

Childcare Provision & its Impact on the Workplace



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Introduction

Childcare provision has emerged as a pressing concern for employers across Cork and Ireland, with Cork Chamber members consistently reporting its impact on their workforce and business operations. In Cork Chamber's Q1 2024 Economic Trends survey, almost one in four businesses indicated that the availability and affordability of childcare are affecting their staff, and a substantial majority (72%) said policymakers need to take further measures to address childcare challenges. Notably, 63% of respondents agreed that childcare disproportionately affects women in the workforce, underlining the gendered labour market implications of current provision.

Our members' experiences, from increased requests for part-time or remote working to sustain employment, to difficulties retaining skilled staff, reflect broader structural pressures on labour supply and business growth. These findings align with Cork Chamber's ongoing engagement with employers, who cite childcare as a significant factor in talent attraction, retention, and workforce participation.

This report builds on those insights to examine the availability, affordability, and accessibility of childcare services in Cork and Ireland. It assesses current gaps, identifies structural challenges within the sector, and drawing on international examples and frontline perspectives from childcare providers, sets out practical policy recommendations to support a more inclusive and economically productive childcare system.



Executive Summary

This report, produced by Cork Chamber of Commerce, examines childcare provision in Cork and Ireland to show how availability, affordability and accessibility directly affect workforce participation, particularly for women. It assesses current gaps, highlights structural challenges, draws on international best practice, and sets out practical policy recommendations to support labour supply and consequently economic growth.

Evidence for this report is informed by a Cork Chamber HR Leadership Forum focus group and interviews with frontline childcare providers, reflecting both workforce impacts and operational realities.

This report identifies a number of critical challenges facing the Irish childcare sector: high costs (approximately 22% of average earnings for dual-earner households), unregulated home-based provision which prevents families from accessing childcare subsidies, high staff turnover due to low pay and limited career progression within the early years sector, and operational pressures that disproportionately impact women in the workforce. These issues have broader implications for local employers, talent retention, and both Cork and Ireland's attractiveness as a destination for Foreign Direct Investment.

This report also draws on international examples, illustrating how sustained public investment, workforce professionalisation, and diverse delivery models can enhance affordability, access, and female labour market participation, informing recommendations. Based on this analysis, the report makes a series of practical recommendations, including:

- **Encouragement of employer-supported childcare**, including tax credits for corporate crèches.
- **Fee caps based on percentage of income** to ensure affordability.
- **Professionalisation of the workforce**, including public sector pay parity for early years educators comparable to primary school teachers.
- **Statutory guarantees of infant care** to reduce workforce disruption for parents.
- **Support for registered home-based childcare** to expand accessible options.

Implementing some, or all, of these measures would stabilise the sector, improve access and quality, enhance female workforce participation, mitigate operational and retention challenges for local employers, and strengthen both Cork and Ireland's competitiveness in the global talent market.

CHAPTER ONE:

Assessment of Current Childcare Provision in Cork and Ireland

Availability, Affordability, Accessibility, And Quality Of Services

As this report will demonstrate, childcare provision in Ireland is marred by limited availability, high costs, and difficult accessibility. These systemic barriers place immense pressure on families, particularly women, and contribute to lower workforce participation, regional disparities, and widening social inequality.

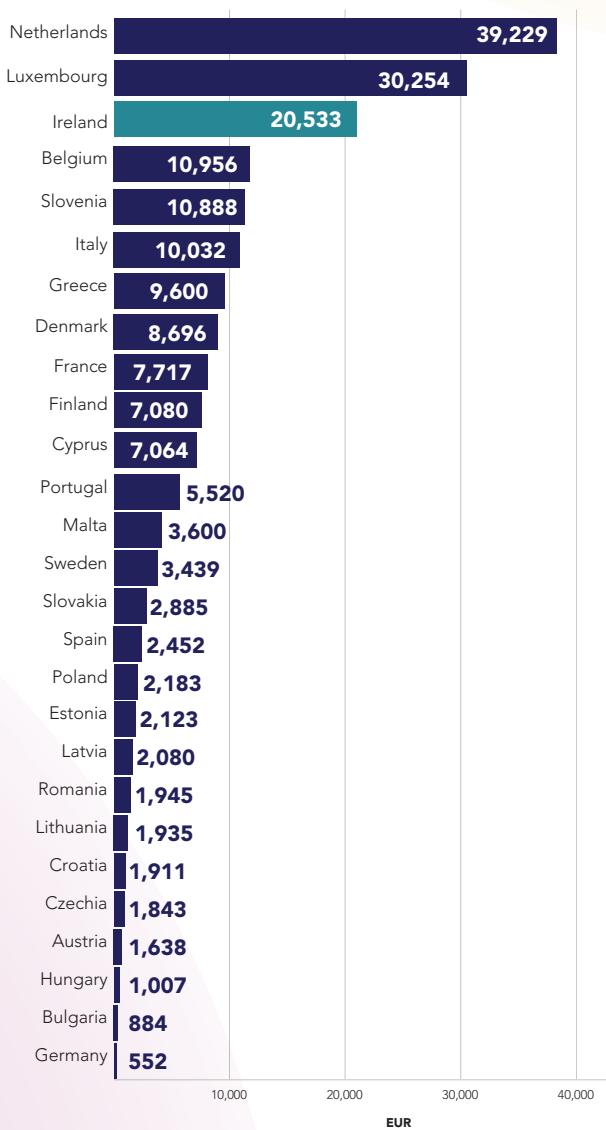
A recent survey carried out by Early Childhood Ireland¹ found that 32% of families have borrowed money or taken out loans, while 30% have worked extra hours to cover childcare costs. A quarter of parents report that childcare expenses are causing them to consider delaying having more children, and 15% have quit a job in the past 12 months due to childcare challenges, with mothers 1.7 times more likely than fathers to leave their roles. Additionally, 22% of parents report worsening mental health, and 20% say childcare has strained their relationships with family and friends.

While awareness of these challenges has increased in recent years, persistent shortcomings in affordability and access continue to distinguish Ireland unfavourably in a European context.

The most recent figures show that nearly 1,000 early years childcare services closed their doors since 2019, with 40,000 children on waiting lists for childcare across the country². This has led to what can be described as a national crisis. Recent data highlights the severity of the situation in the region, with over 130 childcare facilities across Cork city and county forced to close their doors between 2019 and 2023³. These closures have stripped the region of vital capacity, leaving many parents in Cork struggling to find any available places, regardless of cost. The trend is particularly worrying for the local economy, as the loss of these facilities can directly impact the ability of Cork-based parents to remain in or re-enter the workforce, further tightening the local labour market and placing additional strain on the remaining, oversubscribed providers. Beyond the immediate impact on local families, from a strategic perspective, these systemic childcare deficits are also impacting business. As many firms increasingly prioritise talent ecosystems when selecting locations, the inability to provide reliable childcare infrastructure risks deterring high-level investment and makes it increasingly difficult to attract and retain the global talent necessary to sustain the region's economic growth⁴.

