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The interplay between leave policies & early childhood services

Case study - Slovenia

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Summary

Slovenia has been one of the leading countries in the world regarding the parental leave- and pre-school childcare arrangements that are essential for the reconciliation of professional and family obligations.

There is a one-year fully compensated maternity and childcare leave, and additional 90 calendar days of paternity leave (of which 15 days are fully compensated).

Quality ECEC services are available and affordable.

Over 75% of all children of the proper age (1 year to school age) were enrolled in 2010/11.

All approved programmes of public and private day-care centres/providers are entitled to a subsidy. On average, a 68% subsidy is granted from public sources (mainly from municipal budgets).

These arrangements enable a continuous full-time employment of mothers and (together with other transfers to families with children) keep the risk of child poverty at the lowest level in the EU.

Rationales for providing ECEC (and parental leave)

- **Employment oriented** (traditionally high female employment rate (85%-95% for women aged 25-39 years), professional aspirations of women, full-time employment, two salaries needed for a decent family standard of living).
- **Education oriented** (curriculum; there used to be free preparatory classes a year before starting primary education).
- **Welfare oriented** (free ECEC services for families on social assistance, high subsidy for low-income families, free services for the second and each subsequent child).
- **Social inclusion oriented** (mothers having professional lives (after childcare leave, women return to their full-time jobs), higher family income, lower dependence on social assistance, alleviation of the poverty risk).
- **Equal opportunities oriented** (both parents having professional lives, both earning income, both taking care of the dependents)

Support to women, children, families, and the society as a whole.

Parental leave and ECEC in Slovenia since the 1970s

Sweden was a model in the 1970s and 1980s.

The Childcare Association of Slovenia (founded in 1968) was the main actor in shaping a comprehensive system of care for children (child welfare), including both the parental leave and the ECEC policies, in the 1970s and 1980s.

Strong influence of the workers' self-management (the decision-making process resulting in self-management agreements on various policy issues).

Self-management agreements were concluded by each of the 60 (at that time) municipal childcare associations.

These associations were conceptualised as forums where the interests of working people, residents (parents) and employees in childcare services were expressed and coordinated by their representatives (i.e. self-managed by all interested parties).

Practically no negative effect of the political, economic and social transition in the 1990s.

Further increase in the parental leave entitlements as well as in the quality of ECEC services and their affordability in the 2000s.

Development of the parental leave in Slovenia

- 1927: 84 days of maternity leave
- 1949: 90 days of maternity leave
- since December 1959: 105 days of maternity leave
- 1975: 141 days of childcare leave were added (and could be taken as a half-time leave)
- since February 1986: **260 days childcare leave** (can be taken as a half-time leave)
- since 2003: **90 days of paternity leave** (implemented gradually in 2003-2005)

Now: 455 days of leave altogether

Note: Current leave is in bold.

Development of the ECEC in Slovenia

A high level of availability, along with affordability, of organised childcare has been an important precondition for extensive female employment, which, in socialism, was considered as one of the elements of equality of sexes.

The development of publicly organised educational and care services for pre-school children was particularly intensive between 1971 and 1985. During this period, almost 70% of the facilities available in the mid 1990s were constructed, while the number of children in ECEC tripled.

The postponement of childbearing had started at the beginning of the 1980s and resulted in a decreasing and very low fertility rates till the beginning of the 2000s (the generations halved). This also contributed to an increasing coverage of children by the ECEC.

In 1961, only 8% of the pre-school population was included in the ECEC, 15% in 1971, 41% in 1981, 51% in 1991, 55% in 2001 and 75% in 2011.

Coverage	in 1990	in 2010
children up to 3 years:	30%	55%
children over 3 years:	60%	89%

Year	Coverage	Unmet demand
1961	7.7%	n.a.
1971	15.2%	n.a.
1978	31.4%	20.6%
1981	41.2%	12.7%
1985	49.6%	1.6%
1990	52.4%	4.1%
1995	56.9%	1.8%
2000	56.6%	2.7%
2005	63.6%	n.a.
2010	75.3%	n.a.

Quality of ECEC services

Quality programmes.

5 days/week throughout the year,* mostly from 5.30 a.m. to 4 p.m., up to 9 hours/child/day. (In 2007/2008, 96% of children were included in full-time programmes).

