

CHALLENGES AND THE WAY FORWARD FOR CHILDREN'S SERVICES IN HUNGARY¹⁾

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Abstract: The paper describes the present system of childcare leaves and childcare services – as means of support for families with young children – then, gives an overview of challenges and possible future scenarios. A discussion of family day care services highlights the country's experience of introducing and trying to scale up these services, which are thought to be especially suitable for rural areas where it is not cost-effective to maintain childcare centers.

In Hungary, the system to support parents with young children includes leaves for insured and uninsured parents, paid at different levels; financial support in the form of family allowance and tax credit; and childcare services. These services include nurseries, called “*bölcsőde*” in Hungarian, for children under the age of three; kindergartens, called “*óvoda*” for those between the ages of 3 and 6; and family day care “*családi napközi*” for children between 20 months and 14 years of age.

The different elements of the leaves available for parents to care for their child cover the period up to the child's third birthday. Parents who did not have a specific number of days spent in employment – therefore, are not insured – receive a flat sum. Those who are insured, – that is, had the required number of days – are paid at 70% of their previous earnings, up to a ceiling, until their child becomes two years old. Then, they receive the flat sum until the child become three years old. There is also a third element, for which those parents are eligible who have three or more children and the youngest child is between three and eight years of age. The payment for this is the same flat sum. Fathers can have five days of fully paid leave during the first two months after the birth of the child.

Nurseries and kindergartens are both public centers providing full time care and education. Families pay only the cost of meals, but those in need have free or reduced priced meals. The ratio of the age group in nurseries is only about 11%³⁾, whereas the ratio in kindergartens is 85%. So, during the period covered by leaves, the majority of children are at home with a parent – mostly the mother. However, this cannot be taken for granted as a parental choice, since there are no nurseries in many parts of the country, and there are areas where there are no job opportunities either.

None of the democratic governments since 1990 developed childcare services as much as they could have. Demographic goals seemed to override other considerations, and one of the measures thought to address declining birth rates was the development of an extended system of long, paid childcare leaves. Until recently, gender equality has not entered the debates about leave policy and achieving a balance between work and family life. Organizations calling for equal rights for women in the 1990s and the early 2000s focused on reducing domestic abuse, ‘equal pay for equal work’, and women's representation among decision makers.

¹⁾ This article is based on the presentation made at the Czech Presidential conference *Parental Childcare and Employment Policy: "Collision or Complementarity?"*, Prague, 5–6 February 2009.

²⁾ This article was published in *Demografie*, 2009, 51 (4), pp. 266–273. The contents of the journal are published on the website of the Czech Statistical Office at: <http://www.czso.cz/csu/redakce.nsf/i/demografie>.

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³⁾ Source for all data throughout the article: Hungarian Central Statistical Office.

Nonetheless, there is an uneven division of labor between men and women in the home. In order to raise the labor force participation of women it has become important to provide more affordable and more diverse services for children.

The reasons for changes in childcare policy and services were numerous. Some of these were related to ideology, some to financing issues, and some to new or unmet needs. The overwhelming majority of nursery and kindergarten places are still in public centers. Whereas earlier, a substantial share of them were maintained by companies, today their involvement dropped to a fraction only.

The system of children's services in Hungary is split. Policy responsibility for children under the age of 3 come under the Ministry of Social Affairs and Labour⁴⁾. The Ministry of Education and Culture has responsibility for the services for children 3–6 years, which are now seen as the first stage of public education (kindergarten). Schooling age in Hungary is 6, and kindergarten is compulsory for 5 year-olds as preparation for school.

The 1997 Act on the protection of children, and the 1993 Education Act are the relevant pieces of legislation for nurseries and kindergartens. Regulations govern the system of administration and inspection, define minimum criteria, educational content, quality standards and access to childcare, respite care and long term care services, and kindergarten and after school care respectively. Both pieces of legislation focus on children's rights, equality, and the involvement of parents in the programs. Licensed family day care and home childcare were also included in the 1997 legislation as basic services to be provided for families with young children. A family day care provider can look after maximum five children between the ages of 0–14. The laws define the duties of local governments also, and state what (so called "basic") services they are required to ensure for the population in their area of authority. These duties can be fulfilled by setting up and operating programs directly, or in partnerships, as well as by means of contracting out the services. Nurseries and/or family day care and kindergartens are, for example, such basic services. Licensing regimes vary according to the type of service, and are based on the criteria set in legislation for the different services. Local authorities are the issuing agents.