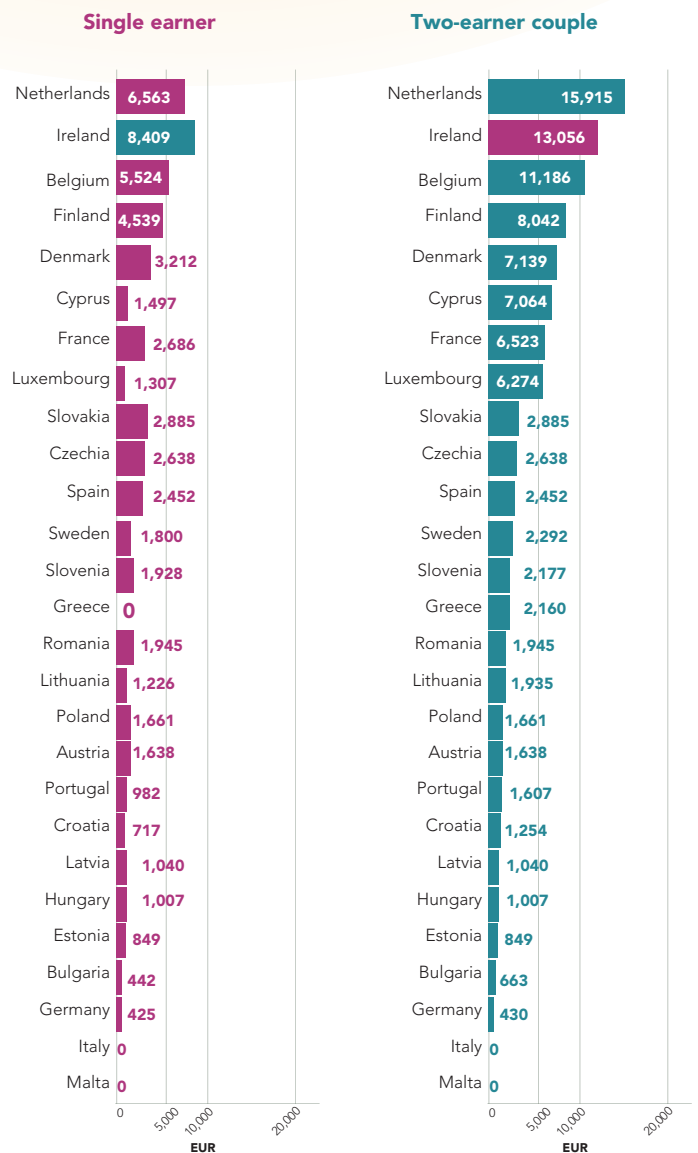
In recent years, increased Government investment has helped to reduce childcare costs for low-income households, however, cost pressures remain acute for middle and higher-income families. OECD Tax-Benefit Model data shows that for a two-earner couple with two young children, where both adults earn the average wage, net out-of-pocket childcare costs fell from 29% of average earnings in 2022 to 22% in 2023. While this represents a meaningful reduction, childcare costs for dual-earner households in Ireland remain substantially higher than the OECD average of approximately 12%, underscoring Ireland’s continued position as a high-cost outlier despite enhanced subsidies⁵.

Gross childcare fees for two children (2023)



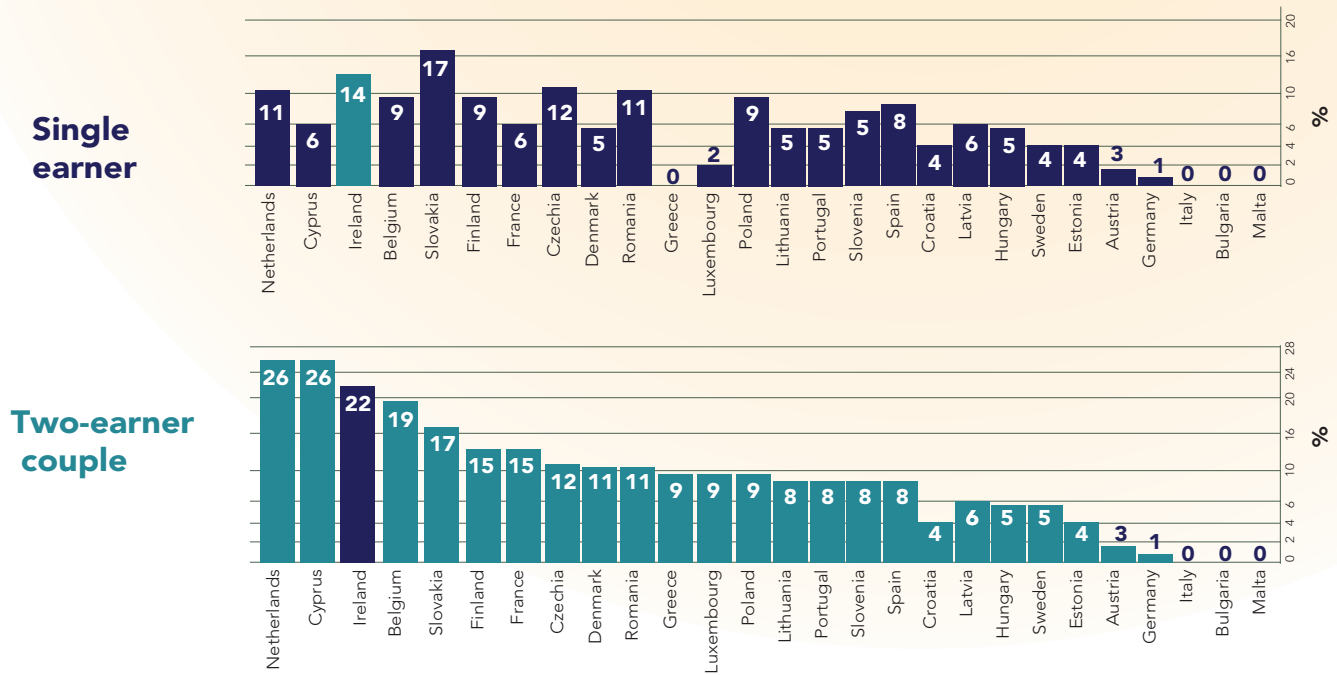
Source: OECD. Costs are for centre-based childcare for two children aged 2 and 3. Figures show what parents pay after provider subsidies, but before any discounts or fee reductions.

Net childcare costs for two children (2023)



Source: OECD. Based on one-and two-earner households earning the average wage. Net childcare costs represent the cost of full-time centre-based care for two children (aged 2 and 3), after accounting for any applicable benefits or subsidies.

Net childcare costs for two children as a share of the average wage (2023)



*Source: OECD. Assumes two children aged 2 and 3. Both single- and dual-earner households are modelled at 100% of the average wage. Net childcare costs reflect full-time centre-based care after subsidies and benefits.

The need for high-quality, accessible and affordable childcare services in Ireland is evident. Cork Chamber members have expressed concerns about the lack of options, the high cost of childcare and the impact these issues have on their employees' ability to work effectively, in particular women in the workforce. Insights from a focus group conducted with members of the Cork Chamber HR Forum for the purposes of this report highlighted that parents, and working mothers in particular, often prioritise childcare reliability over other job benefits, frequently being *'most worried about the working hours'* when changing roles. One participant further illustrated the centrality of childcare in employment decisions by highlighting that infant care is effectively *"non-existent"*, a reality that forces many parents into extended maternity leave due to a total absence of available places.

The shortcomings in the childcare sector in Ireland have been well-documented. The lack of affordable options, long waiting lists and inconsistent quality of care have created a significant barrier for working parents⁶. A common experience among the focus group members, HR specialists who are also parents, is that even when services exist, they operate at severe capacity limits. As one participant noted, *"they don't have the capacity to take any more children as they're full."* This situation is exacerbated by the current economic climate, where the cost of living continues to rise, making it increasingly difficult for families to afford childcare.

