

Peer Review on Provision of quality early childcare services (Czech Republic, 10-11 November 2015)

National framework of care services for pre-school children under three years of age in relation to the quality of those services¹

Ministry of Labour and Social Affairs

Short description of the related policy context in the Czech Republic

The issue of setting the quality standards of childcare services for pre-school children under three years of age is closely intertwined with issues such as the competence of carers, financing of the services, alternative childcare services, maternity and parental leave system, appropriateness of care for children under three years of age outside the family and support for women returning to the labour market.

In general, the Czech Republic developed a social protection system that is both effective and efficient in alleviating poverty risks: the general poverty risk is the lowest in the EU (14.6 %) and well below the EU-28 average of 24.5 %. However, the Czech Republic is dealing with new socioeconomic challenges like changes in cultural value or in labour market, increasing demand for child care and education services or ageing of the population. These changes also have an impact on families and family policy. Therefore, it is important to improve access to childcare services that bring women back to the labour market and encourage social inclusion and reduces risk of poverty. The Czech Republic spent an amount equal to 1.1 % of GDP in 2012 on family policies (EU average: 2.2 %).

The social and family policy is administrated by the Ministry of Labour and Social Affairs (MoLSA) and also by the regions and municipalities. In the framework of their self-government, the regions and municipalities take care of the development of their territories and the needs of their citizens, including activities supporting families. The regions and municipalities receive funds from the national budget.

Families are supported by a system of maternity and parental leave, public childcare services, as well as financial support for parents of young children.² Financial support includes birth grants, child allowance (income-tested) and granting tax allowances for working parents, supporting family services focused on prevention and supporting projects to enhance parental competence through appropriately targeted subsidised facilities.

The key problems in reconciliation of work and family life consist of the lack of accessible and affordable childcare services, especially for children up to three years of age, and the low level of using the flexible type of working time arrangements.

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² Source: Pertold-Gebicka, P. Husek, D., Female Labor Force Participation and Childcare Policies, 2014. <http://ies.fsv.cuni.cz/sci/publication/show/id/5245/lang/cs>.



Although the unemployment rate remains far below the EU average (CR 6.1 % compared to EU-28 10.2 % in 2014), the employment rate (20-64) for men in 2014 reached 82.2 %, and for women only 64.7 %.³

Table 1: Employment rate by age (in %) ⁴

Age	2012			2013			2014		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
15-24	25.2	29.2	21.0	25.6	29.9	21.0	27.1	32.3	21.6
25-39	78.1	90.4	65.1	78.9	90.6	66.5	79.0	91.0	66.3
40-54	88.7	91.5	85.7	88.8	91.8	85.8	89.1	92.0	86.1
55-64	49.4	60.4	39.1	51.6	62.5	41.4	54.0	64.8	43.8
15+	54.5	63.6	45.9	55.2	64.1	46.7	x	x	x
15-64	66.5	74.6	58.2	67.7	75.7	59.6	69.0	77.0	60.7
20-64	71.5	80.2	62.5	72.5	81.0	63.8	73.5	82.2	64.7

As could be seen in Table 2, only 34 % of young mothers with children under five years of age participate in the labour market. Overall, labour inactivity of women due to family responsibilities is very high (25.4 % in 2013 compared to an EU average of 15.1 %).

Table 2: Employment rates of women in the Czech Republic in 2012 ⁵

Age group	Age group of the youngest child			Regardless children
	0-4	5-9	10-14	
25-34	30 %	78 %	80 %	59 %
35-44	42 %	87 %	90 %	79 %
45-54	64 %	78 %	84 %	86 %
25-54	34 %	83 %	88 %	75 %

The result could be seen in the low fertility rate (1.46 children per woman in 2013), the highest rate of women caring for children under six years of age (25.4 % versus the EU-28 average of 15.1 % in 2013),⁶ limited use of part-time work (only 3.3 % of men and 11 % of women in 2013). Access to childcare facilities remains among the lowest in Europe, with only 3 % of children up to 3 years of age cared for in formal childcare, far below the EU average of 28 % (2012). Additionally, the gender

