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**CROSSNATIONAL ANALYSIS OF EXISTING  
CHILD CARE PROGRAMS IN BULGARIA,  
HUNGARY AND POLAND and THE  
OPPORTUNITIES FOR PRIVATE PARTICIPATION**

*Draft Final Report*

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PARTICIPATION**

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**PRIVATIZATION OF CHILD CARE FACILITIES IN CENTRAL AND EASTERN EUROPE: AN ASSESSMENT OF EXISTING CHILD CARE PROGRAMS AND THE OPPORTUNITIES FOR PRIVATE PARTICIPATION**

**A. *Project Objective***

The principal objective of this project is to address the need for child care services in Eastern and Central Europe and to determine feasible private participation alternatives available to the countries. Private child care will be examined as a business opportunity for women entrepreneurs which would improve the quality of child care services in Central and East European countries. The countries selected for this project are: Bulgaria, Hungary and Poland.

**B. *Project Methodology***

This analysis is based on data collected during the IPG team's one-week country visits to Bulgaria (11/92), Hungary (1/93) and Poland (1/93). During field work the team interviewed ministry and local government officials, heads of research institutions, psychologists and sociologists, teachers and child care facility directors. The team also visited several public and private child care facilities. In the context of this project, facilities are divided into kindergartens for 3-6 year old children and nurseries for 0-3 year old children. This analysis also draws from various documents and reports, obtained prior to and during country visits, which address economic issues, public policy, child development and child care and education.

**C. *Principal Findings***

The following describes the IPG team's principal findings:

- **Government Administration and Institutional Issues:** Since the political and economic transition began in each of the countries under study, responsibility for the provision of child care services to the public has been transferred to the municipal and local governments.
- **Public Finance and Cost Recovery:** With the devolution of responsibility for child care services, there has been no corresponding transfer of resources for the execution of this new responsibility. The already strained local and municipal budgets have difficulty financing the demand for child care. In general, there are no guarantees of financial support for public kindergartens and nurseries. Poland and Hungary do

guarantee the provision of care and education during the year prior to first grade (referred to as "zero class" in Poland).

As of January 1993, public child care facilities in all three countries under study charge nominal fee for child care. These have been traditionally designed to recover the cost of feeding children during their stay at the care facility, not to cover full operating costs. Hence, there is no tradition of real cost-sharing between the government and the individual.

- **Quality and Coverage of Existing Services:** Although variations do occur within and between countries the team's observations indicate that in general the quality of publicly provided child care services is very good. Child care services are provided to two age groups: 0-3 and 3-6 (or 7, depending on the country). Services include half-day and all-day nurseries and kindergartens, weekly and seasonal nurseries, as well as other forms of care for children with special needs or children facing challenging circumstances.

The coverage of kindergarten services is very high in Hungary at approximately 86% of the kindergarten-age population. In Bulgaria the coverage is estimated at 75-82%, while in Poland coverage is significantly lower at 42-50%. Nursery level care is provided by the government to only 3-4% of the nursery-age population in Poland, whereas in Bulgaria and Hungary the percent coverage are slightly higher at 9.2% and 10% respectively. The difference in levels of coverage between kindergarten and nursery levels is attributable to the child care related benefits which families in all three countries are entitled to from the moment the child is born to its third year.

- **The Legal Framework for Private Participation:** The legal framework in Hungary, Poland and Bulgaria is in place and encourages private participation. Private care and educational facilities are expected to meet the same educational standards as public facilities. The regulations to be followed for the establishment of a private care facility are clearly stated in all three countries.
- **Demand for Child Care Services:** Given the economic difficulties faced by the general populations in Poland, Hungary and Bulgaria, the demand for child care is likely to remain at current levels or to increase. Very few families can afford to live from single incomes, hence as both parents typically work, dependable and affordable child care is an important factor in the lives of the average population.
- **The Population's Ability to Pay:** Fees charged by public child care facilities across the three countries have not been historically calculated to recover full operating

costs. Although fees have increased 100% over the last two years in all three countries, these increases have been calculated to keep pace with inflation, not to recover costs. Child care fees typically constitute 15-20% of family income and further increases could significantly reduce the demand for institutional child care and increase the demand for informal, family care.

***D. Principal Recommendations***

In light of the general population's inability to pay higher fees, the bulk of the financial burden of providing child care services will continue to fall on central and municipal governments. There are only limited opportunities for private delivery of child care and education since private facilities would not be able to collect fees from the majority of the population: at this point in the economic transition only a select few would be able to afford the high fees a private child care facility would demand. For this reason the recommendations cited in this report focus on facilitating private participation through policy measures and public-private partnerships.

- **Establish a more progressive fee structure in public child care facilities such that fees would be more in line with ability to pay.**
- **Earmark a portion of local income and corporate taxes for the operation of kindergartens and nurseries.**
- **Provide tax incentives to companies and factories who establish on-site or near-site child care facilities, companies that subsidize child care directly through employees, or buy out blocks of slots in nearby child care facilities.**
- **Encourage the private sector to establish teacher companies or agencies which would deliver specialized classes (such as English, gymnastics, judo etc) at extra fees charged directly to parents.**
- **Encourage the establishment of child care agencies which would cater to after school, after hour and holiday child care needs.**
- **Encourage the establishment of licensed family day care homes for children aged 0 to 4, ideally with partial subsidization or minimally with regulation, licensing and training provided by local authorities. Since family day care exists informally in most countries across the world and particularly in Eastern and Central Europe due to the tradition and current need for women to be an active part of the work force, this would formalize and improve the quality of service.**

- **Establish ongoing and accessible financing for small businesses in the educational field, such as child care.**
- **Provide technical assistance in the areas of child care facility management and financing, innovative methods of education and care, curriculum development, parent and community involvement, teacher-student interaction, and family day care approaches.**

**CROSS NATIONAL ANALYSIS OF EXISTING CHILD CARE PROGRAMS IN BULGARIA, HUNGARY AND POLAND and THE OPPORTUNITIES FOR PRIVATE PARTICIPATION**

**I. INTRODUCTION**

*A. Objective*

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*B. Methodology*

This analysis is based on data collected during the IPG team's one-week country visits to Bulgaria (11/92), Hungary (1/93) and Poland (1/93). During field work the team interviewed ministry and local government officials, heads of research institutions, psychologists and sociologists, teachers and child care facility directors. The team also visited several public and private child care facilities (kindergartens for 3-6 year old children and nurseries for 0-3 year old infants). This analysis also draws from various documents and reports, obtained prior to and during country visits, which address economic issues, public policy, child development and child care and education.

The term "educare" will appear throughout this report. The IPG team uses this term, a combination of education and care, to reflect an integrated approach towards child care consisting of educational elements and custodial care.

*C. Background*

1. The Economic Conditions in Bulgaria, Hungary and Poland

Bulgaria, Hungary, and Poland are all finding the transition from a centralized system to free-market economies a difficult one. While the movement toward democracy and a market economy in all three countries is generally supported, communities face increasing hardships on social and economic fronts, with complex and controversial solutions emerging as the only options. Among the various issues of the transition process, the following directly affect the demand for and provision of child care:

- *increasing unemployment* prompts those who are currently employed to remain in the job market and increases the aggregate demand for child care services.
- *rising prices and inflation* diminish purchasing power and contributes to higher child care costs accompanied by a lower ability to pay;
- *growth of an economic class of modest means* creates greater demand for affordable child care services;
- *emerging middle and elite classes* creates the possibility of innovative public/private cost-sharing by tapping into new sources of funds and implementing progressive fee structures; and
- *uncertainty surrounding the continuance of public sector subsidies and benefits* contributes to the closing of numerous child care facilities and unpredictable duration of remaining ones.

## 2. Policy Reactions to the Economic Challenges of Transition

Among the principal child care related policy changes that have taken place as a result of the challenges Eastern European nations face during transition are: the promotion of "professional motherhood", the identification of selected educare levels as compulsory,<sup>1</sup> the channeling of funds to kindergartens only (as opposed to kindergartens and nurseries), and the increase of previously minimal child care fees.

During the period of economic transition, child care provision in all three countries has been an important family and community support. Government policies and current ideology support what is referred to as "professional motherhood", whereby mothers are encouraged to stay at home with their young children, particularly during children's first three years. However, child care outside the family is still required for two groups: 1) children whose parents are employed and cannot afford financially to lose any part of their income to stay at home, and 2) children who benefit from at least part-day care and education by trained caretakers in quality child care environments outside their home.

Currently, social safety nets are being re-examined and refined by policy decisions and/or law in Bulgaria, Hungary, and Poland. In general, communities and governments have tried and continue to try to maintain all social safety nets during this difficult transition period.

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<sup>1</sup> The term "educare" reflects the combination of education and custodial care which oftentimes takes place at the kindergarten and nursery levels.

Maintenance of institutional child care services is a priority issue in all countries and government leaders act upon it to the extent that policies, budgets, and histories enable such maintenance. In Bulgaria and Hungary, legislation during the transition period has sought to continue placing priority on funding kindergarten education for 3 to 7-year old children. This policy is in response to a perceived obligation of the state to provide these services to children and their families, and in general in support of the labor force. In Hungary, while the Ministry of Cultural Affairs and Education provides legislative support for kindergartens and dictates specific parameters for subsidizing kindergartens, there is no equivalent policy directive from the Ministry of Welfare for the funding of nurseries.<sup>2</sup> In Poland, a different public policy history toward early childhood education and care has resulted in "obligatory" zero class education which is a one-year form of child educare during a child's sixth year in preparation for primary school. There is no longer a state obligation towards the care and education of children age 3 - 5 or younger. Legislation in Poland supports the "duty" of municipal authorities to provide preschool education for 3 to 5-year old children, yet increasing costs and the wide variety of new obligations municipalities have inherited contribute to a greater probability of closing kindergarten programs for this age group than in the other two countries under study. Nurseries for 0 to 3-year old children in Poland only cover 3-4% of the population of this age group and their numbers are expected to decrease under municipality authority and financing. It is also likely that facilities will be converted into institutions for children with special needs or disabilities (e.g. institutions for the blind or handicapped).

Although child care centers are heavily subsidized when compared to those in western or other East European nations, facility directors are required to collect fees from parents in all three countries. These fees are a fraction of operational costs since they are designed to cover food costs. In Bulgaria, parents pay \$1.00 per day for children's food and the cost of some materials while in both Hungary and Poland, the cost of less than \$1.00 per day attended covers only food costs (breakfast, 2 snacks, and lunch). Thus, while parents may pay extra for special classes, special supplies, or field trips, the average cost for a child to attend public kindergarten is approximately \$20/month. Since family disposable incomes may range from \$100/month (one worker at the minimum wage level) to \$250 (two working parents at higher than minimum wage) a child care fee demanding 20% of family income per child is very difficult to cover. The situation is particularly stressful for unemployed parents who are actively seeking employment, single parents, or minimum wage parents with more than one child.

In light of the general population's inability to pay higher fees the bulk of the financial burden of providing child care services will continue to fall on central and municipal governments. There are only limited opportunities for private delivery of child care and education since private

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<sup>2</sup>Representatives from the National Institute of Day Care Centers were fearful that this lack of specificity would result in significant municipal support and subsidies for kindergartens and minimal amounts for nurseries.

facilities would not be able to collect fees from the majority of the population: at this point in the economic transition only a select few would be able to afford the high fees a private child care facility would require. For this reason the recommendations cited in this report focus on facilitating private participation through policy measures and public-private partnerships.

## II. ASSESSMENT OF EXISTING CHILD CARE SERVICES

Child care provision in all three countries consists of a combination of custodial care and education. Even a poor environment for young children is an influential, albeit limited, educational experience. For these reasons, many early education and child development specialists refer to all child care environments as educational ones, and, in some cases, the term "educare" has been used to consolidate these often misunderstood terms. In Bulgaria, Hungary, and Poland, child care consists largely of a system of nurseries or *creches* for 0-3 year olds and kindergartens for 3-6 or 3-7 year olds.

In each country control of child care programs (from building type, teaching materials and equipment, to staffing regulations, and curriculum guidelines) was centralized under the Communist regimes. Under this system the state sought to diminish the influence of individual family backgrounds, community or ethnic differences, and to emphasize the rearing of the child as a citizen of the Communist state. As state control of education is devolved to local municipalities, the regulations, supervisory systems and curricula are being modified to favor local autonomy, greater flexibility, more attention to child-initiated and teacher-initiated ideas and instructional strategies. In all three countries, there is also a significant emphasis on greater family/community involvement in schools and children's programs.

Several forces resulted in the establishment of the fairly available and generally high quality of publicly provided child care programs in the three countries under study. First, each country has had more than a century of interest in early childhood programs. Hungary, especially, has a long-established reputation for experimentation in child care and early education. Since the beginning of the Communist government in each country, the state emphasized full employment of women and a parallel responsibility of the central state to educate its citizens from an early age. These policies resulted in increased attention to the need for universal coverage at least at the kindergarten (3-6 year) level of education, and the needs of children, their families and the community in general. Factories were encouraged to provide child care/education programs (nurseries and kindergartens) that would allow women to work and would establish state-controlled quality care for children; state-financed neighborhood-based kindergartens, especially in cities and towns, were assigned top priority.<sup>3</sup>

The result of the generally high priority placed on child care in Bulgaria, Hungary and Poland is reflected in: 1) the quality of state or company-built facilities for nurseries and kindergartens,

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<sup>3</sup>It is not clear which reasons account for the differences in nearly full coverage in Bulgaria and Hungary for 3-6 year olds, compared to the significantly lower coverage in Poland. Some explanations may be that Poland has a larger pool of children requiring care, and that there is a disproportionate distribution of child care needs such that demand in rural areas is greater than in Hungary and Bulgaria.

2) the quality and quantity of educational materials that are available in the publicly financed programs (if those visited by the team can be assumed to be representative), and 3) in the state's attention to regulating teacher qualifications, group size, teacher-to-child ratio, and attention to curriculum goals and "lessons". The majority of the state regulations for buildings, materials, social organization and staffing, and curriculum represent careful attention to high quality standards within certain philosophies of curriculum and instruction for young children.