Meanwhile, access to childcare in Ireland is uneven, with availability often depending on geography, opening hours, and the ability of families to secure a place. Waiting lists are severe, with a stark mismatch between demand and available places, only 223 crèche places exist for the 6,663 children aged under one on waiting lists⁷.

Providers report waiting times ranging from six months to over three years, and in many areas fewer than 35% of regions have available crèche places, with half of services lacking baby rooms⁸. This makes access especially difficult for infants and forces many parents to join waiting lists, as early as during pregnancy.

Rural and regional areas are particularly disadvantaged, with fewer service providers and longer waiting lists, leaving parents with little choice but to reduce working hours or exit the workforce altogether. Even in urban centres, demand far outstrips supply.

Services with limited operating hours, closing early in the afternoon or not opening during school holidays, pose additional challenges for dual-earner households and those working non-standard hours. Accessibility is further restricted for families with children who have additional needs, as specialist childcare provision remains limited, patchy, and difficult to secure. One participant from the focus group highlighted this issue with after-school care for a child with additional needs: *“they couldn't dedicate one resource because they'd have to pay for that one resource”*.

While many childcare providers in Ireland deliver excellent care, concerns remain around consistency and standards across the sector. The Early Childhood Care and Education (ECCE) scheme has improved access to preschool education, but staff recruitment and retention challenges threaten the quality and sustainability of services. Low pay, high turnover, and limited career progression opportunities mean that experienced childcare professionals often leave the sector, undermining continuity of care for children⁹. Tusla inspections identify areas of non-compliance requiring corrective action, while ongoing reforms have strengthened regulatory compliance across the sector. At the same time, national policy reporting, including the First 5 Annual Implementation Report (2024), points to ongoing challenges in workforce qualifications, professionalisation and consistency of provision across settings. Parents also raise concerns regarding service quality through Tusla's complaints processes, reflecting variation in experiences depending on location and provider. To ensure that children benefit from a stable, nurturing, and developmental environment, sustained investment in staff training, professionalisation of the workforce, and higher standards of provision are essential.

The Role Of Childminders In Filling Gaps

The persistent shortage of formal childcare places has resulted in many families relying on childminders, many of whom operate on an informal basis and therefore outside the National Childcare Scheme (NCS), turning to them as a practical and necessary solution. Research estimates that between 15,000 and 35,000 childminders provide care nationally¹⁰, yet recent figures indicate only 121 are registered with Tusla¹¹, meaning most families using this form of care have no access to the state-supported system. Participants of Cork Chamber's HR Leadership Forum focus group emphasised their own reliance as well as the reliance of their employees on these childminders, with one saying, *“I would be lost without my childminder but they're like hens' teeth, especially a childminder who is willing to do ad hoc hours,”* while another highlighted the flexibility of having a childminder, *“will come a little bit earlier if I need to be in for 8am and she will stay a little bit later, but I don't want to take advantage either.”* These childminders play an essential role in meeting demand, particularly for parents who cannot secure a crèche place, need care for very young children, or require flexible or extended hours that traditional services cannot accommodate. Early Childhood Ireland has highlighted that parents in rural areas and those working atypical or shift hours are especially dependent on home-based childcare, as centre-based services rarely offer the hours or flexibility required to sustain full employment¹².

The lack of subsidised options in these circumstances has direct implications for workforce participation. Families who rely on childminders that do not participate in the NCS often face higher out-of-pocket costs, which can make full-time employment financially challenging. For parents, particularly mothers who continue to shoulder the majority of childcare responsibilities, this can result in reduced working hours, interrupted careers, or withdrawal from the labour market altogether. By enabling parents to access affordable, flexible care that meets their employment needs, childminders, whether registered with the NCS or not, play a critical role in supporting workforce engagement. Policy recognition and support for home-based childcare, alongside incentives for registration and NCS participation, would therefore not only improve affordability for families but also strengthen workforce participation, reduce gendered employment gaps, and help address the broader childcare capacity crisis in Ireland.

Barriers To Sustainable Childcare Provision: Staffing, Regulation, And Funding Challenges

Staffing challenges stem from low pay, limited career progression, and high turnover, which make it difficult for providers to recruit and retain qualified personnel¹³. Regulatory requirements, while essential for quality and safety, were described by providers consulted for this report as complex and resource-intensive, particularly for smaller services. Funding pressures, including limited state subsidies and high operating costs, exacerbate these issues and often force providers to operate at slim margins. Together, these factors create a fragile childcare ecosystem, limiting access, affordability, and consistency for families across the country.

Staffing And Workforce Retention

Recruitment and retention continue to be major challenges in the early years sector. According to Early Childhood Ireland, the national staff turnover rate across all early years' settings is around 24%, based on data released to Oireachtas members¹⁴.

Turnover is particularly high in Cork City and Dublin, where staff leave at rates of nearly 33%, among the highest in the country¹⁴.

High turnover is closely linked to pay and working conditions. The Minister for Children, Norma Foley TD has highlighted this connection, noting that while the Government funds the sector, it is not the employer of staff and does not set wages or working conditions: *"While Government is the primary funder of the sector as a whole, the State is not an employer of staff and neither I, nor my department, set wage rates or working conditions."*

The sector's financial strain is clear, Early Childhood Ireland's 2026 budget submission reports that while wage negotiation is ongoing through the Joint Labour Committee (JLC) process, pay remains out of step with the level of qualification and responsibility held by early years educators¹⁵.

These staffing pressures contribute directly to instability in care provision, making it difficult for providers to expand or even maintain capacity, particularly in high-demand or high-cost areas like Cork, where some services report an inability to retain staff due to unaffordable living costs.

Government Strategy And The Fragility Of The Funding Model

Despite the high uptake of the State's Core Funding scheme, a growing number of providers, including several in the Cork region, have recently opted to withdraw from the program¹⁶. For providers, the primary drivers for exiting are the restrictive fee-freeze at 2021 levels, which many argue does not account for the hyper-inflation of energy, food, and insurance costs, alongside the unsustainable administrative burden required to remain compliant¹⁷. When a service pulls out of Core Funding, the impact on families is immediate and severe; parents lose their fee-freeze protection and often face sudden and unaffordable fee hikes, in some cases rising by as much as 30–40%¹⁸. For many households, this financial shock erases the benefits of national subsidies, forcing parents to re-evaluate their workforce participation or scramble for alternative, often non-existent, places in an already oversubscribed market.

Government Action Plans: Shaping The Future Vs. Current Reality

In response to these systemic pressures, the Government published two strategy documents in late 2025: the *'Shaping the Future: Early Years Action Plan'* and the *'Simplify and Support: Action Plan for Simplification'*¹⁹. These plans outline a phased approach for 2026, including raising the National Childcare Scheme (NCS) income thresholds to €34,000 (lower) and €68,000 (upper) to bring more families into the subsidy net. Additionally, the State has committed to a "State-led" provision model and a "Building Blocks" extension scheme to create approximately 2,300 new places. However, sector stakeholders remain sceptical, with Early Childhood Ireland and other advocacy groups noting that these measures "barely make a dent" in a national waiting list of over 40,000 children²⁰. Critics argue that the plans fail to address the core staffing exodus, as they do not yet offer pay parity for graduates with primary school teachers, a move seen by many providers as the only way to truly unlock the 17,000 unused places currently sitting vacant due to a lack of qualified educators²¹.



CHAPTER TWO:

Impact on the Workforce and Employers

The following data is derived from engagement with members of the Cork Chamber HR Forum, including both a targeted focus group and a complementary survey of forum participants. This focus group was uniquely insightful as all participants were not only HR professionals managing workforce logistics but were also parents navigating the childcare system themselves.