³ Source: EUROSTAT <http://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do>. The data from Eurostat are different from data from the Czech Statistical Office. The Czech Statistical Office show the employment rate (15-64) for men in February 2015 reached 78.1 %, and for women 61.8 %, see <https://www.czso.cz/csu/czso/cris/miry-zamestnanosti-nezamestnanosti-a-ekonomicke-aktivita-unor-2015-1viwzidofb>

⁴ <https://www.czso.cz/csu/czso/zamestnanost-a-nezamestnanost-podle-vysledku-vsp-rocni-prumery-2014>

⁵ Source: Pertold-Gebicka, Husek 2014, page 15. (Calculations using the EULFS microdata)

⁶ http://www.vlada.cz/assets/ppov/rovne-prilezitosti-zen-a-muzu/dokumenty/Strategie_pro_rovnost_zen_a_muzu_2014-2020.pdf The child employment gap is about 42 % according to Eurostat data, the employment rate of women 20-49 with children 0-6 is slightly more than 40 %. Only two countries in the EU exhibit worse figures: Slovakia and Hungary (see European Commission 2013); http://europa.eu/epic/docs/countries/cz-investing-in-children-2013_en.pdf, page 11.



pay gap of 22 % (compared to the EU-28 average of 16.5 % in 2012) shows a high level of gender inequality. 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. The strategy provides a comprehensive framework for a broad gender equality agenda and includes ambitious goals, such as to decrease the gender pay gap to the EU average level by 2020 or to improve the position of women on the labour market through improvements in flexibility of working arrangements, parental leave possibilities and childcare provision.⁷

Table 3: Activity rate for women and fertility rate in CR⁸

Age group	25-29	30-34	35-39	40-44	45-49	50-54	Total
Activity rate (woman) (2013)	70.0	67.4	81.8	90.3	94.2	90.0	50.9
Activity rate (men)	84.5	92.3	93.8	93.4	92.1	89.5	64.1
Fertility rate (2013)	0.093	0.098	0.039	0.007	0.0003	x	1.45

Maternity and parental leave and allowance

The Czech Republic has one of the most generous systems of maternity and parental leave in the EU. This is due to political decision as well as tradition.

Maternity leave can be taken for a total of 28 weeks (37 weeks in case of giving birth to more children): it begins 6-8 weeks before the expected birth date and ends 20-22 weeks after the delivery. Maternity leave cannot be shorter than 14 weeks and cannot be terminated before 6 weeks after the delivery.

During maternity leave, the mother is eligible for **maternity benefits** if she had healthcare insurance for at least 270 days during the previous 2 years and was insured at the beginning of her maternity leave. Maternity allowance is related to income, the amount is 70 % of the daily basis of assessment per calendar day.⁹

Following the period of maternity leave, Czech parents are entitled to **parental leave** up to three years of the child's age. The employer is obliged to keep a particular job for employees during maternity leave. In contrast, after parental leave, there is no guaranteed return to exactly the same job but the employer is obliged to offer a position corresponding to the parent's qualifications. Parents can choose the length of parental leave and the amount of paid parental allowance. A parent who personally and duly cares for a child who is the youngest in the family is also entitled to **parental allowance**. Parental allowance is provided until the total amount of CZK 220,000 is drawn, maximum up to 4 years of child's age. If at

⁷ http://ec.europa.eu/europe2020/pdf/csr2015/cr2015_czech_en.pdf

⁸ Source: Eurostat. <http://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do> and Czech Statistical Office <https://www.czso.cz/csu/czso/zamestnanost-a-nezamestnanost-podle-vysledku-vsps-rocni-prumery-2013-ah3piojsce>

⁹ Source: <http://www.cssz.cz/en/sickness-insurance/benefits-provided-under-sickness-insurance.htm> The maximum amount of maternity allowance is 30,810 CZK, about 1,232 EUR (31,740 CZK in 2013, or 1,269 EUR) per calendar month or 1,027 CZK per calendar day, about 41 EUR (in 2013 it will be 1,058 CZK per calendar day, about 42 EU). Source: Pertold-Gebicka, Husek 2014 , page 3.