The inspection is done by the county guardianship offices (part of the public administration system) once in every 4 years, and by the licensing local authority once a year for nurseries and family day care. The inspection of kindergartens is the duty of the maintainer, mostly local authorities. The maintainer also evaluates the professional work in the kindergarten on the basis of the pedagogical measures and evaluations of pedagogical service, the expert-opinion of persons in the national register, the report written by the institutions of public education, and the opinion of supervisory body of kindergartens. Registered professionals have to be asked to comment on plans for setting up, or closing down services and provisions.

There are several challenges that have to be met. Perhaps, the biggest ones are the difficulties in implementing policies arising from the decentralized nature of Hungarian administration. There are more than 3100 local authorities. Many of them are small with a population of less than 2000 people, with the same duties as the bigger ones, but with small budgets, which are not enough to finance services. Another challenge is the divergence of interests between central and local governments, which have consequences for the implementation. Whereas access issues are important for the central government due to plans to increase women's labor force participation, and to meet the Barcelona targets, local authorities often have other priorities. Consequently, access to places in nurseries is uneven, rural areas usually lack services. The division between early education and care provisions (nurseries and kin-

⁴⁾ At times, this task was the responsibility for the primary healthcare for children. Later, since the beginning of the 1990's childcare was considered to relate more to social welfare. Law 31 of 1997 currently places responsibility for the 0–3 year old children under social welfare.

dergartens coming under the authority of different ministries) makes the provision for children's services even more difficult. Improving access for children in under-served rural settlements, for children with disabilities, and for Roma children to childcare and kindergarten were recommended by the OECD (2004).

Most of the children under the age of 3 are cared for at home by the mother, due to the availability of extended maternal and parental leaves. Non-parental childcare for children between the ages of 20 weeks to 3 years is provided almost entirely in nurseries. Those children whose development is assessed to be lagging behind can stay until they are 4 years old, and those with disabilities, up to age 6. Since 1984, however, both the number of centers and their places have dropped by about 60 percent. Today, only about 15–20% of the settlements have nurseries, and most of these are bigger towns. In 2007, there were 24934 nursery places, providing for 32010 children, for about 10-11% of the age group. As the data indicate, the number of children admitted was higher, than the places nurseries are licensed for, thus the utilization rate was high. Most children attending were in the 24–35 month age range, and about a third was older than 36 months. Special needs children can be integrated into mainstream childcare settings.

Family day care, as a new form of childcare was introduced in 1993. It is the form of childcare when someone cares for other people's children in her own home. The legislation and criteria for licensing family day care homes were developed in the early 1990's, with the idea of substituting nurseries and kindergartens in those settlements where centers cannot be maintained. Today, family day care means licensed homes, with maximum 5 children per adult between the ages of 0–14. However, in 2007, there were only 205 family day care providers in the whole country. Why? The main problem is the difficulties of financing, since most families do not have enough income to cover the full cost of care, and there is limited public financing. Out of the 205 providers, 51 were public, and 154 were private or non-profit.

In the course of developing the family day care model during the 1990's, some concerns were addressed, which are still problematic today:

- What level of quality can be ensured in these homes?
- What kinds of support family day care providers could receive to get started and to operate?
- How it is possible to ensure a good balance between center-based care and family day care when the latter is cheaper for local authorities?

The debated issues covered setting standards, training and support, and the importance of finding the right balance between providing center-based and family-based childcare. The model was intended to be widely available so the requirements had to be suitable for “average homes” and ensuring the safety, and healthy development of children at the same time.

Good quality requires training. But what kind of training was to be requested? Professional training? If yes, was it to be that of a nursery worker who cares for children under the age of three, or that of a kindergarten teacher, or that of an elementary school teacher?

But perhaps the toughest issue was to make sure everyone understands the aim and functions of family day care, and how these differ from traditional center-based services.

Today, we have legislation that regulates the minimum criteria and licensing for family day care. These include the definition of fit person, the requirement for prospective providers to attend a 60 hours training course, and the criteria for the environment and the working with children. However, upscaling is slow, due mainly to financing difficulties.

Kindergarten coverage is much better, since childcare leave and assistance are available for parents only until the child's third birthday, and therefore, the demand for places providing for children older than 3 years have always been much higher. Kindergartens were developed

⁶⁾ I: Interviewer, R: Respondent.

extensively during the 1960's and 1970's, and survived the transition years with only some closures. As a result, most of the settlements in the country have a kindergarten. In the 2007/2008 school year, there were 349514 kindergarten places, providing for 323958 children for about 85% of the 3–6 year-old age group.

The ratio of private (non-profit and for profit) providers is about 5% only both for kindergartens and nurseries, the rest are public services.

