehensive services through community-based centers for children under 6, pregnant and nursing mothers, and, more recently, adolescent girls. Nutrition is the centerpiece of the program; daily nutritious meals and nutrition education are provided to participants. Yet nutrition is only the gateway to a host of other services such as immunizations, health checks, and informal preschool education. The ultimate goal is to promote the survival and health of young children. In 1995, UNESCO estimated that 18.6 million women and children benefited from the program (Siraj-Blatchford, 1995). The program has been targeted to rural and tribal services, where 91.5% of programs operate, with urban slum areas as a secondary geographical focus (8.5%). The government of India has long-term plans to universalize implementation of the program, with financial assistance from supporters including the World Bank and UNICEF. To this end, services are being gradually expanded.

Though the administrative system spans the national, state, and regional governments, ICDS is “rooted in the communities it serves” (Siraj-Blatchford, 1995, p. 8). The ICDS locus of activity is a local or village center, called ‘Anganwadi’ (meaning ‘courtyard’), which is
staffed by a female Worker and a Helper who cooks and distributes meals. The two staff members are voluntary workers paid a small honorarium to run programs for four hours a day (Chandrasekhar & Ghosh, 2005). While perhaps not utilized to its maximum potential, community is nevertheless the linchpin of the ICDS program. The theoretical basis of the ICDS program “associates parents-families (women in particular) and community as the key and cardinal partners in the process of development” (Lal & Paul, 2003, p. 148). Anganwadi workers are hired from the local community. As part of their efforts engage the community in the ICDS program, Anganwadi workers build relationships with the local schools, women’s groups, and village councils. Success of Anganwadi centers depends on the local community’s ability to support the program with minimal government assistance and integrate the services into community life (Sonty, 1992). Enhancing community participation is a central goal of the current expansion (Lal & Paul, 2003).

A number of important goals around nutrition, immunization, and education are ‘integrated’ into ICDS services. ICDS is the primary governmental strategy to reduce child malnutrition, an entirely preventable condition that affects more than half of all preschool age children in Asia and results in diminished intellectual capacity, reduced productivity, increased sickness, and greater likelihood of premature mortality. Even if later corrected, malnutrition in early childhood has lasting effects on physical and intellectual development, making nutritional interventions significant contributors to human capital (Mason et al., 1999). Since the inception of ICDS, improvements have been documented in child survival and development, including reductions in severe malnutrition, from 15.3% in 1976-78 to 8.7% during 1988-90 and declines in infant mortality, from 80 per 1000 live births in 1991 to 72 in 1998 (Bhargava, 2000). Compared to areas without ICDS programs, ICDS service locations have lower percentages of low-birth weight babies, lower infant mortality, higher immunization coverage, higher utilization rates for health services, and better child nutrition
as measured by fewer severely malnourished children. One reason is the greater access to health care that results from ICDS services. Research has also documented positive effects of preschool on basic literacy and numeracy (National Institute of Public Cooperation and Child Development, 1992). Attendance in ICDS programs appears positively associated with primary school attendance (Sonty, 1992). While the ICDS program has reached greater numbers of children than comparable efforts in other Asian countries, the intensity and quality of services varies across program, leading to mixed results among different states, with malnutrition rates ranging from a low of 28% to a high of 63% (Mason et al., 1999). Challenges to delivery of nutrition services include difficulties in reaching the 0-3 population (who are not served in the early childhood education program), targeting services to children below the poverty level (serving additional children stretches thin resources), and potential reductions in food given to a child in the home because of their participation in ICDS (as the food provided to the program is intended to be supplemental) (Khullar, 1998). Greater outreach efforts to children under three are part of government plans for expansion, as are increased focus on women and adolescent girls, and stronger community involvement (Lal & Paul, 2003).

The ICDS program has attracted criticism as well as praise. Given the prevalence of malnutrition and funding limitations, services are intended to be targeted to women and young children with greatest need. Despite program implementation in poorer villages and slums and outreach by Anganwadi workers to homes of the poorest families, services may nevertheless be underutilized by their intended recipients and provided to some families who are better off (Khullar, 1998). The preschool portion of activities has been described as under resourced, with the government providing standardized teaching materials such as charts of animals, alphabet, numbers, etc., but not providing funding for development or replenishment of educational materials (Arora, Bharti & Mahajan, 2006). Excessive paperwork has been
noted at all levels of staffing (Khullar, 1998), with Anganwadi workers in particular required
to maintain a variety of records, including attendance records, food and fuel logs, registers
with participants’ demographic information, and inspection registers with notes from
supervisors and others visitors. These tasks are both time consuming and challenging for
those with poor math skills (Gupta, 2001). Lack of careful evaluation has been noted, with
no randomized control trials of the ICDS intervention (Kapil, 2002) or cost-benefit analyses
(Khullar, 1998) conducted to date. The data provided by Anganwadi centers are not
independently verified and may contain inaccuracies (Khullar, 1998). As a consequence, the
studies conducted on ICDS are less certainly scientifically valid than those on Head Start.
While the program has tremendous potential, it is time now after more than thirty years for
rigorous evaluation.