least one parent in a family is a person participating in health insurance, parents may change the amount of parental allowance and thus the period of its drawing.¹⁰

Parents can work while receiving parental allowance, but this implies certain restrictions on their access to institutional childcare: children under the age of two years can attend a facility for pre-school children for a maximum of 46 hours in a month.¹¹ Children over the age of two can attend a kindergarten or similar facility without any limitations. Although, parents may alternate on parental leave, the economic calculation usually determines who stays on maternity or parental leave. The child's father has also the right to take parental leave together with the mother, however he has no financial income during this period when the mother draws the maternity cash benefit or the parental allowance. Therefore, financial concerns may prevent the father from taking the parental leave. According to the last data from the Ministry of Labour and Social Affairs of the Czech Republic: 1) the number of male recipients of the maternity was 926 men from 132,190 recipients (May 2015) 2) the average monthly number of male recipients of the parental allowance was 5,100 from 278,500 recipients (2014). However, these figures do not necessarily mean that the number of fathers actually personally cares for a child.

Description of the current state of play in the Czech Republic in relation to the national framework of care services for pre-school children under the age of three in relation to the quality of those services

According to the current legislation, the childcare service can be provided within the framework of: (i) **educational facilities like kindergartens under the Education Act**, (ii) the operation of some of the trades focused on childcare **pursuant to the Trade Act**, (iii) pursuant to the **new children's group act**, or (iv) in accordance with the applicable **legal rules of a general nature** (e.g. in the area of hygiene and food requirements, fire and construction safety rules), under which other entities provide childcare services, such as maternity centres, clubs, etc.

As mentioned above, in the Czech Republic it is possible to provide childcare in several different modes, which entail specific requirements regarding security, construction, technical and sanitary parameters and standards as well as professional requirements for carers etc. In recent years, there has been a debate regarding the length of maternity leave and increasing demand for services for the youngest children (up to three years of age), which is in the Czech Republic since 2013 – when the operation of crèches¹² was terminated within the mode of medical facilities – possible to provide under the trade 'Care for a child up to three years of age in a day mode' under the Act on Trade and most recently under the Act on the children's group.¹³ In addition, various kinds of alternative forms of childcare

¹⁰ Choice of the amount of parental allowance can be changed once in 3 months; Source: http://europa.eu/epic/countries/czech-republic/index_en.htm

¹¹ Since 2012 there is no restriction for children above 2 years of age while children younger than 2 years may be placed for 46 hours per month in a publicly supported pre-school facility. Until 2011 children above 3 years could spend in public childcare facilities only 4 hours per day and children under 3 years only 5 days per month.

¹² In the 1990s, there was a massive closure of care facilities for children under 3 years of age. The trend was accompanied by strong support of domestic care for small children by their parents. Thus, many mothers are often able to (re)enter the labour market only when their children are four years of age or older.

¹³ About 20 % of family centres work on commercial basis. The charge for enrolment of a child in facilities under a trade licence is determined by the provider on a commercial



services for the youngest children are being developed. This increases the need for a proper discussion on the quality standards of services provided for the youngest children.

MoLSA was for several years involved in the preparation of a children's group bill. In the course of its preparation it became apparent how extremely sensitive and politically important the topic of childcare in the Czech Republic is. The Act on Children's groups also opened up a debate on setting hygienic and technical standards for childcare facilities for pre-school children, specifically in alternative childcare services.

Public childcare in the Czech Republic consists of a system of **kindergartens**,¹⁴ which are administered by the Ministry of Sports and Education. Despite the rate of children between three and six (six being the school age) who receive formal childcare is quite high,¹⁵ the Ministry of Education, Youth and sport (MEYS) presents 50,800 rejected applications for placement children at kindergartens in 2014/2015 (the previous years are listed below).¹⁶ However, the projection of distribution of Czech population according to age shows that the number of live births has already reached its peak in 2008 and the secondary wave will be in 2045 (Projekce 2009). Number of pre-school children should achieve a long-term maximum in 2014 (358,000 children).

