



Peer Review in Social Protection and Social Inclusion 2015-2016 **Provision of**

quality early childcare services

SHORT REPORT

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Peer Reviews in social protection and social inclusion

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Held in Prague (Czech Republic) on 10-11 November 2015, the Peer Review was hosted by the Czech Ministry of Labour and Social Affairs. In addition to the host country, six peer countries were represented: Croatia, Finland, Ireland, Latvia, Romania and Slovakia. The stakeholder representatives were Eurochild and COFACE. Taking part for the European Commission was a representative of DG Employment, Social Affairs and Inclusion (DG EMPL).

1. The policy under review

The Czech Republic has a very developed social protection system. At 14.6%, its general poverty risk is quite low in the EU. Family policy, however, has tended to lag behind. In 2012, the country spent only 1.1% of GDP on family policies, as compared to an EU average of 2.2%.

The fertility rate in the Czech Republic is low (1.46 children per woman in 2013). 60% of children are born out of wedlock, and every second marriage ends in divorce. Maternity leave is 28 weeks on 70% of the previous net wage. Parental leave is from 18 to 42 months, with payments ranging up to sums that are 10% higher than the Czech average wage.

Access to childcare facilities remains among the lowest in Europe. Only 3% of children up to the age of 3 years are in formal childcare, far below the EU average of 28% (2012). In 2014, one in every three applications for public childcare in the Czech Republic was rejected.

Labour market inactivity among Czech women due to family responsibilities was 25.4% in 2013, compared to an EU average of 15.1%. The Czech gender pay gap is 22%, as against an EU-28 average of 16.5% in 2012. Part-time or flexible work is not common in the Czech Republic. The newly adopted **Government Strategy for Equality of Women and Men** (2014-20) is expected to have a positive impact on gender balance in the labour market. Its ambitious goals include decreasing the gender pay gap to the average EU level by 2020 and improving the flexibility of working arrangements, parental leave possibilities and childcare provision.

All in all, a major rethink of Czech family policy is underway. Family matters, gender equality and the employment of women are now seen as three interconnected policy areas. In March 2015, a **Ministerial Expert Commission** was established to prepare a long-term strategy for a new family policy. Its core mandate is to promote freedom of choice in family life and family values. The strategy is expected to be ready in the spring of 2016. It will set out concrete measures in three areas: services, financial support and employment. This strategy will respond to three main trends: many families cannot financially afford more than one child; women university graduates (who form the majority of Czech graduates) often decide not to found a family due to the very poor conditions for reconciling family life and work; and ageing policy is becoming a vital part of family policy, as a way of strengthening solidarity among generations.

Drawing on international research, the Expert Commission for Family Policy is likely to recommend that the Czech Republic should:

- aim at inclusive kindergartens that are responsive to local needs;
- increase continuity in early childhood education and care (ECEC) by providing early education in transformed kindergartens to children below the age of 3;
- set regulations and minimum standards for all providers;
- use research-based evidence in order to improve quality;
- aim at an integrated education-care model of ECEC;
- provide universal access at no or low fees, or with income-related fees;
- guarantee a place for all pre-school children from a specified age;
- invest in ECEC in order to avoid trade-offs between quality and quantity.

New family policy measures already introduced are:

- A new type of childcare service, known as children's groups. These are different to the existing kindergartens. The children's groups provide daycare for children aged 1-6. Each group can contain between 12 and 24 children. Any individual or legal entity can set up a children's group provided that the required quality standards are met.
- A birth grant for the second child.
- National funds to provide financial support for family-related measures by NGOs and municipalities.

Measures in preparation include:

- A legal entitlement to a kindergarten place at age 3 (from 2018 onwards).
- A new social housing law, which will provide support for young families.
- Increased tax credits for the second and third child.
- More flexible parental leave allowances. The allowance rates paid will be higher
 if the leave taken is shorter.
- Leave of 3-6 months to care for seriously ill relatives. Job security will be safeguarded under this measure, and income compensation will be provided.
- Paternity leave of approximately 1 week during the first six weeks of the baby's life

Activities supported by the European Social Fund (ESF) are:

- Micro-nurseries (from January 2016). These are aimed at children aged from 6 months to 4 years. There will be a maximum of four children per carer in these nurseries, which will operate as an EU-supported pilot project.
- A gender pay gap project aimed at achieving systemic change.
- Financial support for the establishment and running of children's groups.