A. *Analysis of Public Child Care Services*

1. Nurseries

Nurseries provide care to children up to three years of age on either a daily basis, weekly or in a few cases a seasonal basis. Day nurseries typically offer full-day services at minimal cost to parents and have been historically developed to serve the needs of employed parents for custodial care for healthy 0 to 3 year old children. Currently, programs will take children at the early age of four months (the length of maternity leave) but typically children are enrolled in nurseries at the age of 6 months. Nurseries are open generally from 6 a.m. to 6 p.m., although schedules may vary from country to country. In all three countries weekly and seasonal creches where young children ~~are~~ live and are cared for during the week (or during a season of work) also exist, but are rare today. Day nurseries in all three countries were actively operated and regulated by the Ministry of Health or Welfare (names vary by country), until recent legislation transferred the responsibility for service provision to local municipalities.

In all three countries, factory or company all-day nurseries were prevalent during the past few decades, however due to the transition to a market economy and the governments' direction toward privatization of companies, factory nurseries have closed or are being transferred to local authorities. In Hungary and Poland, but not in Bulgaria, recent legislation has supported the legal responsibility of municipalities to provide kindergarten education oftentimes earmarking funding for such programs particularly the kindergarten year prior to first grade. The situation for nurseries is not as clear since there are no specific provisions made for day nurseries. Although funding is still channeled into nursery care programs there are no guarantees regarding their future allocation. Nurseries in all three countries constitute a small portion of the child care system because there have always been at home care alternatives paid for by the state. Today, communities are concerned that nurseries will close at a precipitous rate. In Poland, day nurseries cover only 3 to 4% of the nursery-age population, whereas in Bulgaria and Hungary the percent coverage are slightly higher at 9.2% and 10% respectively<sup>4</sup>.

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<sup>4</sup> Sources: Bulgaria- National Statistics Institute 1991 Annual Report; Poland - Central Statistical Office and Unicef, Children and the Transition to the Market Economy in Poland ; Hungary- Central Office of Statistics.

Day nurseries for 0-3 year olds are situated in government-owned facilities that have been built specifically to meet the needs of young children and carefully developed to ensure safe, clean, and healthy environments. Group sizes and caregiver-to-child ratios are appropriate for young children. However, the prevalent training of caregivers which focuses on the health rather than the social/educational needs of children may foster lower quality "educare" than is necessary or desirable.

## 2. Kindergartens

Kindergarten networks consist of programs for 3-6 or 7 year old children across Hungary, Poland, and Bulgaria. Ministries of Education (or the country equivalent) have been traditionally responsible for kindergartens, although in both Hungary and Poland administration, partial financing, and much of the direct supervisory power for kindergartens has been transferred to local municipalities. Municipalities also have the authority to open new programs, provide different types of subsidies, and close existing kindergartens under their jurisdiction. Each country has passed legislation expressing the duty of municipalities to offer kindergarten education for 3-6 or 7 year olds. The "obligation" of municipalities to offer kindergartens, however, covers only the final year of kindergarten in Hungary at age 5 years and in Poland at age 6 years ("the zero class"). Bulgaria's legislation at the time of the team's visit did not require, instead it encouraged, municipalities to provide a comparable service. Currently however, coverage is almost universal in Bulgaria with 75 to 82% of kindergarten age children enrolled in a kindergarten facility. In Hungary statistics indicate that 85 to 87% of 3-6 year olds are enrolled in a kindergarten. Historically and currently, coverage of 3-5 year olds in Poland has been much lower than in the other two countries covered in this project. Late 1992 estimates indicate that 42-50% of Polish 3-5 year olds are enrolled in kindergartens of any type, with only 18% of the 3-5 year olds in rural areas in kindergarten programs. In contrast, kindergarten attendance is obligatory for 6 year old children in Poland and 96% of the children of this age are estimated to be enrolled in a "zero class." Zero classes are offered in kindergartens as well as in primary school buildings.

It is the philosophy of curriculum and instruction for kindergarten-age children, as well as the desirability of such highly regulated programming that has come into question during the economic and political transition period in the three countries. As suggested above, the desirability of the state to mandate centrally controlled and supervised curriculum, without much regard for individual differences of children, their families, communities, or even teacher autonomy in decision-making, has been severely questioned in the past decade. Recent initiatives in both the public and private spheres of education have focused on the introduction of more child-centered curricula, different types of experimental curricula available in western European countries, active parental involvement in financing and curriculum development, and a greater degree of flexibility within communities and schools with regard to the focus and

application of the curriculum. In Bulgaria, this movement has contributed to the government's allowance to experiment with the 1985 state developed curriculum for kindergartens, as well as new regulations that allow for private schools to operate. In Hungary, this movement is evidenced by a new 1989 edition of the state centrally developed curriculum guideline that has greater flexibility built into curricular suggestions, permission to develop alternative curricula that would be presented for municipality approval, and regulations that allow for, encourage and subsidize private school initiatives. In Poland, 1992 publications by the Ministry of National Education provide a central specific guide to goals and curriculum for 3-7 year old children, along with booklets that present brief listings of what schools and teachers must consider in developing alternative curricula. While it is not clear whether these 1992 sketches of curriculum goals will encourage the desired autonomy and responsible decision-making in curriculum development in Poland (that appears to be the government's objective), the directions of reform, at this point, are clear. In addition, private schools, which have a longer history in Poland than the other two countries, are encouraged and "social kindergarten", a form of public/private sector partnership, are subsidized (see further detail below).

Despite the similarity in child care systems and issues among Bulgarian, Hungarian and Polish societies, there are differences in some types of kindergarten care provided and the degree to which public programs are implemented. Although all three countries provided factory or company-financed kindergarten care until recently, in Poland the percentage of factory/company related kindergartens is now less than 1% while in the late 1970s the percentage was as high as 20%. In Hungary today only 4.4% of the state kindergartens are connected to factories and the number is expected to decrease significantly in the next few years.<sup>5</sup> Thus the transfer of factory kindergartens to municipality ownership is affecting Poland somewhat more than the other two countries under study, where factory child care facilities were not as prevalent as they were in Poland.

#### B. Analysis of Private Child Care Services

In all three countries there is a strong interest in private participation in child care services. This interest is taking various forms and directions as ministry officials in each country recently developed regulations and procedures by which private schools can be established and operated. The regulations and standards of quality of care and education applied to private schools and child care centers are the same as those which public care and education institutions are subject to. Government officials at municipality and state levels, as well as teachers, encourage the development of private schools as alternatives to the public child care programs, and/or to relieve the state and municipalities of financial burdens. In the latter case, some private initiatives are being partially subsidized by the central and local governments. This partial

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<sup>5</sup> comparable figures were not available in Bulgaria at the time of the team's visit.

subsidization is perceived as a preferred alternative to closing schools altogether. Despite its existence prior to the beginning of the transition period, family day care is another form of privately provided child care which, when licensed and regulated, can provide an attractive alternative to public institutional care.

In Bulgaria, Hungary, and Poland, teachers and policy-makers alike indicated that for-profit private schools which emerge as an alternative to the public child care programs in the new market economy would likely serve the small emerging middle- and upper-class. However, the possibility exists that not-for-profit or "foundation" programs that received tax advantages would be in a position to cater to less resourceful families. There is some evidence that public sector programs are beginning to examine private school offerings (e.g., in Hungary and Poland) and provide similar offerings in order to compete with the private schools. However, the ability to compete in the long-term with richer private schools will be difficult to maintain. The long-term prognosis for the development of purely private child care programs in East European countries is fraught with complex questions.

Other alternatives exist. Some private schools operate as non-profit "foundation" schools which charge a fee but constitute a less expensive option than those presented by profit-oriented schools. "Social kindergartens" in Poland or state subsidized foundational private schools in Hungary are given direct subsidies by the state to complement revenues collected through fees.

Other cost-sharing efforts that include private participation have emerged in Bulgaria, Hungary and Poland. For an additional fee, some public schools offer extra-curricular classes taught by private tutors in English, gymnastics, swimming, music, theater and the arts depending on the school and the parent demand. Alternative private sector food catering services for nurseries and kindergartens were offered in Hungary, allowing for a new private sector market to develop, where previously a state-owned or approved food service had operated a monopoly service. In Bulgaria and Hungary, parent or business "sponsors" are being solicited to make contributions to schools, which constitute a form of public/private cost-sharing.

Finally, the team found that some new businesses in Poland were continuing to partially subsidize child care for employees. In none of the three countries did the team encounter laws or tax regulations that require private sector businesses to contribute to child care, nor were incentives given to businesses to develop child care or maintain child care for employees. The majority of companies undergoing privatization viewed most of their "social/ancillary assets" (including child care) as liabilities to be sold off cheaply or redistributed to municipalities prior to sale.

According to the law in all three countries, private schools and child care facilities are subject to the same standards of quality applied to public educational institutions. Training and

qualification requirements for directors and teachers in private schools in Bulgaria, Hungary, and Poland appeared to be similar to those required for public schools. However, in Hungary and Poland, where private schools are more prevalent than in Bulgaria, it appeared that once the state or municipality gives approval for a director or teacher, based on qualifications presented, the state or municipality does not continue to check qualifications for subsequent staff hiring. In Polish "social schools" parents are said to be actively involved in the hiring of directors and teachers whereas in public schools this is not the case.

### 1. Bulgaria

While the team found a strong interest among Bulgarian government officials, university educators, and by directors and teachers in private child care services, there were very few initiatives to date toward private participation. The team visited one non-profit "foundational" kindergarten program, BUDNO (BUDNO is the Bulgarian word for future - see Bulgaria report for details) that adhered to the Waldorf School philosophy. At the time of the team's visit, there were no state subsidies for development or operation of private schools, and little relevant experience in the financial community. In general, private schools offer desirable competition to the public sector and might allow some to develop higher quality programs, and profit (especially through higher teacher salaries) from a private sector initiative. Despite these perspectives, the vast majority of the 3-6 year old children in Bulgaria are currently enrolled in a network of publicly-financed affordable and adequate quality programs. The majority of the population would not be able to afford much higher fees for child care, and purely private (for profit) child care would only serve a minimal proportion of the country. Public sector kindergartens, on the other hand, which offer extracurricular classes for extra fees, on the other hand, have found an arrangement that provides higher quality educare at no additional costs to the government.

### 2. Hungary

Unlike Bulgaria, approximately twenty private kindergarten programs were said to operate in Hungary, 2-3 of which were located in Budapest at the time of the team's visit. In 1991, they were categorized as ten "religious" and nine "foundational"; foundational schools fit certain non-profit criteria that allowed them to receive tax benefits. In addition, the government grants a subsidy/child/year (27,500 Forint) to all private schools which sign a "special service agreement" stating that they agree to deliver child care services on behalf of the municipality. This policy, while described differently, is comparable to the Polish government subsidy/child for "social kindergartens".

### 3. Poland

Ministry of National Education officials reported that approximately 300-350 social and purely private kindergarten programs exist in Poland<sup>6</sup>. The previously increasing growth rate of private kindergartens in Poland appeared to be stabilizing as some newly established ones have reportedly faced rising operating costs.<sup>7</sup> The majority of educational facilities in which the private sector participates are of the "social" type rather than entirely private. Social schools and child care facilities differ from purely private ones in that parents, companies and local authorities share in the investment and operating costs of the center, parents are actively involved in the staff hiring and educational approach, and the local authority (*curatorium*) acts as advisor and supervisor.

The team visited a "social" school in central Warsaw which had incorporated a zero class for six year old children as part of the curriculum. At the school, fees were 1,600,000 Zloty/month or just over \$100, amounts which only families from professional ranks (doctors, lawyers, academics, and company directors) could afford. However, compared to fees in a Warsaw-based private school, which can be as high as 4 million zloty a month per child (equivalent to approximately US \$260), social kindergarten fees appear reasonable. Nevertheless fees are not sufficient to cover operating costs, and for this reason even partial funding from local authorities is welcome. The state's contribution per child at social schools and child care facilities is equal to one half the subsidy it grants public "municipal" schools and kindergartens. In this case the subsidy amounted to 179,000 zloty/child/month or US \$12/month. The state subsidy is theoretically equivalent to approximately half of the expenses required per child, however, the director of the social school suggested the state subsidy covers only 10% of operational costs per child.

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<sup>6</sup> Interview with Eva Branska, Ministry of National Education, January, 1993.

<sup>7</sup> Interview with Eva Branska, Ministry of National Education, January, 1993.

### III. ASSESSMENT OF EXISTING CHILD CARE NEEDS

There is a continually high need for child care services for 3 to 6 year old children in all three countries, with greatest needs in Poland where public child care programs are closing with greater frequency than in Bulgaria and Hungary; and where availability of services was lowest at the start of the transition. In general Hungary, Bulgaria and Poland will continue to require quality child care at affordable costs. While the zero class in Poland and the final year kindergarten programs in Hungary, for example, will continue to serve the majority of children during the year before entry into primary school, attention to financial support for programs for younger children will be necessary.

#### A. Types of Services Required for Nursery Age Child Care

Existing day nurseries in Bulgaria, Hungary and Poland are of very high quality with respect to their primary aims to provide safe, healthy care for young children. Buildings are well-equipped and carefully planned for child care; staff are well trained as child nurses with some pedagogical training. However, it is important to shift attention toward more child development and education approaches within infant/toddler nurseries. A greater educational focus that is also developmentally appropriate would enhance the quality of staff-child interactions in the areas of language, cognitive and social development. In turn this will contribute significantly to physically and socio-emotionally healthy children who will be better prepared for further education. This is particularly important since parents whose children are enrolled in nursery care facilities are unable to spend significant amounts of time with their children.

Family day care centers which provide a more home-like atmosphere for children whose parents form an active part of the work force also offer an attractive alternative to large-group institutional care. In all three countries private, unlicensed, unregulated initiatives in family day care already exist. Family day care as an alternative to institutional care is not a new concept, however, the quality of family day care programs in homes can vary widely depending upon: the quality of the environment, the number of children with the caregiver and the caregiver's training for work with multi-age groups of young children. To date family day care has been an attractive alternative to institutional care at a comparable price. However this type of care has not been regulated or licensed by the state in any of the countries visited. For this reason it is necessary to evaluate state or municipal level standards and methods of supervision of quality. Parallel to this revision of supervisory methods it will be necessary to train caregivers in the establishment of family-based child care. Careful attention to the development of a greater number of quality family day care programs, particularly for 0-3 year old children, is important as municipalities face difficult decisions regarding the financing and operation of public child care institutions.