Table. 4 Unsuccessful applications application of placement at kindergartens

School year	2005/ 06	2006/ 07	2007/ 08	2008/ 09	2009/ 10	2010/ 11	2011/ 12	2012/ 13	2013/ 14	2014/ 15
Number of applications	6,810	9,570	13,409	19,996	29,632	39,483	49,186	58,939	60,281	50,800

Resource: MEYS

Although kindergartens may admit children from the age of 2 years (approx. 27 % of children in the age group 0-3 years attend kindergartens), almost 62 % of children younger than 3 years are cared for only by their parents. Additionally, no more than 20 % of young children's mothers between 25-35 years of age participate in the labour market. That could be caused by social norms and limited possibilities to efficiently combine work and care for children.

Because of health and safety concerns, there was a wholesale closure of care facilities for children under three: the 1,043 nurseries operating in 1990 had been reduced to 46 in 2010. Approximately only 3 % of children under three years of age

basis. Private agencies providing childcare are usually used by high income and career-oriented families. Such kind of child care costs CZK 70-150 per hour (except Prague) and CZK 130 – 150 per hour in Prague. Childcare fees are not tax deductible and their amount is not taken into regard in the social assistance system.

¹⁴ Their admission criteria for kindergartens include: age of a child, whether any brother or sister already attends the kindergarten, whether the address of permanent stay is in the same district as the kindergarten, non-discriminatory health condition (needs obligatory vaccination and confirmation of having a good state of health by doctor) or social criteria. Source Pertold-Gebicka, Husek 2014, page. 4.

¹⁵ As for children aged between three and six (6 being the school age), according to Eurostat data, 75 % attended formal childcare in 2012, but there is large discrepancy between this figure and the national data: according to the Ministry of Education, Youth and Sports in the Czech Republic, 84.7 % of children aged three to six receive formal childcare in 2010/2011.

¹⁶ Source: Statistical Yearbook of Education 2013/2014
<http://toiler.uiv.cz/rocenka/rocenka.asp>



received formal childcare in 2012 due to the lack of nurseries (crèches). As a result, the capacity of childcare facilities for small children is insufficient. However, improvements were made in term of access to pre-school facilities for working parents and there are plans to rebuild facilities for the children under three years of age. Development of the childcare facilities for children is hindered by strict hygienic conditions, which bring higher financial costs.

In order to promote expansion and diversification of childcare and to present affordable and quality childcare facilities for children up to six years, the Czech Republic adopted the **new Act No. 247/2014 Coll**, concerning new types of childcare services (children's groups) in November 2014. This Act supports the reconciliation of work and family life and creates better conditions for employment of parents with small children (from one year of age up to mandatory school age, 6 years) by development of childcare services (new types of childcare services and related to measures in the field of taxation). The enactment of the Act set the basic parameters of childcare services on a non-commercial basis. The founders of children's groups can be both private companies and public institutions (public authorities, municipalities, regions), NGOs, foundations and other entities.

The Czech Republic also adopted an amendment to the **Act on Income Tax**, containing family-friendly tax measures. Since the end of 2014, the tax-deductible costs of employer newly include costs for the operation of their own early childcare facility for children of their own employees or for non-monetary expenditures of the employer to arrange childcare for their own employees using an outsourcing childcare facility.

There was an income tax relief introduced for parents-employees. The tax benefit is designed as tax allowance in the amount of costs paid by taxpayers to the early childcare facility up to the amount corresponding to the minimum wage (currently at 9,200 CZK). In the context of other tax allowances, especially the tax advantage for children living in a household with the taxpayer, which might be partially or in the whole amount paid back to the taxpayer depending on their total amount of the income tax, this instrument can be used by low-income families as well.

Institutions providing childcare services in the children's groups have been until now **financially supported under the current Operational Programme Human Resources and Employment** and will continue to be supported under the investment priority 1.2 Operational Programme Employment. It will support children's groups for both employers and the public.

In 2015, the increase of the capacity of pre-school institutions registered in the school register will be supported by both **European and national resources**. As from March 2015, 50 projects amounting to 400 million CZK have already been approved by the Fund for the Capacity Development of Kindergartens and Primary Schools amounting in total to 1.5 billion CZK. Furthermore, in 2014, a programme was launched, which should make available annual funds up to 300 million CZK.