This focus group conducted for this report allowed for a high-density exchange of qualitative experience, capturing the nuanced reality of how childcare pressures permeate the professional environment. By blending their roles as strategic decision-makers and active service users, these participants provided a dual perspective that offers a practical, on-the-ground view of the systemic challenges facing Irish employers and employees today.

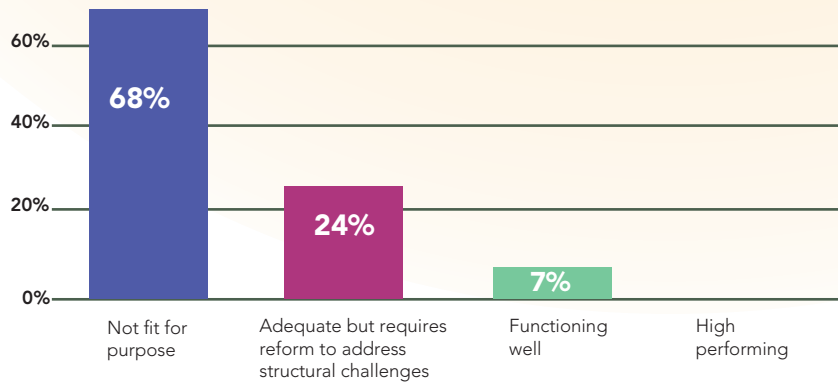
To complement these qualitative insights, Cork Chamber HR Leadership Forum members also completed a targeted survey. Respondents represented organisations of varying sizes, with the majority drawn from employers with workforces of between 50–249 and 250–999 employees. The survey responses were used to quantify key themes emerging from the discussion, and the combined findings informed the following data visualisations.

The following findings explore how these systemic challenges are manifesting in workplaces across Cork-based organisations.

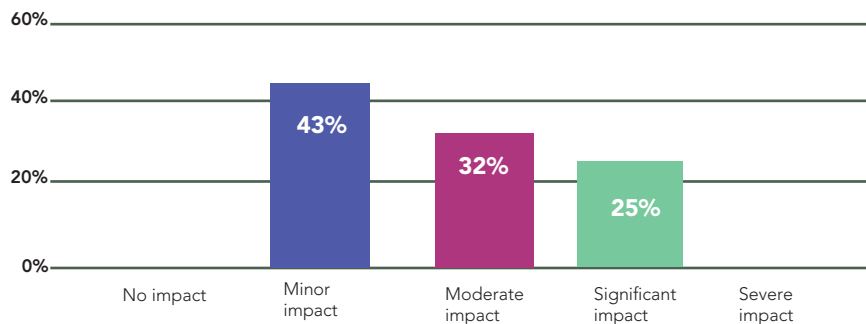


How would you rate the current childcare system in Ireland?

To contextualise the workforce challenges explored in the following analysis, respondents were asked to evaluate the overall effectiveness of the current childcare system in Ireland. The results point to widespread concern regarding the system's ability to meet the needs of working families, with the majority of respondents indicating that it is not fit for purpose. Others noted that while some elements function adequately, substantial reform is required to address structural challenges related to affordability, availability, and workforce sustainability.

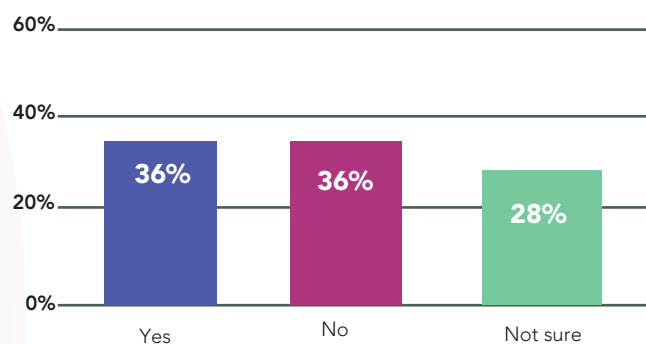


To what extent are childcare challenges currently impacting your organisation's workforce?

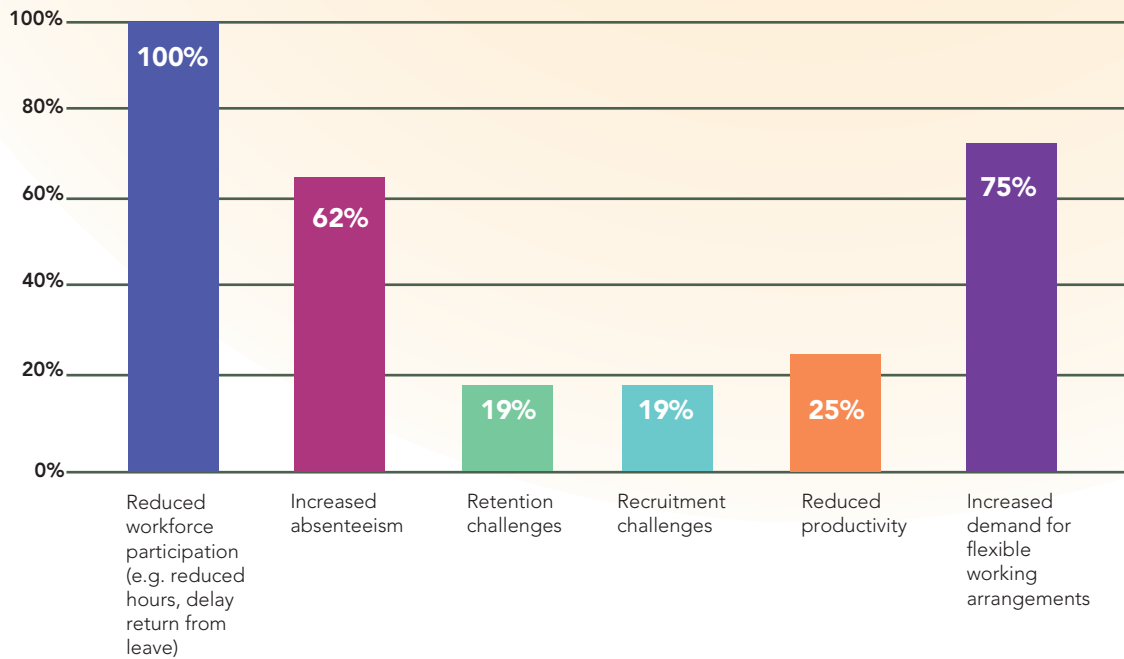


This visualisation indicates that childcare challenges are having a tangible impact across workplaces, with most organisations reporting at least a minor to moderate effect on their workforce. While severe disruption appears limited, the cumulative impact suggests that childcare pressures are a persistent operational issue for employers.

Have childcare challenges resulted in employees leaving your organisation or declining roles?