**B. Types of Services Required for Kindergarten Child Care**

There are needs for a variety of new forms of child care in all three countries under study. These include care for children during non-traditional working hours or shifts, care for children during a long parental absence (including vacation), and care for sick children (at home). In addition there are increasing needs for more flexibly scheduled provision of child care and education for kindergarten-age children. The new demands for flexible schedules are a result of new work schedules being established during the transition period, and the presence of at least one parent at home which renders half-day programs more attractive than in the past. Historically, work hours in East European countries have been from 7 or 8 a.m. to 4 or 5 p.m. A shift towards a later start and longer work hours is already taking place. While some public child care programs have already begun to encourage flexible schedules the demand for part-time and after-hours care is likely to increase.

Child care centers which offer flexible arrangements and attractive supplementary courses are likely to capture a significant market segment that includes those willing to pay extra fees for "special" services. Many public kindergartens are adding new, extracurricular offerings to existing programs, such as language, swimming, music and art courses. The desire for these services appears to be high and is expected to remain so.

**C. After School Child Care**

While Hungary already provides some after school child care at no extra fee, it is likely that the demand for after-school child care will increase in the next few years in all three countries. Latch-key children exist in large measure in the three countries under study and there are only a few programs that provide after-school care. School based programs or private initiatives in public child care sites might be considered. A family-based after school form of child care could be incorporated into family day care programs.

#### **IV. FINANCIAL REQUIREMENTS FOR CHILD CARE CENTERS**

The financial requirements of child care facilities vary significantly from country to country, and in many cases from region to region within countries (for representative budgets see each country survey). However there are numerous issues which are common to all three countries in the area of financing: the uncertainty surrounding government subsidies and transfers, the difficulty of achieving cost recovery through collection of fees, and the scarcity of lending programs for establishment and operation of child care programs. These common obstacles point to increased participation by the private sector (be it private individuals or private institutions such as companies) as an alternative source of funds.

##### **A. Government Subsidies and Transfers**

One of the first reforms in Bulgaria, Hungary and Poland consisted of devolving power and responsibility to local authorities. Local authorities, however, did not receive a corresponding infusion of financial resources from the central state. This lack of certainty regarding availability of funds for local programs affects child care directly since it was among the responsibilities transferred to local authorities. Each country studied in this project has dealt with this situation differently. While all three consider it a government duty to provide accessible and affordable child care, budgetary provisions do not always accompany these duties. Although Hungary has allocated specific budgetary amounts to kindergarten programs none has been earmarked for nursery programs. Poland, on the other hand, has made the "zero class" compulsory not only for the student but also for the municipal authority. This results in funds earmarked only for zero class programs but not necessarily for other levels of kindergarten education or for nursery programs. In Bulgaria, although coverage is significantly higher than in Poland, funding for any child care program (kindergarten or nursery) is not guaranteed.

##### **B. Fee Collection and Cost Recovery**

Fees charged by public child care facilities across the three countries have been historically calculated to cover strictly the cost of meals, and therefore are not designed to recover full operating costs. Although fees have increased 100% over the last two years these increases have been designed as an effort to keep pace with inflation, not an attempt to recover costs. Child care fees typically constitute 15 - 20% of family income and further increases could significantly reduce the demand for child care.

It is for this reason that private kindergartens and nurseries, which depend significantly on child care fees for cost recovery and profits, target the emerging middle and upper classes whose members are willing and able to pay the higher fees. Private kindergartens and nurseries typically charge 5 - 15 times the fees charged by public child care facilities.

C. Credit and Financing Opportunities

Opportunities for financing child care programs and facilities, particularly through credit, are very scarce. Of all the countries visited, no positive mention was ever made of lending programs specifically earmarked for educational purposes in banks or other lending institutions. Most privately funded (in part or in whole) child care programs were funded through individual or institutional donations, partial government subsidies, service fees and/or registration fees.

D. Private Donations and Sponsorship

Given the financial obstacles described above, private donations (whether individual or institutional) and company sponsorship take on added importance. Tapping into the resources of the private sector will not only alleviate the immediate need to finance child care but establish a higher community-wide awareness regarding the real costs associated with the provision of child care services.

## V. TRAINING AVAILABILITY AND NEEDS

### A. Existing Training Programs

Teacher and caregiver training programs in Bulgaria, Hungary and Poland are similar in approach, length and options. Two countries, Bulgaria and Poland, have a vocational post-middle school level training which normally lasts three to four years. For those who have completed high school education, there are university or college level teacher training programs which last anywhere between two to four years. At a graduate level one to two year specialization programs are available although scarce. All these training programs are centrally designed and planned.

### B. Training Needs

Significant similarity in training needs exists among the three countries under study, particularly in the field of administration, management and financing of child care facilities and programs, parent-teacher collaboration and student-teacher interaction. The following sections present the needs on a per country basis.

#### 1. *Bulgaria*

Previously, Bulgarian kindergarten education was centrally controlled by the Ministry of Education and Science, so alternative teaching methodologies were not included in the teacher training curriculum. In light of the flexibility recently granted to universities and local authorities regarding curriculum development, applications training in innovative/alternative approaches and curriculum development would contribute significantly to higher quality and diversified care. At a nursery level, needs are prevalent in the training of caregivers to emphasize caregiver interaction with children to develop language, socio-emotional and other cognitive skills. Currently emphasis is on custodial care by caregivers trained to be child "nurses" by the Ministry of Health. Lastly, if private initiatives are to succeed in the field of child care, teachers and directors will need training in administration, management and financing of child care facilities.

#### 2. *Hungary*

Hungary has a long history of experimentation in the field of child care and was the second country in Europe to instate higher level training requirements for kindergarten teachers. Today three years of training after high school are a prerequisite for kindergarten teachers. Hungary's high standards and tradition of experimentation have contributed to the active implementation of a more flexible approach to kindergarten programming since 1989. At this time, training in

alternative programs and methodologies used abroad would enhance existing programs, as would courses in parent-teacher communication and collaboration and courses in management, administration and financing of child care facilities. The latter would be particularly useful in the immediate future since Hungary is in the early stages of private participation in the provision of child care services.

Given the strong emphasis on health placed by the Ministry of Welfare on caregiver training, it would be beneficial to incorporate courses which address child development into existing training programs. Courses in parent involvement, communication and collaboration with caregivers would also contribute to higher quality, less custodial type of nursery programs. In addition to the courses already identified, should the government decide to promote the establishment of private family day care, training in the establishment, management and operation of a family day care home, as well as courses in teaching strategies will be necessary.

### 3. *Poland*

Kindergarten teachers in Poland as in Bulgaria and Hungary, would benefit from further exchanges and training focusing on alternative types of programs and curricula; parent and community involvement in curriculum and policy development, and in management and financing of educational facilities and centers. At the nursery level, training needs exist in areas such as child development and pedagogy, and the operation and management of family day care homes.

## **VI. LEGAL AND REGULATORY FRAMEWORK ANALYSIS**

Bulgaria, Hungary and Poland all permit and encourage the participation of the private sector in the management and delivery of child care services, albeit to varying degrees. The legal frameworks in Hungary and Poland offer attractive incentives to establishing private or semi-private child care facilities. These incentives have contributed to a higher incidence of private participation in child care provision in these two countries than in Bulgaria. From a procedural perspective the process outlined by the state to establish private schools and child care facilities have been clearly outlined in each country. The requirements do not appear excessively demanding of the interested parties' time and resources. Instead they set a clear path toward private participation in child care provision. Once private and semi-private child care programs and facilities are in place they are subject to the same regulations and educational standards set by state for public programs.

### **A. Bulgaria**

Bulgaria's Ministry of Education and Science permits the private provision of child care services, however it does not perceive private care and education as a viable and accessible alternative to that provided by the public sector. Regarding regulation and operation, private institutions must adhere to the same standards and rules applied to public entities. The Ministry of Education recently published the procedures to be followed in the establishment of private educational establishments. Once a private school or educare facility is in operating the local government acts as supervisor and makes sure that the care and instruction provided are in compliance with regulations and standards.

### **B. Hungary**

The legal framework for child care in Hungary clearly allows the participation of private entities as long as they comply with the same standards applied to publicly provided care. Procedures for the establishment of private child care facilities are listed in Decree 10 of 1990 and outline not only the procedures, but the documentation necessary for approval. Furthermore, local municipalities are promoting private participation by assigning partial subsidies (equivalent to 50% of what public sector child care facilities receive).

### **C. Poland**

Of the three countries studied in this report Poland's legal framework is the most conducive to private participation on the delivery of child care services. In an effort to encourage cost-sharing arrangements ministry officials as well as local authorities promote the establishment of social schools, kindergartens and nurseries. Polish state provisions for social schools, as defined

by 1991 laws, include a stipulation that non-public "social" preschools and elementary schools are eligible to receive subsidies from local government budgets. These subsidies entitle the educational or child care entity to up to 50% of the current expenditures borne in public kindergarten, nurseries or public schools of the same kind per one student, under the condition that the director of the school or child care facility present, to an appropriate body responsible for giving subsidies, the planned number of students not later than the 30th of September of the year preceding the year of granting subsidies. Detailed regulations for deciding on the amount of subsidies and grants according to the law defined by the individual communes.<sup>8</sup>

Licensing and other regulatory issues are monitored on an ongoing basis by the office of the curatorium (representative of the Ministry of National Education) in each municipality on behalf of the regional government (voivodship). These regulations vary slightly for social kindergartens in light of the active parental participation in the administrative and curricular aspects of the educare facility.

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<sup>8</sup> Legislation Bulletin. Republic of Poland. Warsaw, dated October 25, 1991. No. 95. 425 ACT, dated September 7, 1991 on the educational system.

## **VII. ALTERNATIVE SCENARIO ANALYSIS AND RECOMMENDATIONS**

### **A. Alternative Scenarios**

New questions regarding child care have been raised as a result of the market reforms in Eastern Europe. Although government policies and international reports support the maintenance of social safety nets (including parental leave allowances and institutionalized child care services) policies aimed at decentralization and the development of market-oriented economies force governments to re-examine their child care policies. Presently all three governments have opted to transfer the control, supervision, operation and financing responsibility from the central state to the local or municipal authorities. However, a variety of alternative scenarios exists including: a revitalization and reinforcement of the current system of public delivery, the disengagement of the public sector from the provision of child care services, and the promotion and implementation of cost-sharing public/private partnerships. Amidst these policy alternatives is the policy of government decentralization which has been adopted by most East and Central European countries. However this policy does not address the funding and investment gap which already exists today (and is likely to broaden in the immediate future), instead it shifts the burden from the central state to the local level.

### **B. Recommendations**

Alternative scenarios can be viable only when developed within the context and understanding of the changing economic and political conditions in Bulgaria, Hungary and Poland. Although governments in these countries would prefer to revitalize existing facilities and systems, they are aware of the impossibility of such an effort given the current circumstances and for this reason the governments advocate the participation of the private sector in the provision of child care. For these reasons, the IPG recommends that all three countries continue to provide affordable and accessible public child care as far as their budgets allow it, and very importantly accompany public child care by an energetic promotion of private participation through a variety of policy measures and mechanisms described below.

#### ***Policy Measures***

The potential for complete privatization of child care facilities in any of the countries considered in this project is limited. Although there is a clear demand for child care services the average family's inability to pay for private educare is also evident. This mismatch results in few and discrete areas in which private delivery of child care services would survive from a business perspective. These select opportunities are outlined below in addition to the policy measures which we recommend to encourage private participation.

- **Establish a more progressive fee structure in public child care facilities.** This would allow parents of modest means to pay the lowest fees and families of the emerging middle and upper class to pay fees directly related to their ability to pay. In addition, public kindergartens and nurseries which provide all-day care or part-time care could begin to charge for overtime stays.
- **Earmark a portion of local income and corporate taxes for the operation of kindergartens and nurseries.** This will increase the community's awareness regarding the cost of providing child care.
- **Provide tax incentives to companies and factories who establish on-site or near-site child care facilities,** companies that subsidize child care directly through employees, or buy out blocks of slots in nearby child care facilities.
- **Consider offering fiscal incentives to multinational companies interested in investing in any of the three countries under study and who are willing to sponsor child care facilities.** It is preferable that this be presented as an incentive rather than a requirement. There are a variety of forms this encouragement could take (tax deductions for operating a child care facility, or subsidizing one, etc.), and it is important to put these incentives in place in the near future as this will set a precedent for future public/private partnerships.
- **Reinforce and promote the establishment of cost-sharing arrangements between the public sector and private entities or individuals.** The social kindergartens of Poland could be customized to Bulgaria's and Hungary's settings to tap into the resources of the emerging middle class.
- **Encourage the private sector to establish teacher companies or agencies which would deliver specialized classes (such as English, gymnastics, judo etc) at extra fees charged directly to parents.** This would improve the quality of public child care services without placing an additional financial burden on the local authorities. This would provide attractive business opportunities for teachers who are unemployed and/or have entrepreneurial inclinations.
- **Encourage the establishment of child care agencies which would cater to after school, after hour and holiday child care needs.** In light of the special nature of this service the full cost of its provision would be passed on to parents in the form of fees. This would offer attractive business opportunities for women and teachers.

- **Encourage the establishment of licensed family day care homes for children aged 0 to 4, ideally with partial subsidization or minimally with regulation, licensing and training provided by local authorities.** Parents would in turn pay fees directly to the caregiver. Since family day care exists informally in most countries across the world and particularly in Eastern and Central Europe due to the tradition and current need for women to be an active part of the work force, this would formalize and improve the quality of service.
- **Establish ongoing and accessible financing for small businesses in the educational field, such as child care.** There is a clear lack of interest on the part of banks and other lending institutions to fund child care facilities as they are not seen as profit-seeking entities when the demand for limited amounts of credit in the market place is abundant.
- **Allow new private owners of former state owned enterprises (SOEs) to subcontract child care services previously provided by the SOE.**

The IPG team has also identified areas for technical assistance that would complement the policy measures defined above. There are a variety of areas in which technical assistance would enhance already existing skills as well as areas that are new to these three Eastern and Central European nations. The areas described below include: management and financing, teacher and caregiver training.