Regarding other measures to expand opportunities for participation of children in pre-school education, an **amendment to the Education Act** was approved in March 2015, which, among other things, will make primary school preparatory classes available to all children. At present, a draft amendment is also being prepared to introduce a compulsory final year of pre-school education.

In order to support childcare services and flexible working arrangements, MoLSA launched an individual project titled '**Reconciliation of work and Family**



inspired by European Best Practices,¹⁷ which is focused on better reconciliation of work and family life and possible participation of women with small children in the labour market. Since 2012, MoLSA is the **Vocational Qualifications Authority (VQ) for the qualification of 'Nanny for Children under the Mandatory School Age' and 'Nanny for the Children's Corners'**. So far 235 candidates have gained Certificate of Eligibility for these VQ.

Results and outcomes of the policy

The Czech Republic adopted the new **Act on the children's group concerning new types of alternative childcare services** in November 2014. (Other mentioned measures came into force in the course of period 2014-2015).

The Czech Republic also adopted an amendment to **Act No. 586/1992 Coll**, on Income Tax, containing family-friendly tax measures.

The Notice on hygienic requirements for spatial and operational conditions for the child group up to 12 children, which entered into force with the Act on children's groups, sets a standard of hygienic requirements for spatial and operational conditions in the areas, in which the service is provided. Increasing number of children in the child group means increasing hygienic requirements. The conditions are set as to fully respect the child's healthy development needs. For more than 4 children in the child group, additional hygienic requirements beyond the defined standard are set to ensure the health and safety needs of children in the larger collective. For more than 12 children in the child group the same hygienic requirements are set as for kindergartens. The measure sets maximal number of children to be cared of by one caretaker, most available number of children under care in an institution and also qualification requirements for caretakers in child group as follows:

- healthcare qualification or
- social qualification or
- educational qualification or
- qualification of child care provider for children up to the compulsory school age.

Other conditions are established, i.e. internal rules, registration of children, obligation to conclude an insurance contract liability for personal injury or property, obligation to take care of children in compliance with an approved education and training policy etc.

Besides the child group system, the **Ministry of Education, Youth and Sports plans to enable the entrance to kindergarten for children from the age of 2 years** (currently, kindergarten is in principle open for children from 3 years of age).

Challenges encountered

The Czech Republic is facing following the challenges:

- To strengthen the participation of women with small children in the labour market.

¹⁷ Within the project, the best practice examples in the field of flexible working arrangements and childcare services have been shared among the participating European countries (the project is still ongoing). Successfully piloted measures from this project were used during the preparation of the Act on Children's group.



- To create sufficient availability of affordable quality childcare services for pre-school children, particularly for children up to 3 years. Firstly, the Czech Republic needs a **functional network of childcare services**, then changes in measures related to family support (leaves, benefits, services) can be discussed.
- To introduce father's allowance or parental leave reserved exclusively for fathers.¹⁸
- Support of vulnerable families and single-parent families, families with 3 and more children and unemployed households with children.
- Moreover, the outcomes of the Peer Review will feed into the work of the newly established **Expert Commission for Family Policy** which has been set up in order to assess the current national situation and the future direction of family policy reform in the Czech Republic.
- Furthermore, the availability of quality childcare services therefore relates to issues such as **equal opportunities, better access to the labour market and thus better social protection, notably in retirement**, for women.
- For preparation of a network of childcare services, it is necessary to discuss the objectives and principles of childcare for children under three years of age, **carers qualifications, quality control mechanisms, hygiene and construction and technical (spatial criteria of facilities) standards applicable to different types of providers**.
- The **sustainable financing** of childcare services with regard to the involvement of parents.
- To create a **comprehensive system of public childcare policies**, including a system of maternity and parental leave with guaranteed re-employment, public childcare services, such as nurseries and kindergartens, as well as financial support for parents of young children.

¹⁸ By introducing a father's allowance for a period of 1 week drawn until 6 weeks after the child's birth or after taking the child to care, the situation provided for in Czech law following the introduction of the father's parental leave will be practically equivalent to the system applicable in numerous European countries.