2. Key issues discussed during the meeting

The meeting discussed Czech family policy at a time of change, and more specifically the future shape of the country's early childcare. One important issue addressed was whether access to ECEC should be universal or targeted, or rather a "targeted universalism" should be favoured, under which a universal service is provided, but targeted support is available for particularly disadvantaged children. Drawing on the experience of local stakeholders, peer countries, international experts, the European Commission and European stakeholder organisations, it identified a number of practical lessons both for the Czech Republic and for the EU as a whole.

3. Key learning elements

• Good-quality early childhood education and care (ECEC) are part of the infrastructure for a successful society. So is good parenting. The first 3 years of life are crucially important to a person's development, and not least to language development. Children with good language development do better later on in terms of literacy and most educational outcomes. Across the OECD countries in 2009, 15-year-olds who had attended pre-school were, on average, a year ahead of those who had not. Research also points to fewer behavioural problems and less delinquency, crime and drug use among those who had attended pre-school, as well as higher earnings and lower welfare dependency. So investment in ECEC can reduce other costs to government.

- **Disadvantaged children** benefit greatly from high-quality ECEC.
- Family policy, gender equality and the employment of women are interconnected policy areas.
- Greater integration between education and care in early childhood can yield benefits. Split models may produce less continuity during children's lives. They may also lead to lower-quality services for the younger children, due to lower staff qualifications, the lack of a curriculum and higher staff turnover.
- Adequate public investment in ECEC can help to avoid a trade-off between quality and quantity.
- Supply-led ECEC provision tends to be more expensive than demand-led, but it also tends to deliver more uniform quality. Under a demand-led approach, capacity can be rapidly increased, but quality is a problem. As private suppliers are involved, strong regulation, standard-setting, monitoring and inspection are needed. There is no evidence from continental Europe that increased commercial competition in ECEC automatically produces higher quality. Indeed, a for-profit approach can lead to lower investment in quality.
- Where there is a shortage of ECEC capacity, a decision may be taken to give priority to quantity over quality. But once capacity has been created, quality needs to be ensured. In 2014, the European Commission proposed a framework for quality, with provisions on access, professionally trained staff, child-staff ratios, curriculum, monitoring and inspection.
- Cooperation among all the ECEC stakeholders is essential, and especially the full involvement and empowerment of the parents.
- Greater parental leave sharing between partners should be encouraged. In the Czech case, the Expert Commission believes that an insurance-based system for allowances could help to reduce the financial loss to families if the higher-earning partner takes parental leave. Non-transferable equal portions of paid leave time for each parent are another possible option, but special measures then need to be taken in order to avoid disadvantaging single-parent families in terms of total paid leave time.

4. Contribution of the Peer Review to Europe 2020 and the Social Investment Package

Europe 2020 is the EU's growth strategy for this decade. **Social inclusion** is one of its main objectives, as part of the drive for a **smart**, **sustainable and inclusive economy**.

As the early years of life are crucial to each person's development, ECEC is important to those aims. The lessons learned at the Peer Review are strongly in line with the EU's proposed **Quality Framework for ECEC**, which is also a product of peer learning through the Open Method of Coordination (http://ec.europa.eu/education/policy/strategic-framework/archive/documents/ecec-quality-framework_en.pdf).

Increasing access to ECEC has been one of Europe's priorities since 1992, following the Council of Ministers Recommendations on Childcare. In 2002, the Barcelona European Council agreed that "Member States should remove disincentives to female labour force participation, taking into account the demand for childcare facilities and in line with national patterns of provision, to provide childcare by 2010 to at least 90% of children between three years old and the mandatory school age and at least 33% of children under three years of age". A European benchmark calls for the participation of at least 95% of children between the age of 4 and compulsory school age by 2020, thus "addressing child poverty and preventing early school leaving, two of the headline targets of the EU2020 Strategy".

The European Commission's 2013 recommendation *Investing in children: breaking the cycle of disadvantage* stresses the importance of early intervention and preventive approaches. Its first pillar is about giving parents access to resources. The second is about giving them access to quality services, such as early childcare but also health and housing. The Recommendation makes a very strong plea to step up investment in ECEC.

The *Investing in Children* recommendation is closely linked to the EU's **Social Investment Package** (SIP), which takes a lifecycle approach to strengthening people's future capacities. EPIC, the **European Platform for Investing in Children** (http://europa.eu/epic) is an EU website supporting the implementation of the Investing in Children recommendation.

The Peer Review also provided an opportunity to learn about the continuing role of the European Social Fund in promoting high-quality ECEC in the Czech Republic and elsewhere.

The host country noted that the outcomes of the Peer Review will feed into the work of the newly established Expert Commission for Family Policy and will also help to respond to the Country-specific recommendations for the Czech Republic. So this European peer learning exercise will contribute to shape future Czech policy on this vital issue.