*Technical Assistance (T.A.) in Child Care Policy, Facility Management and Financing*

- T.A. to review broad country policy strategies for the maintenance and enhancement of child care for children between the ages of 0 to 7 (or 0 to 10 if after school care is included). Assistance in reviewing country policy strategies and alternatives could be performed in the form of workshops or seminars attended by country representatives to review options applied internationally. Such a workshop could take place in the U.S. or in one of the countries studied in this project with the participation of social and family policy experts from abroad. Suggested workshop duration would be one to two weeks.
- T.A. to guide potential entrepreneurs and local government officials in issues such as financing and management of child care facilities and operations. A workshop could be directed toward credit and finance options in banks or other small business enterprises to enhance the possibilities for development of private initiatives in child care. Management training would be particularly attractive for those considering the establishment of child care facilities or operations. This kind of training can be provided through a series of entities or through collaborative efforts with child care information

and referral agencies which also engage in training, through universities and through collaborative efforts with parties to public/private partnerships already in place. Suggested workshop duration would vary according to the audience, and scope and depth of specific topics. Average length would be 2-2½ weeks.

### *Technical Assistance in Teacher Training*

T.A. in areas related to the provision of new or enhanced services for young children can be provided in short, medium and long-term arrangements, in or out of the country. This assistance would relate to enhanced teacher training in areas such as curriculum development, parent and community involvement, options for children with special needs, research on the effectiveness of different ways of providing child care. The following suggestions relate primarily to areas where needs for innovative programs have arisen in the field of training:

- **Enhanced Infant/Toddler Care:** Training in this area could be divided into (a) establishing a family day care center from a quality of service perspective, and (b) developmental knowledge of children in relation to infant/toddler care. This type of training can contribute to higher quality and quantity of available licensed private family day care services. There are various established training programs as well as individuals who would be in a position to provide this kind of assistance. In addition this could provide the knowledge base of the educational importance of the early years in addition to the health and safety aspects of care.
- **Curriculum Development:** Training in preschool education that provides greater knowledge of options in curriculum development, rationale and research in child development. As all three countries visited are moving toward more flexible and innovative curriculum development at local levels, this kind of assistance would provide the opportunity to guide local authorities in their new responsibilities.
- **Parent and Community Involvement:** As private participation is expected to increase and countries turn away from centrally-planned curriculum development toward including more family and cultural factors in education, training and exchange opportunities are appropriate. The U.S. has a long history of research and training in home-school collaboration and parent involvement in education at the preschool level would be a good site for training.
- **Innovative Practices:** In the area of play, early language and early literacy, and math concepts, technical assistance would provide a forum for introduction and discussion of new and innovative approaches to child care which would directly

affect the quality of the service provided, whether publicly, privately or in combination.

C. Other Options In Public/Private Partnerships

In addition to the measures and mechanisms outlined above, the following section describes options in the field of public/private partnerships which have been applied in the United States and have relieved the financial burden of the state without placing the entire responsibility on the private sector. These options are meant to illustrate the kinds of case by case arrangement that can be agreed to between public and private parties. It could also provide useful ideas for child care policy makers and practitioners regarding alternative ways to finance and provide child care in Eastern and Central Europe.

1. *The Resource Center Model*

This model focuses on a community-based resource center that provides support to parents, providers, and the community. The model aims to build upon the existing base of quality child care facilities in communities and strives to increase overall quality of care and to find additional funding. This community-based system is designed to exert a minimum amount of bureaucratic control. The resource centers would be non-profit organizations receiving both private and public funds. Resource centers strive to identify care needs and develop additional resources, advise parents as to existing options, provide technical assistance to child care providers and employers, and increase public awareness concerning child care issues. One central child care resource center could be created to oversee and coordinate assistance.

2. *The Child Care Investment Fund*

The Child Care Investment Fund fosters ongoing public-private partnerships for improving child care in quality and delivery in the state of New York. The fund would be available for both non-profit and profit programs, local government agencies, and other networks or associations of family child care providers. Grant recipients match \$2 to \$1 from the fund. For low-income families would match \$1 for every \$1 dollar from the fund. The fund aims to increase the supply of existing care and to support local initiative and flexibility.

In East European countries a variation of this approach could be implemented by establishing a fund partially to which both public and private entities could contribute. The initial endowment could be made by the government and then funds would be solicited from the private sector through corporate and institutional donations. The opportunity for good public relations

and company visibility would provide an incentive for corporations and institutions to donate to the fund. This fund could support, through loans, private initiatives in educare.

3. *Other Private-Public Partnerships*

A number of private-public partnerships are currently operating in the United States. The California Child Care Initiative Project, for example, is a partnership involving 33 organizations, including 10 public and 23 private founders. The project addresses the shortage of licensed quality child care in the state and relies on existing nonprofit resource and referral agencies to recruit and train family child care providers. The project is currently administered and managed by a statewide support group for R&Rs. From 1985 to 1991 founders contributed US \$3.2 million.

This type of private public partnership could support training programs and research. This type of institution could result out of a merger between existing government institutions (like the National Institute of Day Care Centers in Hungary) and private resources. In this manner the experience and know-how of government institutes would be utilized effectively. This would also alleviate the government burden (financial and administrative) related to research and practical training in the field of child care.

4. *Company Child Care Options*

a. *On-site and Near Site Centers*

In the United State approximately 900 of the nation's 1,400 on-site or near-site child care centers are operated by hospitals. The remaining 500 centers are operated by corporations or government agencies. Many companies with on-site or near-site child care facilities subsidize the facilities substantially. Parents are usually charged on a sliding scale based on income and age of child. Some companies, however, provide full subsidies for their child care. In fully-subsidized care, parent pay only the cost of their children's lunches and snacks. Many companies prefer to contribute to near-site child care centers that serve the broader community. One large corporation, for example, agreed to contribute \$25,000 to a local child care center and to fill 25 slots and provide other support, such as periodic inspections by the company's safety personnel. Company employees who use the center receive a discount of 20 percent. Another company has created a center that provides both elder and child care. The curriculum fosters regular daily contact between the elders and children. For child care, parents who are employed by the company are charged 13 percent of income at a maximum of \$140 per week. Elder care costs \$90 per week.

b. *Family Care*

Many companies are trying to increase the supply of family child care homes. One company provides a network of child care homes for its employees. The company funds child care associations and resource and referral agencies to recruit and train new providers in order to help them get licensed. Another program provides a network of family child care homes for its employees. The independent providers care for no more than four children and no more than two under the age of two. The company manages all aspects of the program, including recruitment, training and monthly inspections. The company provides a subsidy to the parents ranging between 25 and 50 percent of the weekly fees.

6. *Emergency Child Care Services*

Because company sick-leave policies rarely allow parents to take time off to care for a sick child, finding emergency care facilities can be very important. A group of 15 companies in New York formed an Emergency Child Care Services Initiative which offers at-home care for up to three days to children under the age of 13.

7. *After School and Holiday Care*

Companies are increasingly becoming involved in providing care during children's vacation and holiday periods. One company offers field trips around the Boston area for a fee of \$25 a day. The company offers 'scholarships' of up to 50% of the fees for its employees who earn less than \$30,000 per year. Another company offers a summer day camp for school aged children of employees.

D. *Conclusory Remarks*

This cross national analysis presents the issues and challenges which Hungary, Poland and Bulgaria face in relationa to the provision of child care services. Although these three countries are evidently making great strides in their advancement towards becoming free-market economies the situation is still a difficult one for the average population. The economic situation requires dual-income families, therefore maintaining (and in some cases increasing) the demand for reliable and affordable child care. Unfortunately the average family is unable to pay for private child care and depends on public, institutional care, in order to meet job responsibilities.

These economic constraints limit the opportunities for private delivery of child care services. In stressful economic environments such as the ones faced in Hungary, Bulgaria and Poland, few fully private child care facilities would survive as profitable operations because only a select

groups would be able to pay the significantly high fees required. For this reason we conclude that given the current situation, the opportunities for private child care are limited.

In addition to this crossnational analysis the IPG team prepared country reports which describe the situations in Poland, Bulgaria and Hungary. These country profiles detail the specific conditions in each country and support the conclusions presented in this crossnational analysis.

## **I. BACKGROUND**

### **A. Social and Economic Conditions**

Bulgaria is a country of approximately 9 million inhabitants of whom 67% live in urban areas<sup>1</sup>. After World War II, Bulgaria went through a rapid period of modernization and industrialization, changing from an agrarian society to a predominately urban one. The centralized economy of Bulgaria grew especially dependent on trade with other Eastern bloc countries. Such ties allowed Bulgaria's communist government to introduce an equitable wage structure characterized by low income levels. To complement wages, the state provided a secure and extensive social safety net to all Bulgarians, consisting of free education, extensive health care coverage, guaranteed retirement pensions, family allowances, sick leave, parental leave and other benefits. This social security system still exists today and is heavily relied upon by many in Bulgaria, particularly those with young families. The political and economic changes which began in 1989 and the reforms completed in February 1991 have contributed to an uncertain economic environment. Unemployment and inflation have caused a growing reliance on available social safety nets which have therefore become a politically and economically sensitive issue. In order to survive the economic difficulties of the transition, Bulgarians are growing increasingly dependent on state-provided benefits.

### **B. The Bulgarian Social Security and Social Services System**

#### *1. Social Services and Benefits*

Public expenditures on social provisions in Bulgaria have been similar to those in other former communist Eastern European nations, and benefits have been comprehensive. While half of public expenditures allocated to social purposes consist of social security cash transfers, health care and education represented approximately 20 percent of total expenditures. These figures indicate that Bulgarian families depend significantly on publicly provided social services and subsidies to meet immediate needs. Social benefits and services include unemployment benefits, pensions for the elderly, worker's compensation and sick pay. Expenditures for education include preschool, elementary and secondary schooling as well as university and vocational training. Health care expenditures in turn include fully subsidized health care for young children (consisting of immunizations, prenatal and postnatal health care) and parental leave for child care.

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<sup>1</sup>"Children and the Transition to Market Economy in Bulgaria: 'Shock Therapy' with a Difference?" Ivan Chernozemski, *Children and the Transition to the Market Economy*, ed. Cornia and Sapos, pg.123.

<b>Structure of Public Expenditures on Social Security and Services in CMEA Countries in 1987(%)<sup>2</sup>.</b>						
	<b>CSFR</b>	<b>GDR</b>	<b>Bulgaria</b>	<b>Hungary</b>	<b>Poland</b>	<b>USSR</b>
<b>Social Security</b>	45.3	33.1	50.9	59.1	49.4	42.6
<b>Health Care</b>	16.9	18.9	18.2	14.3	21.5	15.0
<b>Education</b>	20.4	20.9	23.1	19.6	19.8	23.6
<b>Others</b>	17.4	27.1	7.8	7.0	9.3	18.8
<b>TOTAL</b>	100	100	100	100	100	100

## 2. *Benefits Related to Child Birth and Child Rearing*

In Bulgaria current benefits related to child birth and care consist of maternity leave, child care leave, child nursing leave and child benefits or allowances. Benefits have been progressive in the past according to the number of children, up to a total of three. In the past all the benefits described below existed in addition to the abolished child birth grant which was discontinued in April 1991.<sup>3</sup> Presently, maternity leave is granted for a four month period to first-time mothers and one additional month is granted per child already in the family, up to the a total of three children.<sup>4</sup> Once maternity leave is over, either parent has the option to take child care leave. The child care leave policy allows either parent to take up to two years of leave at minimum wage rates, with the option of a third year without pay. Leave requests must be supported financially by the government, and are accompanied by guaranteed reinstatement in one's work. Parents who need to take care of a sick child during periods of employment are entitled to up to sixty days per year for child nursing. During a part of or the entire sixty days parents receive standard sick pay. There are other child related benefits in Bulgaria in addition to those described above. There is a symbolic child allowance given to all families in support of the basic needs of children including child care and education.

Child benefits or allowances in 1991 consisted of 115 Leva in a one-child family, 130 Leva per in a family of two-children and 155 per child in a family of three children. In October 1992,

<sup>2</sup> Ibid, p. 130.

<sup>3</sup> Child birth grant were equivalent to 100 Leva between 1980 and 1991. At current exchange rates this amount seems marginal however at the time (and still today) 100 Leva constituted a considerable amount.

<sup>4</sup> Therefore second-time mothers are given five months, third-time mothers six months and fourth time mothers four months. The government did not encourage families with more than three children.

child allowances were at 200 Leva per child in a family of two children and 225 in the case of three. Currently federal provision of fees to support, up to the recent past, 80% of the cost of kindergarten for 3-6 year old children, and a similar percentage of support for nursery-age children (0 to 3 years old). Child care fees are low in Bulgaria, because in the past, federal provisions support up to 80% of kindergarten costs and a comparable amount for nursery costs. This brief description of social services and benefits reflects the comprehensive scope of public support to individuals and families in Bulgaria as income complementary to salaries.

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## II. ASSESSMENT OF EXISTING CHILD CARE SERVICES

### A. Analysis of Public Child Care Services

#### 1. *Background of Child Care and Education in Bulgaria*

Bulgaria's first preschool was organized over a century ago in 1882. Today, according to various reports<sup>5</sup>, preschool education constitutes an important first element of the publicly supported and centralized educational system. Until recently, estimates indicate that approximately 75-82% of the country's kindergarten-age children (3-6 year olds) attended child care centers of one form or another.<sup>6</sup>

#### 2. *The Child Care and Education System*

There are a variety of public kindergarten and nursery options open to parents, mostly in the publicly-financed, state administered and controlled sector of education. Currently the Ministry of Education and Science regulates and supervises all kindergartens in Bulgaria, private and public. The Ministry of Health in turn supervises and monitors the large network of nurseries nationwide. There are, however, combined kindergarten/nursery care facilities which provide both services under the same management. These facilities are under the jurisdiction of the Ministry of Education and Science. In its effort to decentralize the governmental structure of the country, central authorities have devolved decision-making power to local governments or municipalities. Hence today, municipalities are responsible for the provision of public child care services under the guidance and supervision of the Ministry of Education and Science and/or the Ministry of Health.