Both nurseries and kindergartens provide full time care and education. Opening hours are usually from 6 in the morning to 6 in the evening, with some local variations. Children get four meals a day: breakfast, mid-morning fruit, hot lunch, and afternoon snack. Centers usually close altogether for six weeks during the summer and Christmas holidays. However, closing times during the summer vary among centers in a given area, so those children whose parents cannot take leave for those specific days (and whose grandparents cannot look after them either) can attend another nearby center during this time. Both are comprehensive programs, addressing children's total needs by providing an integrated package of services in healthcare, nutrition, and psychosocial stimulation. There are regular visits by health visitors, and according to need, both nurseries and kindergartens can use the services of other professionals, such as psychologists, special education teachers, speech therapists, etc.

Since the political changes from state socialism to democracy in 1989/1990, diversification of the relatively uniform services has been taking place. Ways of breaking the uniformity included the introduction of flexible opening hours, offering additional services (such as mother-toddler groups, parent groups, take home meals, special events for children and families), opening up to parents and the community, involvement of parents and reformation of the curriculum. Many nurseries offer services, which are available for all parents living in the area. The most common ones are:

Creche-service: occasional care for children whose mother needs some time during the day or week for some reasons, such as distance working, study, every day chores, etc.

Mother-toddler group: where parents and children can spend some time together, play, and meet others on the premises of the nursery.

Organized events for parents: events usually tied to mother-toddler group meetings, experts are invited to talk about topics the parents are interested in, or ask for.

Toy library: where parents can take out a choice of toys, books and equipment.

Take-away meals: usually the kitchen of the nursery cooks pre-ordered meals for take away by parents living in the neighborhood.

Home childcare: Families can request a careworker to go to the child's home for a period of time when the parents need help in looking after the child.

Advisory service for parents: Regular parent group meetings, where topics of their choice or problems are discussed. In addition, any parent can seek personal advice in matters concerning his/her child.

Hungary has national standards both for nurseries and for kindergartens, which cover basic principles of care and education, minimum criteria for the environment, staffing, health and safety requirements and necessary documentation. These regulations aim to have a core standard, while providing enough flexibility for institutions to shape their service to meet local needs. The approach to work with children, that is, pedagogy, is practice-oriented, dealing with issues of supporting the process of becoming autonomous and independent, the tasks and role of practitioners related to children's play and other activities, relationship with families, introducing/inducing children to the centre, communication between workers and children, nursery tales and poems, etc. Nursery worker, as well as kindergarten pedagogues believe that the "most possible time should be left for playing". Nevertheless, there is some difference in approach that reflects the characteristics of the two age groups. While nursery workers give priority to "teaching the children how to do everyday tasks and become self-re-

liant and autonomous”, kindergarten pedagogues also emphasize “passing on cultural values and preparation for school”. Careworker/child ratios are 1/6 in groups of 12 children in nurseries, and 1/11 in groups of 22 children in kindergartens. The ratio is better for groups with special needs children. Professional support for nurseries is provided by appointed nurseries, whose staff monitor other services in a given geographical area; organize training and ongoing training, conferences, exchange visits etc.; provide consultation and guidance; and circulate information.

The main challenge today is related to growing admission rates to the same number of places. Group sizes have become bigger, and the ratio of children per adult have become worse in nurseries, as there has been a growing demand for places, and no other solution is easily available to local authorities. Consequently, flexibility cannot be ensured in many places, and additional services might no longer be provided because of the high utilization rates putting greater demand on staff. Part-time care for children has been cancelled in favor of full-time care, for the same reasons. Work with special needs and disadvantaged children has been gaining more attention. Their numbers in services have been growing ever since the transition years due to set policy priorities and this poses quite many challenges both for nurseries and kindergartens, related to further education of staff about working with such children, securing the services of specialists, necessary alterations in the environments, acquisition of toys and equipments, etc.

The name of workers in nurseries is “childcare worker”, meaning a person looking after / taking care of children. There were 5576 childcare workers in 2007. The name of workers in kindergartens is “kindergarten pedagogue”. There were 29919 kindergarten pedagogues in 2007. More than 90% of the practitioners in both centers are qualified. In addition, there are assistants in both types of centers, helping qualified staff responsible for the work with children. The different names of the workers in the two types of service for young children imply different understandings and approach to work. However, the difference in practice is not that great anymore. Pedagogy is the overarching link, and supporting children’s overall development is the main aim of both professions.

