



Liechtenstein's parliament passed a draft law for equal treatment of childcare facilities with regard to public subsidies

ESPN Flash Report 2017/70

PATRICIA HORNICH – EUROPEAN SOCIAL POLICY NETWORK

NOVEMBER 2017

The Liechtenstein Childcare Contribution Regulation (KBBV), based on the Children and Young Persons Act (Kinder- und Jugendgesetz, KJG), governs family benefits for families relying on childcare outside their homes for employment-related reasons. The law is silent about the subsidy process and eligible institutions. Members of the Liechtenstein parliament demanded changes in the law in order to guarantee equal treatment for all forms of external childcare.

LEGAL NOTICE

This document has been prepared for the European Commission. However, it reflects the views only of the authors, and the Commission cannot be held responsible for any use which may be made of the information contained therein.

Description

In Liechtenstein, there are no professional childcare facilities operated directly by the government; all of them are private. The Childcare Contribution Regulation (KBBV), based on the Children and Young Persons Act (Kinder- und Jugendgesetz, KJG), governs public subsidies to professional childcare facilities. However, the law says nothing about the subsidy process and eligible institutions. To address this issue, on 11 September 2017, the Liechtenstein Parliament approved a "postulate" (i.e. a form of request requiring the government to examine and report on whether an act or decree needs to be drafted or changed) aimed at ensuring that public subsidies are granted to childcare on an equal basis, and handed it over to the government to comment on it.

The current government subsidy process involves direct financial support to professional childcare facilities: it is the government that selects the institutions for which subsidies are granted. Until 2010 all existing childcare facilities were affiliated to the KITA association (*Verein Kindertagesstätten*, Association of day-care facilities for children). The government then decided to financially support KITA as a holding organisation for the given childcare facilities. KITA is a non-profit, non-governmental organisation. In the

following years, new childcare facilities opened, some of them operated by KITA, others not. All childcare facilities affiliated to KITA benefit from a public subsidy. None of the others do, since in 2011 the government declared a halt to further public spending on childcare facilities as part of the general cost-cutting programme. Thus, new childcare facilities founded after 2010, which have not joined KITA, do not receive public spending, since the subsidy granted has not been extended. As a result of this discrimination, childcare facilities belonging to KITA are able to offer their services at more attractive conditions. Given that the socio-economic characteristics of families using the facilities (such as their level of income) are not reflected in the public subsidy criteria, this means that families are not treated equally across the country – it depends on whether or not they have access to a KITA childcare facility.

The parliament stated that there should be no differentiation between different types of childcare facility as long as these meet the legal criteria. Based on the parliamentary postulate, the total amount provided in subsidies should remain unchanged and will have to be shared between a larger number of childcare facilities (including "non-KITA facilities"), "KITA facilities" which

currently receive subsidies will receive less.

The government was asked to work out solutions concerning the following main issues:

- equal treatment of all families living in Liechtenstein which rely on external childcare;
- equal treatment of all external childcare facilities operating in Liechtenstein (e.g. equal treatment of KITA and non-KITA childcare facilities, or the provision of childcare benefits directly to the parents, who can choose their preferred childcare centre);
- establishment of additional public subsidy criteria which take into account the financial situation of families (higher support for low-income households);
- if childcare is necessary for employment-related reasons, public subsidies should be paid directly to the families.

Outlook & commentary

From the point of view of the members of the Liechtenstein parliament who initiated the request, the financial support for out-of-home childcare is not distributed on the basis of a fair and objective rating system.

As the general political and social context implies no additional public spending but an increasing need for out-of-home childcare facilities, changes in the current system are necessary. Objective criteria are needed to evaluate which facilities are entitled to public spending. The increase in the employment rate for women (the share of women in gainful employment increased from 10,445 to 11,229 from 2010 to 2016), changes in family structure, and the desire for flexible working arrangements have all driven up the demand for childcare provided outside of the home. Thus, Liechtenstein's family policy – including the structure of financial support of childcare facilities – must address these recent developments.

Further reading

Childcare contribution regulation (Kinderbetreuungs-Beitrags-Verordnung; KBBV):
https://www.gesetze.li/lilexprod/lgsystpage2.jsp?formname=showlaw&lglbid=2009055000&version=1&search_text=Kinderbetreuung&search_loc=text&sel_lawtype=conso&ompl_list=1&rechts_gebiet=0&menu=0&tablesel=0&observe_date=27.09.2017

Parliamentary postulate regarding equal treatment of childcare services:

<http://landtaglive.gmgnet.li/files/medienarchiv/S55C-617080807460.pdf>

Parliamentary decision on the postulate for equal treatment of childcare services (select date September 2017):

<http://www.landtag.li/beschluesse>

Authors

[Patricia Hornich](#) (Liechtenstein Institute)