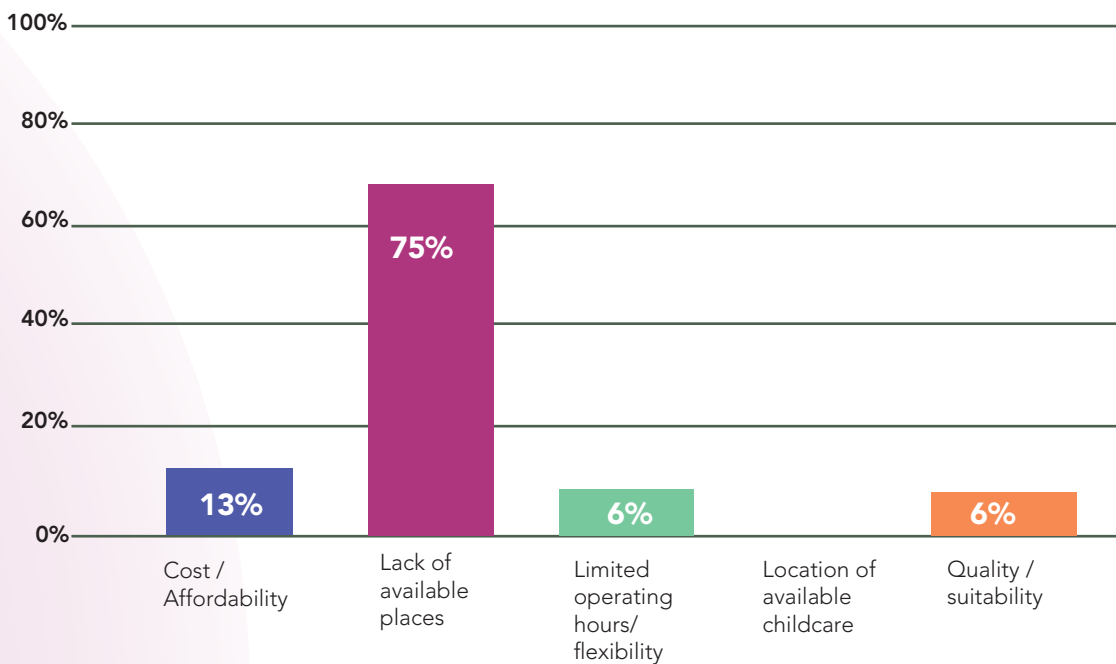


How are childcare challenges experienced by employees impacting your organisation?
Select all that apply?



The findings suggest that childcare challenges are directly influencing workforce participation, with reduced hours and delayed returns from leave emerging as the most common impacts reported by employers. The strong demand for flexible working arrangements and increased absenteeism also highlights the extent to which childcare availability is shaping organisational workforce planning.

What is the single most significant childcare challenge affecting employees in your organisation?

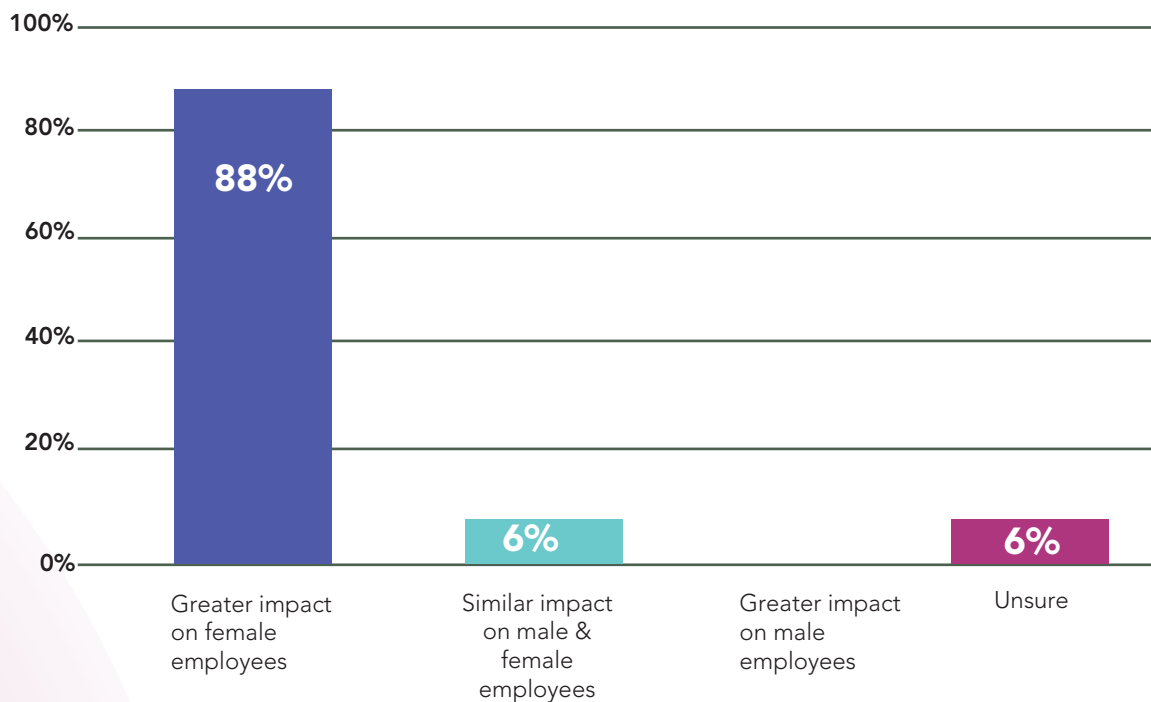


While earlier results highlighted the ways childcare challenges manifest in the workplace, this question identifies the root cause. A clear majority of respondents identified the lack of available childcare places as the most significant challenge affecting employees. This points to a structural capacity issue within the childcare system, with implications for workforce participation, absenteeism, and demand for flexible working arrangements.

The findings also highlight the longer-term workforce consequences of these constraints. In 37.5% of organisations surveyed, childcare challenges have already influenced employment decisions, resulting in employees leaving roles or declining opportunities. This demonstrates the extent to which gaps in childcare provision are affecting talent retention and workforce stability, with implications for both employers and the wider labour market.

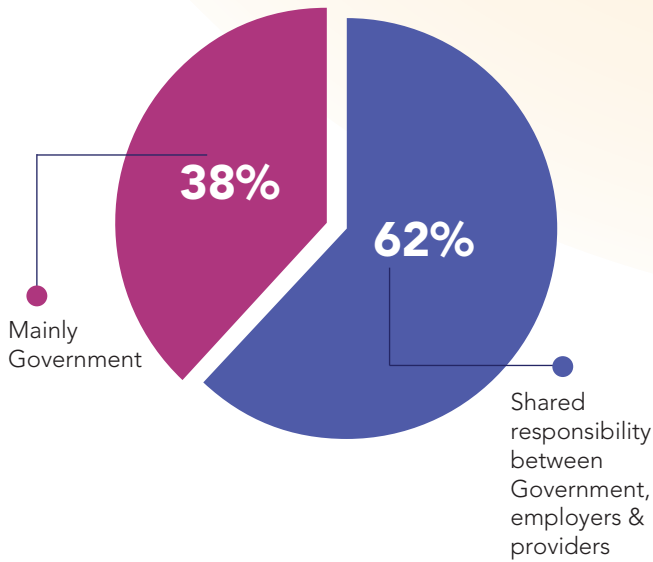
Disproportionate Career Impact Of Childcare On Female Employees

In your organisation, how does the impact of childcare responsibilities compare between male and female employees?