Although not explicitly recognized in the literature, Anganwadi centers give
expression to social capital development. Shared interest in children is the entry point to knit
community members closer together. There is intergenerational closure, as both mothers and
children participate in the programs. ICDS already builds the ‘organizational’ type of social
capital, which has the quality of deliberately creating social capital that is appropriable for
achieving program goals. The government could also explicitly build the other types of
capital described by Coleman (1990), in particular social capital resulting from beneficial acts
performed for another that result in the creation of obligations. If each parent were to take
responsibility for other children in addition to their own – perhaps by making them clothes or
growing produce for them – a layer of criss-crossing obligations would be created amongst
the parents. In a time of need, these obligations could be invoked. For example, a woman
who baked bread for another family could invoke that obligation when her son is seeking an
apprenticeship with the father’s firm. Another type of social capital which could be
encouraged is the type that promotes the formation of norms and sanctions. Parents could
agree on certain parenting approaches and the ensuing norms and sanctions would ensure that parents adhered to these expectations. Imagine a village in which children were lax about doing their homework. Parents could collectively decide to enforce rules at home that children must complete their homework each night. Those parents who were previously uninvolved in their children’s education would be motivated to supervision the completion of homework to avoid public disgrace. Any effort by Anganwadi centers to build community relationships will channel benefits for children. Once formed, social capital will promote the development of human capital for the children. The need to promote community ownership of Anganwadi centers has been recognized as the only means to ensuring participation, efficiency, and accountability. Preparing and empowering communities to take this role is the next step in the evolution of ICDS (Muralidharan & Kaul, 1999).

**Child care and social investment**

The welfare approach to child care needs to be re-conceptualized as an investment strategy and expanded to serve more disadvantaged children; the two case studies reviewed in this article demonstrate how this can be done. The Head Start program in the United States and the ICDS program in India contribute to the practical ends of caring for children while parents work and providing educational services to enhance school readiness while also providing significant investment in the human capital of children and the social capital of their families and communities. Rather than simply representing short-term services and cost expenditures, interventions such as these that build human and social capital actually enhance capacities for economic development. Early investment in children prevents future health and social problems, thus becoming cost-effective (Midgley, 1999). Targeted investment in young children has been touted as producing a high rate of return over time and across systems, including education, health, and law enforcement (Parlakian, n.d.) and longitudinal studies of childhood programs (e.g. the High/Scope Perry Preschool Project) support this
assertion (Schweinhart, 2002). As James J. Heckman, Nobel Laureate in Economic Sciences, concludes: “The real question is how to use the available funds wisely. The evidence supports the policy prescription: Invest in the very young” (Heckman, 1999, p. 6).

Investments in the care of children produce positive externalities to society (Haveman & Wolfe, 1994). Children who are provided with high quality care and education grow into adults with practical skills that enable economic participation, and emotional intelligence that allows for the development of relationships, trust, and reciprocity (Heckman, 1999). Benefits can be quantified in simple economic terms, such as income transfers to the elderly when children reach working age, and in more diffuse public goods, including an educated, moral, and caring society (England & Folbre, 1999). Another way of considering benefits is costs saved, from reductions in crime, unemployment, welfare dependence, and out-of-wedlock births (Haveman & Wolfe, 1994). Emphasizing human capital development in early childhood programs can result in investments in education and basic needs that allow children to realize their full developmental potential. Purposeful use of social capital in program design is highly advisable to capture the goods it promise: greater social equality by spreading access to cultural capital to a greater segment of society, as per Bourdieu; deeper connections which foster the development of human capital as in the Coleman model; and increased reciprocity and trust which in turn leads to stronger communities, according to Putnam.

Efforts to implement a social investment approach to child care will inevitably face economic, political, and cultural challenges. Governments in the U.S. and other nations are often loath to increase expenditure, even with research suggesting a long-term pay-off for investment-oriented programs. In the current political environment, social programs for the poor are unpopular, with the political tide favoring curtailment over expansion. Consideration of equity in policy development raises the question of who is likely to benefit from social
policies, and whether benefits will be equally distributed among groups. With certain minorities over-represented among the poor, an income-targeted program is likely to serve larger numbers of Latino, African-American, and immigrant children, which could raise objections among other groups. Cultural beliefs around child care may also influence which groups benefit, with some cultures preferring informal, family-based care over formal child care. Nevertheless, a social investment approach to child care holds promise for improving the lives of vulnerable children and families that outweighs the potential costs and challenges.

To realize the vision of a social development approach to early childhood initiatives, greater public support must be marshaled to develop and expand programs. Framing programs for disadvantaged children as social investments rather than welfare expenditures may increase their popularity. Surveys have shown that the term ‘child care’ makes many think of babysitting. When terms like education and school readiness are used, larger segments of the public favor increased public support (Gruendel & Aber, 2006). Presenting early childhood initiatives as social investments can emphasize the host of potential long-term costs savings that can be realized by averting social problems as well as societal gains associated with increased capacities of children and families to participate in the economy. In this way, public support may be rallied for initiatives that go beyond welfare to represent a true investment in the future.
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