Highly educated pre-school teachers; 6/4** hours of co-current daily presence of a pre-school teacher and assistant in the class.

6.2 / 9.4 children per teacher and assistant teacher (school year 2010/2011).

12 / 22 children per class.

4 meals/day (warm breakfast and lunch, morning and afternoon snack).

* *Some facilities are open also on Saturdays.*

** *The first figure is for children up to 3 years and the second one is for older children.*

Accessible ECEC

2010/11: **75% of all children** of the proper age (1 year* to school age) were enrolled in nurseries/kindergartens and child-minders' families in Slovenia:

- **55% of children up to age 3 and**
- **89% of older pre-school children.**

The 1996 act regulating ECEC

- requires that **services should be available to all children** and
- directs the municipalities to open additional classes or units, or to grant a concession, if the number of parents who have expressed interest to enrol their children into ECEC programmes is high enough to open at least one pre-school class.

By law, the parents have the right to choose between public and private providers, and between different programmes, in any municipality.

97.5% children in public day-care centres, 2.5% in private day-care centres.

Supply was almost completely meeting the demand until 2008.

**Children are admitted after the end of parental leave. Since the maternity leave must start 28 days prior to the foreseen delivery date, the child requiring day-care may be younger than 1 year if the parents do not take annual leave immediately after the parental leave .*

Financing: affordable ECEC (summary)

Sources: municipal and state budgets, parent fees

Average subsidy: **68%** of the costs per child **in 2008 and 2009**.

All approved programmes of ECEC are entitled to a public subsidy.

Parent fees cover 0-80% of the price, depending on the family per-capita income and property.

ECEC is free of charge for the second and any subsequent child from the same family if there are two or more children simultaneously attending ECEC; parents pay only for the older/oldest child, and namely the rate for one lower income bracket.

Public subsidy

	In 2008:
State budget	0.01% of GDP; plus 0.01% of GDP for investments
Municipalities' budgets	0,61% of GDP; plus 0.09% of GDP for investments

The municipality in which the parents have permanent residence provides the **difference between the price of the programmes and the parent fees.**

The founding municipalities provide funds for **major maintenance and investments in real estate and equipment** of public pre-school day-care centres.

The state budget provides funds for:

- public pre-school day-care centres' units in hospitals and in institutes for education and schooling of children with special needs,
- parent fees for the second and any subsequent child when parents have more than one child in a day-care centre at the same time (from September 2008),
- higher costs of Italian, bilingual and Roma units, and part of investments in premises and equipment in the regions with nationally mixed population,
- some specific purposes, like transport of pre-school children.
- *50% of parent fees for children aged 3 and over, if there are two or more children from the same family simultaneously attending childcare (implementation delayed).*

All approved programmes of ECEC, provided by both public and private day-care centres/providers, are entitled to a public subsidy.

On average, the subsidy amounted to 75% of the costs per child in 1990, 71% in 2005 and **68% in 2008 and 2009**.

Private pre-school day-care centres with concession: subsidy is the same as for public ones.

Other private pre-school day-care centres: the subsidy amounts to 85% of that that would be granted to a public centre.

In order to be financed from the municipality budget, the private day-care centre has to remunerate its professional staff in compliance with legislation and other regulation that apply to public day-care centres.

Parent fees

High means-tested subsidies for ECEC are by far the highest single public transfer to families in Slovenia.

0-80% of the price, depending on the family per-capita income and property.

Families on social assistance are exempt from paying fees altogether (5% of children).

Only 5% of parent fees amounted to 80% of the price in 2009 (income per family member exceeds 1.1 average salary).

More than a half (54%) of parent fees amounted to only 10-30% of the price.

Parents of children with special educational needs (1.2%) pay the same fees as parents of other children (despite higher costs).

Private pre-school day-care centres with concession: parent fees as in public day-care centres.

Other private pre-school day-care centres: parent fees are not regulated by law (but generally they do not differ much from those in public day-care centres, also due to competitiveness).

Parent fees are very progressive (example: income ratio 1:3.5, fee ratio 1:8).

Particularly affected are middle income families (about 0.7-1.1 average salary per family member).

The municipality may exceptionally take into account other facts and circumstances reflecting the socio-economic position of the family, and thus increase or decrease the parent fee.

The municipality act may lower parent fees by "moving" families to lower income groups, or decrease the fees otherwise.