Education for nursery workers and kindergarten pedagogues is not only at different levels, but are offered in different institutions. Both include a substantial amount of practice. The professional qualification is on upper medium level for childcare workers, and tertiary level for kindergarten pedagogues. The orientation of the two types of education is somewhat different. Nursery workers were traditionally taught many health and medicine-related subjects and only a few dealing with the psychology and pedagogy of children/childhood. This ratio has been changing over the years, but practical subjects still dominate. Theoretical aspects have been stronger in the training for kindergarten pedagogues. No qualification is required for family day care providers but they have to attend an introductory course and have to meet certain criteria required for obtaining a license. Qualified workers both in nurseries and kindergartens have to participate in accredited further training and to collect a certain number of credit points within 5 years in order to be kept registered, that is, to be able to keep their job. Legislation describes the system of accreditation and registration.

Children’s services and elementary education are dominated by women. There are no men at all in nurseries, and their number is negligible in kindergartens. Those few men who work with young children report facing quite many difficulties but believe they can bring something new and unique to the lives of children and to traditional female dominated services.

The average age of the workers is 41 years in both in nurseries and kindergartens, which forecasts problems. The aging of the childcare workforce is clearly not a recent development,

⁷⁾ Unlike induced abortion, where, if the woman seeking the induced abortion is under the age of 16, parental consent is required.

though. Maybe the popularity of the profession declined, maybe working with children is not seen as a “profession”, maybe more young people choose to study for higher education degrees, maybe the prestige of the work is not high enough. There are no clear answers. Career opportunities are usually linked to the structuring of the workforce and its training. In Hungary, advancement is limited to being the director or deputy director of a nursery or kindergarten even if workers complete further training courses. Moving to other services is quite limited, due to the specialized nature of knowledge and skills.

Labor shortage is a big problem for the whole ECEC sector and the main cause is the extraordinary low wages. All these workers are public employees and their salaries are based on a unified wage table. Radical steps have to be taken in order to make the profession inviting for young people. The prestige of the work in society should be raised, and the conditions (including pay, education, and work conditions) should be improved for ensuring the recruitment of new professionals

Financing limitations allow only supply-driven services. As a result, there are not enough places for children younger than three years of age, although it is a legal duty for local authorities to ensure a place and to assess needs locally. Financing services is mainly the responsibility of the central government in the form of earmarked funding, and the local governments by complementary funding. Between 30 and 40 per cent of funding for nurseries and kindergartens is from central government, 10 per cent from parents' fees, which is lowered or cancelled completely for those with low incomes, and the rest is covered by local government. For families receiving supplemental child protection allowance, meals are free. Since 1996, kindergartens are eligible to receive a double normative grant for each child with a speech-based need or light mental disability, and a triple grant for each child with a physical or sensory disability, autism, or medium severity disabilities.

The decentralized system has disadvantages over full state-funding because, local governments have many duties to fulfill, and the financing available for these tasks is often not enough. Especially, smaller local authorities tend to have financial difficulties. Although it is possible for them to contract private and voluntary sector providers, services are almost entirely public. The reason is the discrepancy between the cost of delivering services and the combined sum of earmarked funding and parental payments. Average income level is low in Hungary, which makes it impossible for most families to cover the full cost of care.

On a national level, payments related to leaves, cost less than to set up and maintain nurseries.

According to several surveys, the dominant attitude of the population is that the best place for the young child is at home with the mother. Leaves seem more popular than childcare services. Are they really? We do not know the answer, because the responses to surveys are biased by the fact that most families do not really have a choice. Because:

There are no other options than leaves in many places; strong traditional belief exists that it is best for children under 3, to be at home with the mother; the take up of leaves comes with payment, whereas parents have to pay – however little it is – for nurseries and kindergartens; there are difficulties returning to work after the leave period; and generally, the knowledge about leaves is better than about children's services

In line with European developments, today, demographic goals have less importance than in the earlier decades, and there has been a growing interest in leave policies closely related to the attention paid to increasing female labor force participation and balancing work and family life. This change in focus has raised questions about the length and payment level of available childcare leaves and about the right mix of paid leaves and ECEC services. Economists have been warning that extended leaves are counter-effective to the return to paid work. The longer the period the mother stays home with the child, the smaller the chance that she will be able to return to and re-integrate into the developing labor market. The OECD (2007)

recommendations for Hungary suggest that extended leaves ought to be cut back from 3 years to maximum 12 month, and the savings should be used to fund increased support for childcare services. Sociologists, on the other hand, demonstrate the poverty alleviating effect of the benefits tied to leaves in poor families, and argue that long paid leaves are sometimes their main (or only) source of income.