#### 3. *Kindergartens and Nurseries: A Look at the Numbers*

Data compiled by the National Statistics Institute for the last three years reflect a downward trend in the demand for child care, of all kinds (rural, urban, all-day, half-day and seasonal). In the context of an already decreasing population, the economic difficulties have kept many families from not only utilizing childcare services, but from having children altogether.

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<sup>5</sup>Chernozemski, 1991; Dimitrov, In press; Fol, 1985 Unicef, 1991.

<sup>6</sup>Dimitrov, in press; Fol, 1985.

*a. Kindergartens*

As the following tables indicate, the number of kindergarten institutions in Bulgaria, and children enrolled in them, have declined steadily since the transition began in 1989. A total of 97 kindergartens have closed since 1989 and this trend seems to be particularly strong in the rural areas of the country. More importantly, the number of children enrolled in kindergartens has dropped significantly from a total of 317,559 in 1989 to 259,095 in 1991 amounting to an 18.5% drop. The drop in urban kindergarten enrollment amounts to 20.1%, which is slightly higher than in rural areas where figures reflect a 15% drop.

TABLE 1.A

NUMBER OF KINDERGARTENS IN BULGARIA 1989 - 1991				
Total Number of Kindergartens Nationwide	1989	1990	1991	% Change 1989-1991
All-day	3,628	3,688	3,576	1.5% ↓
Half-day	915	891	882	3.7% ↓
Seasonal	19	11	7	63.1% ↓
Total	4,562	4,590	4,465	

Total Number of Rural Kindergartens Nationwide				
	1989	1990	1991	% Change
All-day	2,159	2,192	2,108	2.4% ↓
Half-day	604	575	553	8.4% ↓
Seasonal	8	5	5	37.5% ↓
Total	2,771	2,772	2,666	

Total Number of Urban Kindergartens Nationwide				
	1989	1990	1991	% Change
All-day	1,469	1,496	1,468	0.1% ↓
Half-day	311	316	329	5% ↑
Seasonal	11	6	2	81.8% ↓
Total	1,791	1,818	1,799	

TABLE 1.B

NUMBER OF CHILDREN ATTENDING KINDERGARTEN IN BULGARIA 1989 - 1991				
Total Number of Children in Kindergartens Nationwide	1989	1990	1991	% Change Between 1989-1991
All-day	292,309	278,797	234,559	19.7% ↓
Half-day	24,877	24,717	24,448	1.7% ↓
Seasonal	373	265	88	76.4% ↓
Total	317,559	303,779	259,095	

Total Number of Children in Rural Kindergartens				
	1989	1990	1991	% Change Between 1989-1991
All-day	80,285	79,001	68,304	14.9% ↓
Half-day	11,620	11,024	10,307	11.3% ↓
Seasonal	104	78	55	47.1% ↓
Total	92,009	90,103	78,666	

Total Number of Children in Urban Kindergartens				
	1989	1990	1991	% Change Between 1989-1991
All-day	212,024	199,796	166,255	21.6% ↓
Half-day	13,257	13,693	14,141	6.6% ↓
Seasonal	269	187	33	87.7% ↓
Total	225,550	213,676	180,429	

b. Nurseries

The decline in number of nurseries and number of children enrolled in them is greater than that of kindergartens.

- The number of nurseries in Bulgaria decreased by 8.8% between 1989 and 1991. Over the same time period the number of children attending nurseries dropped considerably from 40,183 in 1989 to 28,470 in 1991, amounting to a 29.2% decline over a three year period (see Table 1.C).

TABLE 1.C

NUMBER OF NURSERIES IN BULGARIA 1989 - 1991				
Total Number of Nurseries Nationwide	1989	1990	1991	% Change Between 1989-1991
Urban	745	745	703	5.6 % ↓
Rural	330	315	278	15.8 % ↓
Total	1,075	1,060	981	8.7 % ↓

Total Number of Places in Nurseries Nationwide				
	1989	1990	1991	% Change
Urban	36,585	34,970	32,394	11.5 % ↓
Rural	6,858	6,525	5,801	15.4 % ↓
Total	43,443	79,690	38,195	12.1 % ↓

Total Number of Children in Nurseries Nationwide	1989	1990	1991	% Change
	40,183	37,983	28,471	29.2 % ↓

\* Source: National Statistics Institute, "1991 Annual Book of Statistics of the Republic of Bulgaria," Sofia, Bulgaria.

4. *Types of Preschool and Child Care in Bulgaria Today*

Public child care facilities in Bulgaria are organized into various kinds according to children's ages and the type of service provided. Services range from all-day services at the kindergarten and nursery levels, combined care establishments which offer all-day services, weekly nurseries, seasonal nurseries, half-day kindergartens and state supported at-home care.

- **All day kindergartens.** These municipality-owned and managed programs are designed for 3 to 6 year olds and operate from early morning to late afternoon. All day kindergartens sometime offer a half-day option whereby children are picked up after lunch. Children are divided into four age groups. Each age groups consists of one or more classrooms typically holding 20 to 25 children who are taught by two teachers, one in the morning and one in the afternoon. All children are served two snacks and two meals during the day.

All kindergartens are ranked into one of three categories, according to the number of children enrolled. The first category has eight classrooms or more, the second category has 5 to 8 classrooms and the third category consists of up to five classrooms.

- **All day nurseries.** These child care facilities are also municipality-owned and administered and care for infants between 10 months and three years old. Children are usually divided into three age groups, and each group is subsequently divided into classes according to the number of children in each group. Children are served several meals during the day according to their needs.
- **Combined child care establishments.** These child care centers include nurseries and kindergartens under the same director, although not always located in the same building. Theoretically the advantage of these combined establishments is that parents with nursery and kindergarten age children are able to enroll both in the same institution. Combined child care establishments generally provide full-day care (7 a.m.- 7 p.m.), however there have been options for overnight child care and half-day care for six year olds.
- **Half-day kindergartens** for five or six year old children during the year preceding entry into the primary or elementary school are either physically part of the elementary school buildings, or linked to them institutionally;

- **Temporary or seasonal kindergartens.** These child care establishments are 80% state funded and function for a period of one to ten months during the year. They were designed to accommodate to the seasonal needs of parents employed by the tourism and agriculture industries. These programs care for children on a daily, weekly or monthly basis depending on the needs of parents. Fees vary according to the type of care provided.
- **State supported at-home care** whereby mothers (or fathers) stay at home with a child during his/her first two years allow for parents to have one additional year off without pay. This publicly financed maternal child care is restricted to a child's 0-3 year period.

### 5. *Program Quality*

State supported preschool and child care programs were formerly criticized as having a high child to teacher ratio (ave. 30:1, see Chernozemski, 1991). Current data suggests, however, that the average child to teacher ratio has fallen to about 22:1. Interviews with the Minister of Education indicated that there is a wide variation in child to teacher ratios. In some rural areas, for example, there are fewer than nine children per teacher. Observations in preschool programs suggest that while, for example, 30 children may be registered, no more than 14 are in attendance on a given day.

Program quality is assessed according to the information received during the teams half-day visits to two pre-selected public child care establishments in Sofia, one kindergarten and one nursery. Both belonged to a combined preschool establishments that includes a separate building for a nursery and another for a kindergarten. Indicators of quality include cost, organization and structure of the school, teacher-child ratio, group size, or amount of teacher training.

#### a. *Quality of Kindergarten Programs*

Kindergartens visited by the team were situated in residential areas, as few kindergartens or nurseries were affiliated with employers. The buildings and play yards were in good condition, although directors suggested that financing for building repair was an increasing problem. In the kindergartens visited by the team, children were divided into four age groups of children: 2½ - 3½ year olds; 3½ - 4½ year olds; 4½ - 5½ year olds; and 5½ - 6½ year olds. The last group is called the "pre-school group." Each school had from one to three classrooms of children. Classrooms were purported to have thirty children registered although the team observed only 12-15 in any given class. Each class had one teacher assigned for the morning period and one for the afternoon period. Each class also has an "aunt" teaching assistant, who, according to the observations of the team, is primarily responsible for feeding and toileting rather than lessons. The system is designed such that children remain with the same teachers

from 2½ to 6½ years in order to foster continuity. In addition, this relationship allows the teachers to develop sound relationships with parents of the students.

Classrooms were spacious and well supplied with materials that varied according to the developmental/education needs of the children. Children arrive as early as 7 a.m. and leave as late as 7 p.m. Each group had a separate space for naps and another for meals and snacks. Each school also had a room for a full-time nurse, who, for the kindergartens visited by the team, checked the children on a daily basis. Temporary care for sick children was available either in the nurse room or elsewhere on the premises. Each school also had a kitchen, managed by a dietician or chef, and the kitchen was supervised by the Ministry of Health. The schools visited also had outdoor playground areas as well as indoor areas designated for physical education activities. One school also had a swimming pool.

Classroom activities were differentiated by age groups of children. Group lessons began at 9 a.m. and consisted of teachers introducing an activity and then supervising the children's work. Interaction was somewhat individualized and seemed appropriate to the given age groups of the children. Lessons could continue until 11:00 a.m. with breaks. After lunch, a nap was required for all children from 1-3 p.m. The afternoon schedule included play opportunities, singing, or group activities. Children were taught by specialists in physical education or music several times a week, and in many cases parents payed for optional "tutors" in specialized music instruction or English language. These lessons were given one to three times a week. The focus of general activities included oral language activities, planned music instruction, construction activities, and fine motor activities. At the time of the team's visit, math instruction had been incorporated, particularly in the final "pre-school" group. There was, however, little attention toward story reading or oral language activities. Play equipment for dramatic and construction activities was good.

**1) Quality of Physical Space and Equipment.** Kindergartens visited by the team were well built and well cared for. They were well-lit, colorful, and appeared to be enriching environments for children. While there were relatively few children in each classroom, the schools were fully equipped with staff for regular teaching duties, assistant teaching duties, private tutoring opportunities, health care, and custodial and kitchen duties. Features that differ from those in American schools, for example, include the presence of full-time nurses and the fact that teachers remain with a group of children throughout their years in the kindergarten.

**2) Teacher to Child Ratio.** Statistics show there to be one teacher and assistant directly responsible for approximately 30 children. However, the team, observed, a maximum of 17 children in any given classroom. In rural areas enrollment has been decreasing, often with fewer than 9 children to a classroom. One report suggested that current reform initiatives recommend a ratio of no more than 1 teacher to every 22 children<sup>7</sup>, which seems attainable under the circumstances.

**3) Curriculum Priorities.** Philosophy and priorities appear to be directed toward motor, music, art, language, early math, and play activities. Interaction in kindergartens is oriented toward whole-group instruction. Reform documents indicate a greater orientation toward individualization, and creative and play-oriented activities will be implemented in the future. In the kindergartens visited by the team, fair attention was given to unstructured free play as well as to music and art.

The team observed that the group lessons which took place in the morning were led by one instructor while the assistant prepared snacks, rests, lunch or other matters. The main teacher provided the group activity sessions with introductory instructions for the activity which each child did at his/her seat. Art and language allowed for moderate creativity and often children were permitted to leave the area when the project was complete. The team concluded that the lessons were not too didactic. The team, however, is unable to comment on other programs, for example, those located in less well-off areas.

**4) Teacher Training and Supervision.** Staff training and salaries were based on the category of program. Higher salaries are given to teachers and directors with advanced experience and training. Directors and teachers working in the highest category of programs were paid somewhat better than those in lower categories. The majority of teachers and directors in the kindergartens had a minimum of three years of specific training in post-high school preschool pedagogy, while most of the newer or younger teachers had a four-year university teacher training diploma. As teacher training should correspond to higher quality teaching for young children, this is a positive characteristic of Bulgaria's system. Although staff compensation is not high, the team learned that turnover in the schools is not a problem due to large-scale unemployment in the country.

**5) Evidence of Child Development Outcomes.** The team did not receive any indicators to suggest that the program quality was either particularly good or bad in Bulgaria. Observations in kindergartens suggested that the children were healthy, happy, and receiving good motor and creative skills and instruction. Sufficient opportunities were given for indoor and outdoor free play with peers. The team, however, had insufficient observations of lessons or structured activities in order to determine the educational level of the children. The team was told,

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<sup>7</sup>Dimitrov, in press.

however, that the programs were less challenging than they should be and could be improved in various ways. The team's observations were too brief to make conclusive assessments in this regard.

b. Quality of Nurseries

The team visited one nursery which was attended by approximately thirty children divided into two groups. Each group had children ranging in age from fourteen months to three years. There were two nurses who were responsible for the children as well as an assistant for each group of fifteen. As in the observed kindergartens, one nurse led the morning session and one led the afternoon session. The program consisted of breakfast, free play from 9 - 10 a.m., gymnastics and/or music at 10 a.m., followed by lunch and nap time. At the nursery visited by the team, a pedagogical specialist had been assigned to work with individual children on specific issues or to model activities to the staff.

**1) Quality of Physical Space and Equipment.** According to the team's observations, each nursery had a fully equipped kitchen where food could be sterilized. Children were encouraged to drink from cups, although some brought bottles. Toilet training occurred over the years while the children were in the nursery system and there were child scale bathrooms available in each room. While equipment was available for children's play, less educational equipment per child was present than in the kindergartens.

**2) Teacher/Caregiver to Child Ratio.** The ratio of caregivers to children at the nursery level appears to be 1 head caregiver to 15 children. However each classroom has 1 or 2 assistant caregivers which work closely with the children throughout the day.

**3) Curriculum Priorities.** The nursery philosophy is somewhat more custodial oriented than the kindergarten philosophy. This may be because the Ministry of Health has primary responsibility for the nursery system whereas the Ministry of Education is responsible for the kindergarten system. The nurseries' greater attention to custodial caretaking and health care for young children should be reexamined in order to allow for the incorporation of educational activities. In the nursery observed by the team, the program was clearly directed toward safe and custodial group care of children, although the presence of the psychologist indicated a more pedagogical emphasis on individual children.