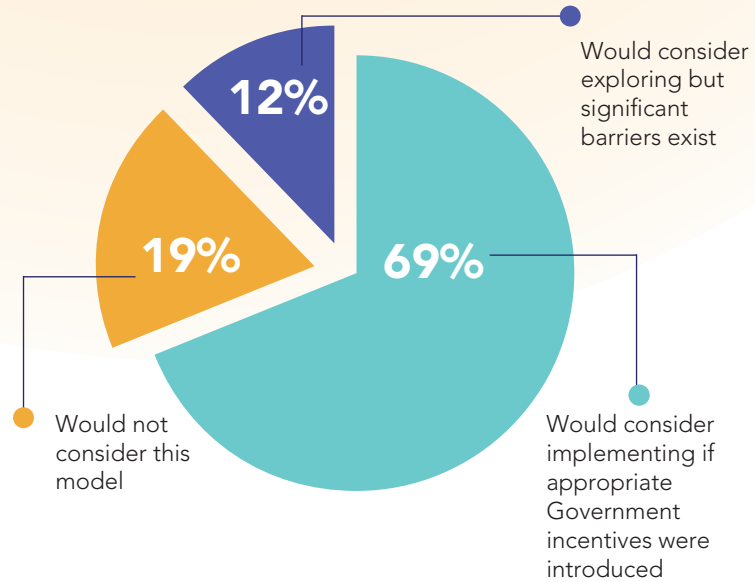


Childcare challenges are also experienced unevenly across the workforce. In 87.5% of organisations surveyed, the impact of childcare responsibilities is reported to be greater on female employees than on their male counterparts. This highlights the persistent gender imbalance in caregiving responsibilities and underscores how limitations in childcare provision can disproportionately constrain women's workforce participation and career progression, with broader implications for gender equality in the labour market.

Given ongoing challenges in childcare affordability, availability and workforce sustainability in Ireland, who do you believe should take primary responsibility for addressing these issues?



In some countries, employers support childcare through models such as corporate crèches or tax-incentivised partnerships with providers. How feasible would a similar model be for your organisation in Ireland?



Further responses indicate that while employers view childcare provision as primarily a government responsibility, there is also openness to partnership-based solutions. A clear majority of respondents indicated that they would consider implementing employer-supported childcare models, such as corporate crèches or partnerships with childcare providers, if appropriate government incentives were introduced. This suggests that while state leadership is essential to addressing structural challenges in the childcare system, there is also significant potential for collaborative models involving employers to expand childcare capacity, improve accessibility for working parents, and support workforce participation.

“Gender pay gap at senior level increasing due to lack of females seeking promotion to management and leadership level. Females traditionally juggle caring responsibilities, and we have a number of examples where very suitable females have not gone for a promotional responsibility believing they wouldn’t be able to manage it all”

“Female employee return from maternity leave was all planned with dates etc team was dependent on her return and at short notice (less than a month) crèche changed the age of acceptance and she couldn’t return for a further 3 plus months. Employee was financially impacted as further unpaid leave. Organisation was caused additional stress pressure and cost for other employees working overtime.”

“Crèche closing for a week due to ratio. Employee needs last-minute time off at a very busy period”

What one word best sums up your experience supporting employees with childcare challenges?

**UNRELIABILITY
STRESS
JUGGLE**

*Employer perspectives gathered through a Cork Chamber HR Leadership Forum focus group (2025)

CHAPTER THREE:

Case Studies and the International Experience

While the Irish childcare sector faces significant structural hurdles, particularly regarding availability, affordability and childminder registration, European neighbours offer proven blueprints for reform. By examining the universalist approach of Sweden, the pedagogical specialisation of Denmark, and the mixed-economy flexibility of France, we can identify scalable solutions for the sector.

Sweden: The 'Universal & Affordable' Model - How Sweden Achieved 85% Female Workforce Participation

High childcare costs are no longer just a household issue; they are a threat to Ireland's national competitiveness making it harder to attract and retain international talent. In the 'dual-earner household' era, high costs act as a barrier to talent retention and workforce diversity, creating a competitive disadvantage in the global race for the professionals Cork and Ireland Inc. are working to attract. By examining the Swedish 'Universal Public' model, we can see a transformative alternative: treating childcare not as a volatile market commodity, but as essential social infrastructure. By using guaranteed places and low-price caps, Sweden proves that affordable childcare allows people to continue working and makes a city much more attractive to global talent.

The System

Sweden operates a 'Universal Public' model where every child from the age of one is guaranteed a place in a preschool (Förskola). Local municipalities are legally required to provide a place within three to four months of a parent's request. This entitlement applies to parents who are working or studying, but notably also extends to those who are unemployed or on parental leave with younger siblings; in these cases, children are guaranteed a place for at least three hours a day or 15 hours a week.

The Swedish system is anchored by a 'Maxtaxa' (Maximum Fee) policy, which ensures that childcare costs never become a barrier to employment. Under the 2026 statutory limits set by the Swedish National Agency for Education (Skolverket), fees are strictly capped at 3% of a household's monthly income.

Critically, the system employs a hard ceiling on the income used for this calculation - currently SEK 61,560 (€5,772). This creates a definitive cost certainty for families, in stark contrast to the Irish model, where childcare costs often exceed €800 per month for one child in full-time care in high-demand regions such as Cork²³.

The Swedish preschool follows a mandatory national curriculum focused on child development and educational group activities. While most are run by the municipality, parents may also choose private preschools, all of which generally operate year-round to support working families²⁴.

In Sweden, preschool provision is largely organised by municipalities, with many staff employed in publicly funded settings and working under broadly similar employment frameworks to other education professionals²⁵. In Ireland, there have been several calls to replicate this model to ensure a sustainable and professional early years workforce. Leading sector organisations, including Early Childhood Ireland,²⁶ are advocating for public sector pay parity for early childhood educators, aligning compensation and conditions with those of primary school teachers. This approach would recognise the equivalent qualifications of early years graduates and their critical role in supporting both children's development and parental participation in the workforce, while helping to stabilise the sector and improve childcare availability.

Sweden's universal, affordable childcare system has been central to achieving one of the highest female labour force participation rates in the world, with around 85% of working-age women economically active, enabling mothers to remain in or return to work without prohibitive care costs²⁷. In contrast, Ireland's female labour force participation rate is approximately 61%²⁸, significantly lower than Sweden's, and constrained in part by childcare availability and affordability as demonstrated throughout this report. For both Cork and Ireland's FDI reputation, this model demonstrates how childcare can be a talent magnet rather than a deterrent.



Denmark: The ‘Quality & Professionalisation’ Model

The Danish workforce is distinct because it is led by Pedagogues (Pædagoger). This is a high-status role requiring a Professional Bachelor’s Degree (ISCED 6) in Social Education. This qualification is distinct from school teaching and is specifically designed for child development from birth to age six. Its generalist nature not only focuses on child development from birth to age six but also successfully attracts a more diverse workforce, including the highest percentage of male educators (15%)²⁹.

The System

The Danish Daycare Act (Dagtilbudsloven) guarantees a legal right to childcare, with municipalities required to fund alternative arrangements where a place cannot be provided³⁰.

- Municipalities are legally obliged to provide a subsidised place for all children from 26 weeks of age until school start.
- If a place is unavailable, the municipality is legally required to either:
 1. Cover the costs of a private daycare facility.
 2. Cover the costs of a place in a neighbouring municipality.
 3. Provide a direct financial subsidy to the parent to care for the child at home.

Salaries and working conditions of early years educators in Denmark are governed by collective agreements (overenskomster), typically negotiated between the union BUPL (Danish Union of Early Childhood and Youth Educators) and the municipal employers’ organisation KL (Local Government Denmark). This system supports structured, nationally negotiated pay scales that recognise the 3.5-year degree qualification required for pedagogues and contributes to a more professionalised workforce. In contrast, in Cork, workforce retention remains a significant challenge, with turnover rates now almost 30%³¹ in both the city and the county, driven in part by low pay and limited career progression opportunities. The Danish model demonstrates stronger workforce stability, reflected in high levels of job satisfaction, with OECD data indicating that 91% of staff report being satisfied in their roles, supported by collective bargaining arrangements that underpin competitive, degree-aligned pay and clear career structures.