The present structure of the Hungarian leave system has been shaped through changes influenced by the very different approaches during successive government cycles. Probably due to the lack of overall consensus about the function of childcare leave (whether to support childbirth, children's development, women's labor market participation, women's equality, etc), there is now one strand (GYES) that is available universally for those who have not had the necessary number of insured days (work) before giving birth, and another one (GYED) for those who had been insured. GYES is paid at a flat-rate, equal to the amount of the minimum old-age pension. Payment for GYED is 70% of earnings up to a ceiling. Overall, the prevalence of financial support for families has not changed.

Structures have changed quite often and quite a lot during the transition years, but the perceptions of women's role in society and within the family have been changing only to a lesser extent. A study (Pongracz, 2008) looking at expectations concerning paid work and family responsibilities internationally indicate that the transformations in Hungarian society had no influence on the nostalgia felt for the traditional gender values and the traditional division of family commitments. Nevertheless, there was agreement also that the family cannot afford to forgo the woman's salary. Others (Brayfield and Korintus, 2008) found that both men and women increased their support for women's employment over time, but full-time employment was clearly not desirable for women with children under 3. These are in line with the argument (Blaskó, 2005) that the acceptance of the male-breadwinner model after 1989 was mostly due to massive unemployment in the early nineties. The overall picture emerging from a survey (Korintus, 2008)⁵⁾ indicate that the respondents favored the mother staying home with a young child; think that nurseries are used mainly because the mother needs to have a job in order to have enough income for the family; and are of the view that a wife would rather work part time, or not work at all, if the husband earned enough for the family to live on. But the responses have to be interpreted carefully, given the widespread lack of nursery and/or family day care places, and the difficulties to return to the labor market because of a general job shortage and prevailing working-time rigidities, in particular the low availability of part-time jobs.

There are arguments (Ignits és Kapitány, 2006) that during the transition years, the emergence of unemployment and the growing social inequality forced the support system of family policy to take over more and more the tasks of social policy. Therefore, the effects of the family support system (including childcare leaves and allowances) on alleviating poverty are sizable. The Hungarian Central Statistical Office data show that social transfers can effectively decrease child poverty, from 48% to 20%. Even though supporting parents' labor market participation and developing services for children – including developing and better organizing childcare – have been identified as the main means of reducing poverty in a recent government program, the effects of cutting back on leave periods (and therefore, the benefits tied to them), especially on the universal one, might worsen the situation of the great portion of those families whose income very much relies on this form of support. According to the data of the 2006 TÁRKI Household monitor, about 12% of the population in Hungary can be considered poor. Children and youth are the two age-groups with the highest risk of poverty. Compared to the average 12%, the poverty rate among 0-15 year olds is 15%. In view of these data, affordable childcare services available at times consistent with working patterns and of

⁵⁾ The study used data from the omnibus survey collected by TARKI in 2005.

a high quality are also of high importance, besides parental leave entitlements, both to address poverty and to help bring more mothers into the labor force.

The framework of Hungary's strategy is given by the EU Barcelona targets, the "Legyen Jobb a Gyermekeknek" (Making Things Better for our Children) National Strategy (2007–2032) and Action Plan, and the New Hungary Development Plan (2007–2013). These set the goals of supporting parents' labor market participation and developing services for children – including developing and better organizing childcare – as the main means of reducing poverty. The strategy considers supporting parents' labor market participation and developing services for children, including developing and better organizing childcare as the main means of reducing poverty. However, issues about implementation and scaling up emerge. Legislation is in place, but questions of financing, sufficient number of qualified workers, training needs and capacities have to be solved. Otherwise, the legislation will not be implemented on the local level.

One way forward is the integration of nursery and kindergarten services. The issue arose within the scope of the discussion about shortening the leave periods and increasing the number of available places for children under 3. Local authorities, especially the small ones, do not have funds to build new nurseries. Family day care could be a solution with some funding from local authorities, or with higher parental payments. Neither of these seems to be realistic on a wide scale. Therefore, other options are explored, such as making space available for a nursery group in kindergartens, and changing the legislation to admit 2 year-olds in kindergartens. These options might be a solution to greater access, but who will work with these children? Presently, there is an aging workforce and no one knows who will replace them. The job is not prestigious and it is low paid. Young people are not likely to find it a good career option.

Today, Hungary, as a member of the European Union, is expected to meet the Lisbon and the Barcelona targets (whereby childcare places should be available for 33% of children under 3), related to women's employment, and services for children respectively. However, there are many challenges and problems that are rooted in the inherited system, financial constraints and policy making (the perceptions and attitudes of decision makers). Birth rates have been falling for a long time, the society is aging, and these trends are coupled with low activity rates, especially with low women's employment rates.

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