**4) Teacher Training and Supervision.** Nursery teachers have two years of nursing training, with some emphasis on pedagogical issues. While such training is needed for teachers of 0-3 year olds, research in American Universities suggests that more attention to educational training would be useful.

## **5) Evidence of Child Development Outcomes.**

The team has no indicators of child development to assess program quality in Bulgaria. The team's observations at the nursery visited suggest that children there were happy, healthy and received good motor, creative and performing arts instruction, and that there is sufficient opportunity for indoor/outdoor free play with peers. The team was assured that the programs could be improved substantially, however the team's brief observations and data are too scarce to make a valuable assessment in this category.

### **B. Analysis of Private Child Care Services**

Private participation in child care and education in Bulgaria is the exception rather than the norm. As of January 1993, no child care facilities in operation have been sold, leased or given up for contract to private entities. According to Ministry of Education officials, there are currently 10 private newly established kindergartens nationwide, three of which are located in Sofia<sup>8</sup>. Existent private participation in child care and education has taken on several forms: part public/part private, fully private, and private/non-profit. Below is a description of the different sorts of private participation found in Bulgaria based on either team observations or references made by public kindergarten directors and Ministry of Education officials.

#### *1. Public/Private Partnership*

Several public kindergartens in Sofia have agreed to allow private certified instructors to teach extracurricular classes at specific times during a given week. These classes focus on languages, music and the arts. The arrangement allows private instructors to teach at different locations without having to directly incur any capital investment or operating costs for a physical facility. Parents are required to pay a special fee, along with the regular charges, to the kindergarten in order to enroll their children in these extracurricular classes. The host kindergarten retains between 10 and 15% of fee income to cover overhead costs, and transfers the remaining portion to the private teacher. Discussions held with kindergarten and nursery directors indicate that there is a very high demand for extracurricular courses. Languages, particularly English, are perceived as a necessary skill for professional success, and despite the additional costs, there seems to be a clear interest in enrolling children. These extracurricular courses are a way to not only meet demand, but also to attract supplementary funds to the child care facility.

#### *2. Fully Private Child Care and Education*

References were made to the existence of two wholly private kindergartens in Sofia, both with a language focus, one French and one English. The team was unable to visit the kindergartens

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<sup>8</sup> Interview with Mr. Chardar Stefanov, Ministry of Education of the Republic of Bulgaria, November 20, 1992.

but was informed that the fees amounted to three or four times the fees charged by public child care centers. Apparently the diplomatic community in Sofia also has special schools for children of diplomatic families. Whether such schools include pre-school and kindergarten and the sources of funding were unclear.

3. *Private/non-profit Child Care: The BUDNO Kindergarten*

The BUDNO kindergarten is sponsored by the BUDNO Charity Foundation, a non-profit entity recently established in Sofia. BUDNO stands for "future" in Bulgarian; and the word was chosen by the school's founders to reflect their visionary spirit. BUDNO opened its kindergarten as an alternative to the care and education services provided by the government and plans to build a school as the students attending the first class advance into elementary and secondary levels. Currently the foundation is holding classes at the rented facility while the construction of the school is underway. The board plans to build the curriculum and its facilities as the children progress from kindergarten to elementary and secondary school. BUDNO takes an innovative approach to preschool education with an emphasis on the creative process: the arts, music, languages, and the spiritual development of students. Last year the school initiated activities at the kindergarten level.

Although technically a private entity, the BUDNO kindergarten does not operate as a profit-seeking enterprise and thus charges fees comparable to those charged by state-run kindergartens. The school plans to maintain fees at affordable levels in order to guarantee a valid alternative to public child care. As the fees collected by the kindergarten do not ensure cost recovery, the kindergarten receives grants from the BUDNO Foundation. The BUDNO Foundation in turn depends on private donations. The Foundation plans to engage in other semi-commercial activities, such as translations and publication of educational literature, to ensure steady income.

Corporate or institutional gifts are BUDNO's other source of financing in addition to private donations. The Foundation has been unable to secure traditional financing because "the sole idea of a non-profit school scares them -- they are afraid of non-profit foundations".<sup>9</sup> There are no lending programs in Bulgaria channelled for educational purposes, and as a routine procedure lending institutions require collateral and a business plan from every applicant.

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<sup>9</sup> Plamen Barakov, President, BUDNO Foundation.

### III. ASSESSMENT OF EXISTING CHILD CARE NEEDS

#### A. Type of Services Required

##### 1. Demographic Changes in Bulgaria

The changes described above can be attributed to several variables, demographic and socioeconomic in nature. Demographic trends in Bulgaria reflect a slight decrease in population levels of children up to six years of age. The population of nursery-age children (up to three years of age) fell by 9.6% between 1989 and 1991. Over the same time period the population levels of children between 3 and 6 years of age (kindergarten age) decreased slightly by 1.4% (see Table 1.D). These population changes account for one third of the enrollment decline in nurseries and one tenth of the decrease in enrollment at the kindergarten levels.

TABLE 1.D

POPULATION OF CHILDREN IN BULGARIA 1989 - 1991				
Number of Children	1989	1990	1991	% Change 1989-1991
0-2+ years	341,139	329,830	308,275	9.6% ↓
3-6 years	477,396	474,033	470,931	1.4% ↓
Total: 0-6 years	818,535	803,863	770,206	5.9% ↓

##### 2. Schedules

In order to respond to parents' employment schedules, nurseries and kindergartens must demonstrate a willingness to adopt flexible timetables. The difficult economic changes that Bulgarians face today will contribute to an increase in double-income families, an employment pattern already in existence before the economic transition began. There will be an initial tendency for part-time use of kindergartens and nurseries, mostly during those times when

parents will be actively looking for work, or when they are employed temporarily. As unemployment decreases and more parents are employed full-time, child care facilities will need to adapt to the increasing demand for all-day care, and in some cases care after regular work hours.

### 3. *Location*

Currently child care centers are located in, or close to residential areas. This seems to be the most convenient and commonly adopted location because it allows parents to take their children to school on the way to and from work. As of January 1993 there was no evidence that there was a preference to change this. There were a few new neighborhoods that were not serviced by child care facilities, but there was enough space in neighboring child care centers to allow enrollment of children from adjacent districts.

### 4. *Ability and Willingness to Pay*

The economic conditions in Bulgaria place severe strain on family budgets causing standard expenses such as books, toys, etc., to be entirely eliminated from household spending patterns. Government kindergartens charge parents on the basis of household income. There are two cases in which fees are waived: when parents are unemployed, and when family income does not reach subsistence levels (subsistence, or "social minimum" levels are currently set at 850 leva per family member)<sup>10</sup>. In theory, interruptions in child attendance at state kindergartens or nurseries should not be directly attributable to care fees. However working parents with combined incomes slightly above the social minimum are required to pay a fee which, depending on income levels, can range anywhere between 26.4 to 27.6% of income per child member. Those with a slightly higher income levels (up to 1,100 leva) pay between 28.8 and 30.6% of income available per child. Ministry of Education regulations set a maximum fee of 340 leva applied to families with an income higher than 1100 per child. The result of this method of fee calculation is a distortion in the fee schedule by overburdening low and middle-income families. Families slightly above the social minimum with one employed parent pay up to one fourth of their income available per child. In contrast, those who do not meet the social minimum do not pay a fee at all, and families with incomes considerably above the 1,100 per family member pay as much as families with incomes of 1,100 leva per child. These distortions account for the drop in attendance.

Families with low and middle-incomes have found an alternative to spending one fourth of income per child by placing their children in public child care for only 2 or 3 days a week. Kindergartens and nurseries charge fees on a daily prorated basis, so that parents are not charged for days when a child is absent. This arrangement allows parents to take a child to a care center

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<sup>10</sup> For a detailed explanation of the fee calculation please see pg.

two or three days a week and pay half the monthly fee. Parents may also choose not to place their children under state care and instead either supervise their children themselves or place them under grandparent care; this is becoming common practice.

Reports suggest that the pedagogy in preschools and child care programs is didactic. Several recent studies support suggested reforms to include more creative opportunities to encourage independence, interaction with peers as well as teachers, and interaction with materials. These reports suggest, however, that there are few educational materials which reflect desired reform efforts. Finally, reports are uniformly in favor of changing programs such that curriculum and pedagogy would emphasize child development, individual differences, creativity and problem-solving to a greater degree than in the past. Dimitrov (1992 and in press), a Professor of Child Psychology at the University of Sofia in both the psychology and the teacher training program, suggests, that "the dominant form of education remains the lesson; the natural activity of preschool children--play--is replaced by training. The pedagogical process in the preschools is based on the principle of instruction of children by adults rather than on interaction between and among them. In addition, he suggests: "The state continues to have a monopoly in this (preschool) area, since the number of private and cooperative preschools is insignificant. This restricts the diversity in the content and the forms of the educational process as well as the teachers' freedom to individualize work with the children."<sup>11</sup>

## B. Quantity of Services Required

### 1. *Urban vs. Rural Demand*

In 1991, 30.4% of the demand for kindergartens and 39.5% of the demand for nurseries was generated in rural Bulgaria. The remainder consists of demand for childcare services in urban areas (see Table 1.A). In light of the fact that unemployment seems to be particularly acute in rural areas it is likely that an immigration trend may cause a decrease in the demand for rural childcare facilities, while not necessarily augmenting the demand in urban areas.

### 2. *Demand for Private Child Care*

The current economic conditions in Bulgaria will restrain general demand for private care. The expected demand is likely to be placed by the emerging and elite entrepreneurial class and those with resources to pay high fees. Although, it is difficult to project exact demand without the necessary data available, it is reasonable to say that a small percentage of the population is likely to afford private child care in the near future.

In 1990, the Bulgarian law was amended, and parent fees were increased, but remained at low

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<sup>11</sup>Dimitrov, in press, pp.2-3.

levels; 1992 maximum fees have been reported to be 340 leva or \$17/month which includes full day (7 a.m. to 7 p.m. child care plus food). In 1990, the maximum charge in the highest income group was between 2-4 per cent of per capita income, with fees accounting for from 4-8 percent of earnings for the highest income brackets. A current report from our visit suggested that while charges were nominal or free for low-income or unemployed families, maximum monthly fees of 340 Leva account for 4-8 percent of earnings for the highest income brackets - a small section of the population - at approximately 8-10,000 Leva). As this is a low figure compared to U.S. child care costs, it is important to note that a low to middle income family with earnings of 2200 Leva must set aside 15% of income to secure child care. While in 1992, a small entrepreneurial class has also emerged which potentially has higher earning capability, the majority of workers are public sector employees, and remain within the income ranges described above. Thus, in a two-person family where income consists of minimum wage earnings, fees for one or more children can be fairly large if required. Cases exist where unemployed parents are not charged a fee, or pay nominal fees despite higher costs for child care due to inflation.

As a result of economic shifts and high unemployment, 1991 data<sup>12</sup>, suggests that only 67% of the country's preschool aged children are currently in preschool, and further decreases are occurring. Reports concur that the reductions in the percentage of enrollment for 3-6 year old children were due to a combination of three factors: 1) increased parental fees, 2) increased maternal unemployment which decreased income, and allowed mothers to take care of their own children; and 3) an increase in unemployment and retirement of older people which allowed grandparents to take care of grandchildren. Many parents interviewed prefer this kind of care to institutional child care.

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<sup>12</sup>Dimitrov, in press; Unicef, 1991.

#### **IV. FINANCIAL REQUIREMENTS FOR CHILD CARE CENTERS**

##### **A. Financing of Public Child Care Facilities**

Municipal kindergartens rely heavily on state financing to cover their operational expenses, yet they are free to supplement those funds with private, institutional or corporate donations, income from special fees, and contracts with universities and training institutions. Although fees are collected from parents by the care facility, facility administrators have no authority over the use and allocation of the funds as they are forwarded directly to the Ministry of Finance.

##### *1. State Transfers and Subsidies*

The Ministry of Finance allocates funds for child care and education on a yearly basis. These funds are transferred directly to each municipal authority with oversight responsibility for one or more kindergartens. The Municipality in turn distributes the funds according to the number and type of kindergartens under its jurisdiction (kindergartens are classified into one of three types according to the number of students attending). Each kindergarten receives a budget that outlines the amount of money available per year and per quarter. All kindergartens are given definite amounts per line item, and facility directors are in charge of spending the funds accordingly. Under special circumstances budgets can be revised by municipal authorities, however, these revisions can only take place twice a year on pre-determined dates, and they entail a redistribution of rather than an addition of funds.

##### *2. Fees Collected by Public Child Care Facilities*

##### *a. Kindergartens*

Public kindergartens in Bulgaria collect fees from parents to cover the cost of meals and some supplies. The maximum fee currently charged by a public kindergarten amounts to 340 Leva per month per child or US \$15.00. Although it may seem minimal compared to western child care fees this fee constitutes approximately 15 to 17% of the monthly salary of a low to middle income family where one parent is employed. In light of the financial burden which increasing the basic child care fee would impose on the average family, kindergartens are now seeking new ways to fund their needs.

Under special arrangements with private entities and/or universities, child care centers are able to collect supplementary income. There seem to be no regulatory restrictions as to the types of associations that public child care facilities can have with other entities for this purpose. Public child care centers that allow private teachers to instruct students on specific topics, such as English or music, normally collect a percentage of the fees paid by parents to cover those extracurricular courses. These commissions range from 10 to 15% of the total fees collected

from extracurricular courses and are commonly used to improve kindergarten or nursery facilities.

The team observed a second form of supplementary income at one of the facilities visited. The kindergarten had signed an agreement with the University of Sofia to host student teachers in the classrooms. Under this arrangement the kindergarten receives a fee at the beginning of the semester in return for providing student teachers an opportunity to experience the practical aspects of the job. The income received through this arrangement is distributed among teachers as supplementary income.

b. Nurseries

Nurseries in Bulgaria also charge small child care fees which are also designed to recover the cost of feeding and clothing infants at the care facility. Fees at the time of the team's visit were 300 Leva per month per child, based on 22-day attendance.

c. Direct Donations

In the last two years, kindergarten and nursery directors have also been encouraged by the government to seek direct donations from private individuals, institutions or companies. Although this is still an unfamiliar practice for Bulgarians, kindergarten and nursery directors with whom the team met were enthusiastic about the approach and have already generally experienced some preliminary results. In these cases donations were made by individual entrepreneurs whose children attended the school or by corporations, some of whose employees had enrolled their children in that particular facility.