However, it is worth noting that the recent implementation of national minimum staffing ratios in Denmark, requiring at least one pedagogical employee per three children aged 0–2 and one per six children aged 3–5/6 in municipal and self-governing daycare settings, has coincided with an increased reliance on unqualified assistants³² to meet staffing requirements. Analysis from the Danish Evaluation Institute (EVA) and BUPL indicates that a significant proportion of the workforce consists of unqualified staff, with a growing share of younger employees who often remain in the sector for relatively short periods, creating an environment where part of the workforce is effectively ‘passing through’. This has raised concerns regarding increased volatility and potential impacts on pedagogical quality, as the burden of supervision and professional responsibility falls disproportionately on a reduced share of qualified staff. This highlights that increasing capacity through ratios alone, without protecting the proportion of qualified professionals, may place additional pressure on staff and affect overall workforce sustainability.

France: The 'Diverse & Flexible' Model

France operates a mixed economy childcare model that prioritises parental choice and workforce flexibility³³. By integrating state-run collective centers (crèches) with a large, highly regulated network of professional childminders (assistantes maternelles), France has successfully avoided the 'one-size-fits-all' trap that often leaves parents working non-standard hours without support. For a region like Cork, the French model offers a compelling example of how to build a unified childcare economy: using targeted state subsidies to pull independent carers into a registered, quality-controlled system while simultaneously leveraging tax policy to turn private employers into active partners in childcare provision.

The System





















'Complément de libre choix de mode de garde' (CMG)

Unlike the largely informal childminding sector in Ireland, France uses the Complément de libre choix du mode de garde (CMG) as a powerful incentive mechanism that aligns both parental demand and provider behaviour. Parents can only access this substantial subsidy, covering up to 85% of childcare costs, when using a licensed childminder³⁴. This creates a strong financial incentive for families to choose registered care. Crucially, the system also incentivises childminders themselves to formalise the care they provide. Registration enables childminders to access a steady flow of subsidised demand, benefit from simplified tax treatment and expense deductions, and operate within a recognised professional framework. As a result, registration becomes the economically rational choice for providers rather than an administrative burden³⁵.

This dual incentive structure creates a self-reinforcing, regulated market: parents are drawn toward affordable, subsidised care, while childminders are incentivised to register in order to remain competitive and financially viable. The model also supports flexibility, as registered childminders, often working from their own homes or in small group settings (MAMs), can offer extended hours that centre-based services cannot, particularly benefiting shift workers and those in sectors such as healthcare and hospitality.

Corporate Integration (CIF): France's Crédit d'Impôt Famille (Family Tax Credit)

France's Crédit d'Impôt Famille (CIF) has been a cornerstone of its mixed economy model, allowing businesses to deduct 50% of their childcare-related investments, up to a ceiling of €500,000 per year, directly from their corporate tax bill. Beyond simple cost-offsetting, the CIF has encouraged employer involvement in childcare provision³⁶. By integrating childcare into the corporate structure, businesses are able to mitigate the 'motherhood penalty', directly supporting the retention of female talent and reducing turnover costs. This alignment of state fiscal policy and business-led diversity, equity, and inclusion initiatives has made France a leader in workforce participation for mothers with young children.

	Ireland / Cork	Sweden	Denmark	France
Status / Guaranteed	 Market-based, long waitlists.	 Guaranteed place within 4 months of application	 Statutory Right From 26 Weeks of Age	 Subsidised Choice, Registered Providers Only
Costs	22% * of income 	5% of income* 	Predominantly Publicly Funded, Mixed Provision 	Up to 85% subsidy 
Staffing	 Fragmented Workforce. Low pay/ high turnover	 Equal to teachers	 Degree qualified	 Regulated Mixed Workforce
Flexibility	Limited hours 	Full-day Care 	Flexible hours 	Extended hours 
Impact on the Employer	 Hiring barrier	 Talent magnet	 Stable workforce	 Corporate crèches

* OECD. Assumes two children aged 2 and 3. Both single- and dual-earner households are modelled at 100% of the average wage. Net childcare costs reflect full-time centre-based care after subsidies and benefits.

A Provider Perspective: Capacity Constraints, Workforce Pressures And Systemic Risk

Ellen*, manager of a childcare facility in Cork City, describes a system operating well beyond its limits. "On our waiting list, we have stopped counting," she notes, estimating that more than 200 children are currently waiting for places, with parents regularly advised "to keep on looking." This scarcity has direct consequences for workforce participation. Ellen cites families where mothers are unable to return to work following maternity leave: "We have existing families, and the mother cannot return to work from maternity leave. One family we have has two siblings attending but for the third sibling I have no place until September, so the Mum can only go back to work two days a week".

Demand is now so acute that parents are contacting Ellen before they are even pregnant, "I had one call from a woman who was planning to get pregnant in 2027 and she asked could I save her a space".

Ellen also highlights that, under extreme capacity pressure, providers are increasingly required to prioritise full-time enrolments. "Those who are looking for five days a week are prioritised; it is easier to manage than someone looking for three or four days a week," she explains. The consequence is that parents seeking to return to work on a part-time basis, or to avail of parental leave arrangements, face additional barriers to securing childcare, placing further pressure on flexible and family-friendly working patterns. From a societal perspective, this presents a concerning signal: a system that effectively penalises reduced working hours undermines stated national commitments to work-life balance, family time, and gender equality in the labour market. In turn, these challenges can influence Ireland's attractiveness as a location for foreign direct investment.

From an operational perspective, Ellen highlights why capacity is not expanding to meet this demand. *"It is easier to work for someone than own a crèche,"* she explains, pointing to rising staffing requirements, pension auto-enrolment, and significant upfront costs, concluding that, *"the risk is too big, the outlay is too big."*

While demand is guaranteed, public funding and regulatory frameworks are not keeping pace. She describes the cumulative impact of ECCE, NCS and Core funding schemes as *"ultimately all pressure on providers,"* with inspections and associated paperwork adding to administrative burden without sufficient financial offset.

Ellen further highlights that Core Funding no longer adequately covers the costs of running the service, and the centre is now at a point where withdrawing from the programme is being seriously considered. Such a decision would inevitably lead to increased fees for parents. She explains the dilemma: *"We seriously looked at withdrawing from CORE funding. We want to do it but it's in the balance. We can step away from it and change what we want as the demand is there, or do we continue because it's the right thing to do for parents and families."*

She also emphasises the financial pressures the service faces: *"We have rising costs, wages have gone up, now pensions where does all that money come from. The CORE funding isn't reflective of it and it has to be reflective of costs. We need more investment and less paperwork."*

Workforce sustainability remains a primary challenge for the sector. Ellen describes turnover rates as a significant hurdle, noting that many domestic graduates view early years education as a temporary bridge to primary teaching rather than a long-term career. In this context, international educators provide a vital lifeline, without their expertise and contribution, the system would face immediate crisis. However, the sector still struggles with long-term continuity, as systemic pressures often lead to further transitions. As Ellen notes, *"To provide high-quality care, you need longevity,"* a goal that remains difficult to achieve under current workforce conditions.