The city of Ljubljana:

Total cost of the programme: 474 €/month/child below 3 years of age
335 €/month/child over 3 years of age

Additional subsidy: 22% and 15% respectively

Parent fees: 37-296 €/month and 28-228 €/month respectively.

Survey (2010): Income per family member and material position do not have a statistically significant impact on enrolment in ECEC programmes. However, the proportion of children included in ECEC increases with a decrease in the self-evaluated level of living.

From September 2008, ECEC is free of charge for the second and any subsequent child from the same family if there are two or more children simultaneously attending ECEC; parents pay only for the older/oldest child, and namely the rate for one lower income bracket.

As a consequence, the demand increased almost overnight since many parents decided to take advantage of the new arrangement: they paid even less for two or more children than for one child included in the ECEC, and at the same time saved on expenses for former private or informal care arrangements for their younger children). In the school year 2008/2009 there were no vacancies in 100 out of 210 municipalities. The municipalities have been increasing vacancies, but the demand is still higher than supply.

A 50% reduction of parent fees for children aged 3 and over should have been implemented gradually between 1 January 2010 and 1 January 2014 (amendments adopted in 2008).

However, an intervention act (adopted because of the economic crises) delayed the start of implementation. The parent fees for the older/oldest child(ren) aged 5 or 4 will be reduced by 50% from January 2013 (and from January 2014 for three-year-olds).

The 2008 amendments were necessary due to a high increase in costs (and consequently parent fees) after the implementation of new quality standards in the beginning of the 2000s (the staff/child ratio, the number of children per class, the educational level of the pedagogical staff).

New regulation of parent fees will be applied from January 2012.

Maximum parent fee: 77% of the total costs (income per family member equal or higher than the average salary).

New income brackets.

More income sources will be taken into account (e.g., child benefits), property will be taken into account consistently.

Possible further revision: the professional staff to be paid from the state budget from January 2012.

(Labour costs account for about 80% of the total costs of the ECEC programmes.)

Relationship between ECEC and leave policies

Slovenia had the responsibility for child welfare (including parental leave, ECEC, family benefits, etc.) **under one single ministry/department* until 1993** (when ECEC was moved to the Ministry of Education).

This was of utmost importance for a comprehensive regulation of entitlements related to pre-school children and services for these children.

* *Ministry of Health- and Social Care, Ministry of Health, Family and Social Affairs*

The age at which children are admitted to ECEC has been implicitly linked to the end of parental leave.

until 1975: a small number of places for children below the age of 1 year, and not in all municipalities

1975-1986: admission from the age of 7 months

from 1986 : admission from the age of 11 months

During the 1990s debate to increase the length of parental leave to 2 (or even 3) years the proponents argued that:

- a) free places would be occupied by the pre-school children for whom there were no vacancies in the day-care centres. This would be beneficial particularly for children over three years of age whose coverage was lower than in the EU-15.
- b) Or, alternatively, if the parents took the second year of parental leave the number of children in organised childcare would decrease by about a fifth, leading to a higher quality of services (staff/children ratio).

Child poverty risk in Slovenia in 2008*

Children in Slovenia, together with those in Denmark, face the smallest **risk of poverty** in the EU (**11%**); in Slovenia, it is roughly the same as the overall poverty rate.

Slovenia is also one of the EU countries with relatively low shares of children at **risk of poverty and social exclusion**.^{*} Denmark 13%, Sweden 14% and Finland 15%, the Netherlands (15%) and Slovenia (**15%**).

High labour-market participation of both parents is the key factor behind these good outcomes. In the countries with lowest child poverty risk, children live predominantly with two-earner couples. Having just one parent in full-time work gives rise to a significant probability that a household in Slovenia has income below the poverty threshold. In Slovenia, childcare provisions are a great help to parents participating in the labour market.

Source: TÁRKI (2011). *Child well-being in the European Union: Better monitoring instruments for better policies*. Budapest: TÁRKI Social Research Institute. Available at: http://www.tarki.hu/en/research/childpoverty/tarki_chwb_mainreport_online.pdf.

** Based on EU-SILC 2008 that contains data on income in 2007.*

**The population 'at risk of poverty and exclusion' is defined by three indicators: risk of poverty, severe material deprivation and low work intensity.*