B. Financing of Private Child Care Facilities

1. Financing Through Donations

The small number of private kindergartens and nurseries in Bulgaria, which were not monitored by either the Ministry of Education and Science nor the Ministry of Health, suggests from a financing point of view, that setting up a private child care facility in Bulgaria is a difficult endeavor. If the BUDNO school is a representative indicator, donations currently constitute a significant portion of funding for private schools and child care facilities. Donations are a way to attract funds from resourceful individuals, companies or institutions from the private sector and thereby alleviating the cost recovery burden on fees.

2. Fees Collected by Private Kindergartens

The available data does not indicate the child care fees charged by private kindergartens and

nurseries in Bulgaria to the extent that they exist. However, informal conversations suggest that the few private child programs that exist in Sofia do collect fees up to four times as high as those charged by public child care facilities. References were made by kindergarten directors to fees between 600 and 1000 leva per month per child.

### 3. Eligibility for Government Transfers

The data collected indicates that private kindergartens as they exist now are not eligible for government transfers and/or subsidies. The legal framework surrounding child care facilities sponsored by non-profit foundations (such as the BUDNO School) may in the near future provide tax incentive which will alleviate the financial burden of private child care centers. However these incentives were at a proposal stage at the time of the team's visit and will most likely not go into effect until late 1993.

#### C. Cost Recovery and the Bulgarians' Ability to Pay Child Care Fees

The Bulgarian economy is undergoing drastic change which will continue for at least another decade. Despite tight fiscal policies and other governmental measures, increasing unemployment and inflation are detrimental to Bulgaria's working population. Inflation during the first half of 1992 was estimated at an annual rate of 40.8%. Unemployment levels for the same period averaged approximately 12%, ranging from 8% in Sofia to 19% in outlying areas.

Those who are employed receive substantially low salaries and can barely afford public institutional child care. A primary school teacher, earning between 1300 and 2100 leva pays 260 leva per month per child attending kindergarten. Fees at private kindergartens would typically range between 600 and 1000 leva per month, amounts which are clearly out of reach for the average population.

#### D. Financing and Credit Opportunities

The Bulgarian banking sector offers limited financing opportunities to its new entrepreneurial class. While interest rates have declined since last year from 56% to 41%, they place substantial financial burden and risk on the entrepreneur. All lending institutions require a financial or business plan and a 100% collateral requirement is not unusual. The BUDNO school was able to obtain a donation from a financial institution, however they encountered difficulty in obtaining financing from the same institution.

#### E. Representative Budgets for Public and Private Child Care Facilities

The following two pages reflect operating costs for two public kindergartens in Sofia. The figures are presented for illustrative purposes only (Table 1.F).

TABLE 1.F

**BULGARIA**  
**Public Kindergarten**  
**Annual Operating Budget 1991-1992**

	Annual Total	1st. Quarter	2nd. Quarter	3rd. Quarter	4th. Quarter
1. Salaries	570,970.00	121,930.00	149,680.00	149,680.00	149,680.00
2. Insurance Costs	245,750.00	52,250.00	65,040.00	64,230.00	64,230.00
3. Scholarships	0.00	0.00	0.00	0.00	0.00
4. Food	220,290.00	74,060.00	68,830.00	38,700.00	38,700.00
5. Medical Supplies	650.00	100.00	230.00	160.00	160.00
6. Business Trips	160.00	0.00	160.00	0.00	0.00
7. Utilities and Office Supplies	155,000.00	78,740.00	32,860.00	21,700.00	21,700.00
8. Linens and Uniforms	3,300.00	0.00	2,640.00	400.00	260.00
9. Teaching Materials	3,950.00	530.00	1,320.00	1,050.00	1,050.00
10. Facility Repairs	2,000.00	470.00	940.00	590.00	0.00
11. Other/Miscellaneous	29,660.00	4,900.00	9,520.00	7,760.00	7,480.00
12. TOTAL	1,231,730.00	332,980.00	331,220.00	284,270.00	283,260.00
13. Total Spent as of 6/30	676,632.00				

\*Note: Exchange rates as of November 1992: US \$1.00 = 22.1 Leva

TABLE 1.G

**BULGARIA**  
**Lozenetz Kindergarten (Public Kindergarten)**  
**Annual Operating Budget 1991 -1992**

Line Item	Annual Total	Income	Cost Recovery
1. Salaries	304,700.00		
2. Insurance	124,930.00		
3. Utilities and Office Supplies	118,000.00		
4. Business Trips	0.00		
5. Teaching Materials	2,300.00		
6. Scholarships	0.00		
7. Food	144,700.00		
8. Medical Supplies	0.00		
9. Linens and Uniforms	1,800.00		
10. Facility Repairs	0.00		
11. Other/Miscellaneous	15,340.00		
12. TOTAL	711,770.00		
13. Fees Collected Annually*		216,000.00	
14. Cost Recovery Potential at Current Fee Levels**			30.35%

\* Note: Based on an average monthly fee collection of 18,000 L

\*\* Note: Cost recovery is not a possibility at present due to the centralized nature of government resource management.

## V. TRAINING AND EDUCATIONAL AVAILABILITY AND NEEDS

### A. Availability of Training for Kindergarten Teachers

Teacher training (in service as well as some aspects of pre-service training) has historically been guided by a state defined curriculum, detailed in the Program for Educational Work in Preschools<sup>13</sup> (currently under translation). While some teachers have been trained in three year colleges, the majority of recent teachers have been trained in university degree programs (Dimitrov, in press). Some reform ideas have suggested that with university graduate unemployment in all fields, teacher training for kindergartens and nurseries (together called "preschool education") could take place in two or three year programs outside the university system (Dimitrov, 1992, and in press). The university program requires child psychology, some practicum work in nurseries and/or kindergarten programs, and one full university semester of "student teaching" in a kindergarten program.

From available information, pedagogical programs offered through the four universities in Bulgaria; consist of 3 years of coursework although the total university program for graduates is longer (4-5 years). Approximately 4,600 teachers are university graduates; another 2,000 have completed secondary school pedagogical education, and a small number have only secondary school training, without special pedagogical training. Approximately one half of the teachers are in the 30-39 year age range, while about half are in the 40-55 year age range.

The Dimitrov report to Unicef (Dimitrov, in press) suggests that the largest number of students taking university training in preschool education are those that "receive the lowest grades in the qualifying examinations" (p. 3). It follows that because selection is made based on the qualifying examination grade, and testing requirements set by pedagogical programs are among the lowest, many students are not inclined toward preschool teaching when they enter the program. As there is currently a large rate of unemployment of currently certified preschool education teachers, as well as those who have just completed university teacher training, one could conclude that many enter the university teacher training programs in order to get a "university diploma" and not necessarily a job at the preschool level. Despite this tentative conclusion, it is also obvious that there is a pool of unemployed trained teachers, and this pool might be tapped for future efforts toward new educational programs. Finally, on this, interviews with current teachers in preschools indicate that the relatively low wages and benefits in current preschools, as well as job insecurity due to decreasing preschool enrollment, has led some to look favorably toward private initiatives where both wages and autonomy would or might be greater.

In addition to three to four years of post high school teacher training, until recently the curricula

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<sup>13</sup>Min. of Education, 1984.

of the preschool programs have been centrally defined by the Ministry of Education (which is primarily, but not exclusively responsible for the kindergarten) as well as by the Ministry of Health (which is primarily, but not exclusively, responsible for the nurseries). The Ministry of Education's published Program for Educational Work in Preschools (MOE, 1984) is still available in each kindergarten during the IPG team visit and contains philosophy, curriculum suggestions and schedules.

B. Availability of Training for Nursery Caregivers

Caregivers in nursery schools undergo two years of training performed by and paid for by the Ministry of Health. Not surprisingly the training programs focus on the health aspects of training, with limited attention to pedagogical subjects and educational approaches.

C. Teacher Training Needs

The Preschool and Elementary School Pedagogy Bachelor's degree currently requires 120 university credit hours in teacher training. Coursework involves six semesters covering a variety of topics, most related to preschool and elementary pedagogy. According to Dimitrov the training may be more extensive than necessary especially taking into consideration the fact that many graduates are finding it very difficult to find employment as teachers after they have finished their pedagogical training.

1. *Kindergarten Teachers*

While the university teacher training curriculum requires coursework in child development, drama, music, applied arts, and literature, it may be useful to include teacher training in alternative practices and curriculum development. As Bulgarian preschool education has been largely centrally controlled, training in alternative methods used in the West and other areas was not needed. Now with the transition of many schools to district or private ownership such training could prove very useful in curriculum development. For teachers of the older kindergarten children, greater attention on the importance of play and child-initiated rather than teacher-initiated lessons may be needed. In addition, if private initiatives are to begin successfully, teachers and directors will need training in administration and management skills, including issues related to financing school programs in the private sector.

2. *Nursery Caregivers*

Caregivers for nursery programs for young children require additional child development coursework or training to emphasize the importance of caregiver interaction for children's development of language, socio-emotional and other cognitive skills and concepts. Currently emphasis is focussed on custodial care by caregivers trained to be child "nurses."

## VI. LEGAL AND REGULATORY FRAMEWORK

### A. Privatization in Bulgaria

The Government of Bulgaria recently established the legal framework necessary to begin its privatization efforts in full force. With the objective of establishing a strong private sector to promote an "effective, equitable and open market economy, capable of conquering competitive positions on the world markets"<sup>14</sup>, the GOB approved the Law for Transformation and Privatization of State-owned and Municipal Enterprises on April 23, 1992.

The Privatization Law establishes the conditions and procedures for reconstruction and privatization. It describes the contents of the annual privatization program, identifies decision-making bodies and privatization procedures, and outlines future uses of revenues from completed transactions, lists participation requirements. It also defines mechanisms and procedures for the sale of state and municipally-owned enterprises, and the sale of shares or stock from enterprises transformed into commercial companies. The law also establishes the Privatization Agency as the executive force behind privatization.

The Privatization Agency, although not the sole body authorized to implement privatization, is responsible for the privatization of large state-owned enterprises with a balance value of long-term assets exceeding ten million leva<sup>15</sup>. All other privatization is assigned to the Ministry in charge of the particular sector of the economy under which the enterprise is classified, or the authority of municipal governments in the case of municipal enterprises. Under the leadership of its Supervisory Board, the Agency is in charge of preparing the overall privatization program, which by law must be submitted to, and approved by the National Assembly parallel to the National Budget. The agency is also responsible for licensing Bulgarian and foreign appraisers, delivering opinions on the transformation of state enterprises into commercial companies, and keeping the public informed regarding the progress of privatization nationwide.

### B. The Legal Framework for Private Participation in Child Care

Decisions regarding small privatizations (those which do not exceed ten million leva) are taken by a state body appointed by the Council of Ministers in the case of state-owned

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<sup>14</sup>Privatization Agency, Information Bulletin, INFOCONTACT - Sofia Press Agency, Sofia, Bulgaria. October 1992, pg.8

<sup>15</sup>Equivalent to US \$454,545 at November 20, 1992 exchange rates

enterprises, and by municipal councils in the case of enterprises owned by municipalities. Child care facilities are classified as municipal enterprises, thus any sort of private participation in them would be under the jurisdiction of municipal councils. However, the Ministry of Education regulates the operation of all child care and education centers and has thus issued a bulletin of procedures for private initiatives in care and education. Following is an analysis of the procedures necessary to 1) establish and operate a private child care facility and 2) to transfer the ownership and/or operation of a public child care facility to the private sector.

### C. Establishing a Private Child Care Facility

The Ministry of Education and Science does not object to private participation in child care and education, however, it does not perceive private care/education as a viable and accessible alternative to public care and education due to the significantly high costs. Regarding regulation and operation, private institutions must adhere to the same standards and rules applied to public care/education entities. The Ministry of Education recently published the procedures to be followed in the establishment of a private school.

The process is divided into two phases:

#### 1. Phase One:

The applicant should submit to Ministry of Education:

- a rental contract for premises where schooling will be held;
- a permit/certification of sanitary inspection (inspection made by the Institute for Hygiene and Epidemics - Schools Dept.) and
- a signed contract with a medical service entity stating that they will service the kindergarten.

At this stage the Minister of Education appoints an expert commission to evaluate the documents and the presented curriculum if it includes subjects not included in the state curriculum. The commission offers a preliminary assessment of the project and advises the Minister to support or reject it.

#### 2. Phase Two:

Submit:

- a curriculum/program and a description of educational methods;
- a certification of teacher/professional training for all staff;
- a signed declaration that the school will meet state standards of education and care;

- a sample contract with parents whose children will attend the school, and when applicable;
- a request for permission to use non-government textbooks.

During the second phase the Commission examines the documents, inspects the building and school conditions, and consults with the applicants and the school's future teacher. The Commission then presents its expert assessment of the project to the Minister, with a proposal to open the school, a rejection of the project, or proposal to open the school with specified amendments.

## I. BACKGROUND

### A. Social and Economic Situation

Hungary's 10,335,000 inhabitants<sup>1</sup> currently face difficult times under the economic reform program of the last four years. In 1956, most of Hungary's industry and public services were nationalized by the country's communist leaders; in turn the state provided a secure and extensive social safety net to all Hungarians, consisting of free education, extensive health care coverage, guaranteed retirement pensions, family allowances, sick leave, child care allowances, parental leave and numerous other benefits. However, the political and economic changes that began taking place in 1989 have had a devastating effect on the political, social and economic foundations of the country. The result of these reforms is an environment characterized by uncertainty and instability. The waves of unemployment and inflation have made the available social safety nets a politically as well as economically important issue. Thus, while the state still supports nearly two-thirds of the costs of various social benefits, such as the cost of public child care, the local governments, now face new responsibilities. Local authorities indicate that they lack the resources to complement the scarce subsidies from the central state earmarked for providing the social services the population needs<sup>2</sup>.