She also highlights persistent under-resourcing for children with additional needs, stating that *"the Government is failing children with additional needs,"* with services expected to operate beyond standard ratios for *"a small monetary return,"* leaving parents dependent on *"the good will of the service providers."*

Overall, Ellen warns that mounting stress across the sector is beginning to undermine its core purpose. She is sceptical about recent policy measures, noting, *"The Government will have to make a change, but the new action plan is a face-saving exercise."* She adds, *"Stress needs to be relieved. The needs of the children are getting forgotten."*

Her experience provides a clear, frontline account of a system under strain, where demand is overwhelming, providers are financially exposed, and workforce instability threatens both quality of care and parents' ability to participate fully in the labour market.

* Name changed to protect the provider's anonymity

A System Already At Work – The Cork City Hall Example

Located within Cork City Hall, Oakview Village crèche is a standout example of how employer-supported childcare can work in practice without the employer directly operating the service. While Cork City Council does not run the crèche, it provides and maintains the purpose-built facility, with the service independently operated and fully insured by the provider.

The crèche provides the opportunity for City Hall employees to access the available child places, a system that works well for both parents and the provider. Proximity offers real benefits, parents can respond quickly if a child is unwell, employers gain a better understanding of these types of situations, and families benefit from flexible opening hours (8am–6pm), including the ability for parents to finish work earlier.

Demand far outstrips supply, with more than 400 children on the waiting list for just 41 places, highlighting the scale of unmet need particularly in cities across the country. The provider notes consistent demand from healthcare professionals seeking childcare to enable them to take up roles in city hospitals, demonstrating that childcare facilities located within employer premises will retain strong demand beyond the immediate workforce, even where not all employee-designated places are taken up.






The provider points to red tape, planning constraints, and the lack of purpose-built facilities as key barriers preventing more businesses from taking similar steps.

Crucially, the collaborative relationship with Cork City Council, including responsive maintenance support and an affordable yearly fee rather than commercial rent, demonstrates how both local authorities and employers can enable high-quality childcare provision and, in turn, better support women's participation in the workforce. Importantly, this model also lowers the financial barrier for providers making it far more viable for childcare operators to open and sustain new facilities, something that could significantly increase supply if replicated more widely.



CHAPTER FOUR:

RECOMMENDATIONS

Challenge in Ireland	Policy Mechanism	Impact
 <p>High Costs (22% * of income)</p>	<p>Implement a cap on fees based on a fixed percentage of household income. As seen in the childcare model used in Sweden.</p>	<p>Enhances disposable income and promotes gender equality by making it financially viable for both parents to work.</p>
 <p>Staffing Exodus / Low Pay</p>	<p>Public sector pay parity with primary teachers; degree-led professionalisation. As seen in childcare models in both Denmark and Sweden.</p>	<p>Stabilises the workforce, reduces turnover, and elevates the quality of care through higher staff retention.</p>
 <p>Lack of Baby Rooms</p>	<p>Statutory guarantee of a childcare place from 6 months of age. As seen in the childcare model in Denmark.</p>	<p>Provides certainty for parents returning from maternity or paternity leave and ensures access to childcare for infants.</p>
 <p>Unregulated Childminders</p>	<p>Conditional subsidies and tax incentives linked to registered childminders, creating a dual incentive model for both parents & childminders. As seen in the childcare model in France.</p>	<p>Drives formalisation of the childminding sector by aligning financial incentives for both parents and childminders, increasing supply of regulated care, improving affordability, and expanding flexible childcare options to support workforce participation.</p>
 <p>Pressure on FDI / Employers</p>	<p>Tax credits for employer-supported childcare investment, including the provision or reservation of childcare places, replicating models such as Oakview Village (Cork City Hall) and the CIF model in France.</p>	<p>Increases urban capacity and helps employers attract/retain talent by offering flexible, workplace-integrated care.</p>

* OECD. Assumes two children aged 2 and 3. Both single- and dual-earner households are modelled at 100% of the average wage. Net childcare costs reflect full-time centre-based care after subsidies and benefits.

CONCLUSION

The evidence presented throughout this report makes clear that the availability, affordability, and quality of childcare in Cork, and Ireland more broadly, has a direct and measurable impact on workforce participation, particularly for women. Long waiting lists, high fees, and inconsistent provision continue to force parents, especially mothers, to reduce working hours, delay returning from maternity leave, or exit the workforce entirely. As highlighted by frontline providers such as Ellen, families face structural barriers that limit flexibility and choice, undermining work/life balance and broader societal goals.

The international case studies examined in Chapter Three provide practical, scalable solutions that can help address these challenges in Cork. Sweden's universal, affordable model demonstrates how guaranteed access and income-based fees can keep parents engaged in full-time employment, lifting female workforce participation to approximately 85%. Denmark's professionalised workforce model shows that investing in staff retention, qualifications, and pay parity directly strengthens the stability and quality of childcare, ensuring that parents can rely on consistent, high-quality care. France's mixed-economy approach illustrates how targeted subsidies and corporate partnerships can expand capacity and flexibility, supporting parents with non-standard hours or sector-specific requirements, while also reducing the financial burden on families.

The recommendations outlined in this report; implementing fee caps, investing in professionalisation, guaranteeing infant care, supporting registered home-based care, and introducing tax credits for employer-supported childcare investment, are not simply sectoral reforms they are measures that directly influence the ability of parents to participate fully in the workforce. A key element of professionalisation is ensuring that early years educators are brought in line with public sector pay, comparable to primary school teachers, as supported by organisations including Early Childhood Ireland. Aligning pay with public teaching standards would stabilise the workforce, reduce turnover, and ensure high-quality provision that parents can rely upon, removing a critical barrier to female workforce participation.

For Cork, where local employers are already reporting operational and retention challenges linked to childcare shortages, these interventions would mitigate lost productivity, support women's career progression, and improve talent retention, while also enhancing Cork's appeal to international investors.

Furthermore, replicable examples such as Oakview Village in Cork City Hall demonstrate that employer-supported models, when combined with responsive local authority/private employer collaboration, can successfully provide high-quality childcare while reducing barriers to entry for providers. Scaling similar initiatives across both the public and private sectors could increase supply, improve flexibility, and reduce reliance on overstretched or informal arrangements. Ultimately, adopting all or some of these policy measures and structural reforms is essential not only for supporting individual families but for ensuring that Cork, and Ireland more broadly, remains a competitive, inclusive, and economically resilient region where parents can participate fully in the workforce without compromise.

We must move toward a system where childcare is no longer a barrier to professional progression, but a facilitator of a competitive, inclusive, and thriving economy.



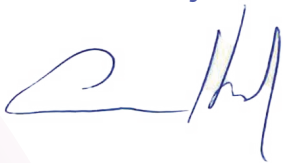
Acknowledgements

On behalf of Cork Chamber of Commerce, I am pleased to welcome this report, *Childcare Provision and its Impact on the Workplace*.

This report arrives at a pivotal moment for our region, as we seek to address the structural barriers that impact talent attraction, workforce participation, and the sustainable growth of our economy. By examining the intersection of childcare and labour market dynamics, we aim to provide a roadmap for policy interventions that support both the business community and the families who drive it.

I would like to express my sincere appreciation to author of the report Fiona O'Donovan and our Public Affairs team, to our members with a particular note of thanks also to the Cork Chamber HR Leadership Forum. Their collective time, granular insights, and frontline contributions were invaluable in shaping the direction of this report. We are also deeply grateful to the childcare providers across the region who opened their doors and shared their lived experiences. Their expertise has provided a crucial, practical perspective on the systemic challenges facing the sector, ensuring that our recommendations are grounded in the operational realities of those providing these essential services.

Conor Healy



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