In Hungary, as in most of the East European nations, there had been nearly full employment at the peak of Communist rule. In 1991, it was estimated that only 83.8% of those employed in 1985 were still actively employed. Unemployment ranged from 24% in agriculture and forestry to only 1% in post and telecommunication fields<sup>3</sup>. Industries such as the steel, railroad, construction and manufacturing, agricultural and food processing have been hardest hit. One estimate for general unemployment in 1991 was at 11.64%, with up to 25% unemployment in the eastern part of Hungary, and only 2% in Budapest<sup>4</sup>. In addition to the official 11.64% rate of unemployment, some estimates show that 30% of the population could be categorized as unemployed and/or under subsistence levels.<sup>5</sup>

National statistics from 1991 indicate that a total of 312,077 persons filed for unemployment

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<sup>1</sup>Central Office of Statistics, Hungarian Statistical Handbook (1991), p. 9.

<sup>2</sup>Interview with Andrew Turner, Director, Price Waterhouse-Hungary, 1/11/93.

<sup>3</sup>Central Office of Statistics, Hungarian Statistical Handbook (1991), Ibid, p. 24.

<sup>4</sup>Ibid.

<sup>5</sup>Ibid.

benefits, of whom 129,714 were women and 182,363 were men. The largest number of unemployed women, as with men, were in the unskilled manual worker category although unemployment was significant across all categories<sup>6</sup>. Unemployment is greatest in the northeastern part of Hungary, and least in large cities such as Budapest where still there were 20,000 unemployed, approximately evenly divided between males and females. One person interviewed suggested that "the biggest part of the unemployed are men in heavy industry...Light industries such as the textile and food industry and where wages are lowest are still keeping women on".<sup>7</sup> Those who are officially unemployed receive 80% of their previous salary for three months and then 70% and declining for two additional years of unemployment. The average length of time of unemployment according to 1991 statistics was less than one year<sup>8</sup>.

As in Poland and Bulgaria, women in Hungary are being encouraged to remain at home when they have small children and Hungary has an extensive family leave policy to support this orientation; as of 1991, 221,000 women were officially taking advantage of the child care allowance or fee and many of these women were considered to be still employed, but temporarily not working. Various statements during interviews supported the concept that women want to keep their current jobs, and/or were working underground while staying home with children in order to add to family income. While the government policy encouraged women to leave their jobs when they had young children, many are afraid to give up jobs for long times in this period of increasing unemployment.

Family income levels in Hungary have remained considerably low for the general population since the transition began. The Hungarian Statistical Handbook of 1991 indicates that incomes range from 14,072 Hungarian Forints (HUF), or approximately \$178.12, gross monthly earnings for those with occupations that require physical labor, to 24,584 HUF, or about \$311.18, for those with "intellectual" professions. In 1991, monthly subsistence level income was calculated at 8,781.00 HUF/capita (approximately \$111.15).<sup>9</sup> The average gross income in Hungary in 1991 was only 16,766 HUF (\$212.22) /month per capita<sup>10</sup>. Finally, it was suggested that the Hungarian average per capita income is now \$150-200. This income level rises to \$300-400 per

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<sup>6</sup>Ibid.

<sup>7</sup>Meeting with Andrea Bankos, Member of FIDES, 1/12/93.

<sup>8</sup>Hungarian Statistical Handbook (1991), Table 8, p. 25.

<sup>9</sup>Hungarian Statistical Handbook (1991), p.33.

<sup>10</sup>Hungarian Statistical Handbook (1991), p.27.

capita when social allowances and benefits that a typical family has are included.<sup>11</sup> A "poor" family with two workers gets \$300/family/month in social allowances and benefits (or salary? check Margarita's notes here, and resolve which figures to use. A head of an institute, for example, may earn \$370/month after taxes, a university professor might earn \$300/month net income; a rector of a university might earn \$600-700 with \$1,000 top income/monthly salary--unclear if net or gross income)<sup>12</sup>

While monthly wages in the industry sector increased from December 1989 to March 1992 by approximately 1.5 times, the prices on consumer goods and services grew 1.29 times between the end of 1990 and the end of 1991. "The indices discussed here tend to point to an attenuation in the purchasing power of wages and salaries in Hungary".<sup>13</sup> Although not all Hungarians are dependent on monthly salaries for their well-being, those who could be classified as affluent consist of a very small group. Hungary has a small affluent group, with approximately 10% of the population enjoying annual family incomes in the range of 1,000,000 HUF or \$13,000. (A Hungarian banker in the private sector might make 38,000 HUF/month 456,000 HUF/year.) It was suggested that only about 20,000 individuals or 2% of the country's population report incomes over \$13,000 per year.<sup>14</sup>

## B. The Hungarian Social Security and Social Services System

### 1. *Social Services and Benefits*

As a welfare state, Hungary has provided numerous social benefits and services to its inhabitants, and these have contributed significantly to the general well being and quality of life of all Hungarians. In the context of political and economic transition, these benefits have taken on enhanced importance and the government has continued its efforts to maintain the Hungarian social safety net. Through its Social Bill of 1992 the government sought to upgrade the standard of living for those existing below subsistence level, for those with special health care needs, and for large families.

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<sup>11</sup>Interview with Peter Edvi, President, International Children's Safety Service, 1/12/93.

<sup>12</sup>Ibid.

<sup>13</sup>Centrum Prywatyzacji, Changes in the Economy: A Comparative Analysis: Czechoslovakia, Hungary, Poland. No. 4, 1.01.1989.-31.03.1992. Pont Corporation Ltd., p. 64.

<sup>14</sup>Interview at Price Waterhouse-Hungary, 1/11/93.

Public expenditures on social provisions in Hungary have been similar to those in other former Communist Eastern European nations.

Structure of public expenditures on social security and services in CMEA countries in 1987. <sup>15</sup>						
	CSFR	GDR	Bulgaria	Hungary	Poland	USSR
Social Security	45.3	33.1	50.9	59.1	49.4	42.6
Health Care	16.9	18.9	18.2	14.3	21.5	15.0
Education	20.4	20.9	23.1	19.6	19.8	23.6
Others	17.4	27.1	7.8	7.0	9.3	18.8
TOTAL	100	100	100	100	100	100

Hungarians are still entitled to numerous social benefits and services, which include unemployment benefits, subsidized health care, pensions for the elderly, sick pay, benefits for the physically impaired, housing subsidization, workers compensation benefits, family allowances and a series of benefits related to maternity and child care. The 1992 Social Bill places emphasis on families and individuals whose low income is insufficient to cover everyday needs and on those who need institutional social care due to health or family problems, and is particularly sensitive to the needs of families with three or more children.

## 2. *Benefits Related to Child Birth and Child Rearing*

Among the benefits related to child birth and child rearing, Hungarians receive subsidized health care, maternity leave, child care allowances and child care assistance, as well as subsidies for institutionalized care. **Health care** benefits for children include prenatal care, immunizations, and post-natal care. Under the new Social Bill mothers begin to receive benefits during their fourth month of pregnancy and may take a leave of absence from work during their last month before birth. At birth, mothers are entitled to a 5 month **maternity leave**, with full salary paid.

<sup>15</sup>Chernozemski, p. 130.

Once the first five months are over parents receive a **child care allowance** until the child is 18 months old. The child care allowance consists of 75% of the mother's or father's average monthly salary (either the mother or the father can take the leave). The **child care assistance** is granted until the child's third birthday, and consists of a fixed sum far less than the child care allowance.<sup>16</sup>

The child care allowance and child care assistance support parents' time at home with young children. In Hungary they are known as the *gyes*. The *gyed* is a two year long fee earmarked at 75% of a parent's previous salary. The *gyes* is an allowance of approximately 3,000 HUF per month for people who have not worked before to support their time staying at home with a baby. Both allowances are given for up to two years following a baby's birth, and the *gyes* can also be extended for an additional one year.<sup>17</sup> The new social laws proposed at the end of 1992 will allow a mother with three or more children to stay at home with their children until the youngest is age eight. This at-home-stay includes a guaranteed right to return to work. It is not clear what allowances will be available for support during this period, but most probably they will be similar to the fixed allowances mentioned above that parents have through a child's third birthday. According to Korintus (1992), this allowance is not equal to what a parent could earn, and with rising prices, will probably not be sufficient to allow many mothers or fathers to stay home without other earnings.

The GOH, until recently, provided a large subsidy for kindergarten or creche education for children. This subsidy included all costs except daily food fees which, in January 1993 ranged from 40-65 forints per day (\$0.50-0.75 per day) and are paid by parents on a monthly basis. While the majority of day nurseries and kindergartens have been transferred to municipal governments, with serious financial constraints parents continue to pay only food costs. However, the share of program costs paid by the central government, versus the municipalities, has substantially decreased (This topic will be covered in more detail in section IV.A).

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<sup>16</sup>Korintus, 1992, p. 1; Zam, 1991.

<sup>17</sup>Ibid.

## II. ASSESSMENT OF EXISTING CHILD CARE SERVICES

### A. Analysis of Public Child Care Services

#### 1. *Background of Child Care and Education in Hungary*

Hungary has a long history of early childhood care, education, and experimentation with quality programs which preceded the communist government by a full century. The country's first school for children under the age of six was organized in 1828 by Theresa Brunszwik. These schools were modeled after the English Infant Schools of the time and rapidly became an example followed by other European countries. In 1852, Theresa Brunszwik also founded Hungary's first day-care center for infants. Hungary's experience in the field of child care however, is not limited to caring for children. By 1837 it had opened its first training school for kindergarten teachers and by the end of the century these teachers were placed in 700 kindergartens nationwide. Despite this long history, not until 1948 did the Hungarian Council of Ministers decree that every effort be made in order for all Hungarians to have readily available and accessible infant and kindergarten care. By 1951 Hungary began to face the challenges of industrialization and economic development in full force, and as female employment increased at an unprecedented rate the government placed greater emphasis on the need to increase child care programs.

Since 1951 the availability of kindergarten education has increased rapidly, with nearly 87% of Hungary's 3 to 5-year olds attending kindergartens today. Infant care however, which seemed to be very popular in the beginning of the Communist period, decreased in popularity as discussions related to early socio-emotional development were interpreted to favor home care for infants and toddlers. The corresponding decrease in female employment resulted in less provision of infant creche care<sup>18</sup>. Today, infant care is estimated to cover only 10% of Hungary's 0 to 3-year old population.<sup>19</sup>

#### 2. *The Child Care and Education System*

There are a variety of public preschool and child care options open to parents, with the vast majority in the publicly-financed, state administered and managed kindergartens and day nurseries. The state has assigned two ministries to define and implement policy regarding child care as well as to administer and supervise it. While the Ministry of Welfare (formerly the Ministry of Health) has jurisdiction over infant care, for children between 0 and 3 years old, the

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<sup>18</sup>Korintus, 1992

<sup>19</sup>Dimitrov, in press; Fol, 1985.

Ministry of Cultural Affairs and Education administers the large network of kindergartens for 3 to 6-year olds.

The Ministry of Welfare supervises day nurseries (known as *bolcsodek*) as well as other institutions for young children who are orphans, homeless or have been abandoned. In 1970, this Ministry established a "day care network" developed to ensure universal access to infant day care. Parallel to building new centers, the Ministry of Welfare appointed select nurseries to also function as methodological centers in each county and each district of Budapest. Their task is to monitor and guide the day care centers under their authority and provide further training for the caregivers working there.

The National Institute of Day Care Centers (NIDCC), located in Budapest was also established to guide and coordinate the work in the methodological and regular day care centers nationwide. Administratively, the NIDCC functions under the supervision of the Ministry of Welfare, with the Methodological Day Care Centers under the Institute's authority. Day care centers are, in turn, under the direct authority of the Methodological Day Care Centers in their district. Although the Ministries are in charge of country policy-making, recent transition period changes have begun to shift responsibility for supervision and much of the financing to local governments. During this transition, the NIDCC will drawing on its research capabilities and adopt a more advisory-type role.

In a manner similar to the Ministry of Welfare, the Ministry of Cultural Affairs and Education makes policy and oversees a large network of kindergartens, commonly referred to as *ovodas*. It also supervises other child care programs for this age group, including special education, with research on new methodologies and programs conducted by the National Institute of Education. Although it is now the responsibility of local governments to provide kindergarten education to all three to six year olds, the Ministry of Cultural Affairs and Education makes relevant policy decisions and gives local authorities guidelines with regard to the focus of the programs. In the past these guidelines were strict and closely enforced, however in the context of sociopolitical and economic transition the Ministry of Education now offers a more flexible program and allows for decision-making at the local level. Kindergarten attendance is not compulsory at any age yet parents are strongly encouraged to enroll their children in the last year of kindergarten in preparation for primary school. Local governments are in turn required to offer this last year of kindergarten to all children. Estimates suggest that 95% or more of five year old children in Hungary attend the final year of kindergarten. For the kindergarten-age group as a whole (3 to 6-year olds) statistics range from 84 to 87% coverage.

3. *Kindergartens and Nurseries: A Look at the Numbers*

a. Kindergartens

In 1985, with a national population of 10.6 million, Hungary had over 4,800 facilities serving about 424,000 kindergarten-age children. In 1991/92, with a total population of 10.3 million, down slightly due to a 5% drop in fertility rate over the past decade, there were 394,000 children in 4,706 kindergartens. In 1980, government statistics suggested that 77.9% of children of kindergarten age were attending kindergartens, while in 1991, this percentage increased to 85.9%<sup>20</sup>. The majority of children in kindergartens were in municipal kindergartens, with only 4.4% of the total number of kindergartens linked to the parents place in factories, ministries, farms, or firms (of this, 2% of the kindergartens were run by factories or businesses, and 2.4% were run by churches, non-profit "foundational" or private programs, amounting to approximately 235 total kindergarten programs<sup>21</sup>). While non-profit "foundational" and other private kindergartens and schools have emerged in the past two years and appear to be increasing, there were only 10 religious, foundational or "other" kindergartens (including purely private schools) in Hungary in 1991/92.<sup>22</sup>

b. Nurseries

As the following table indicates, Hungary has experienced a significant drop in the total number of nursery facilities. This drop is particularly evident in the number of factory day nurseries.

Year	Total No. of Nurseries	No. of Factory Day Nurseries	No. of Children in Nurseries	Percentage of Nursery Age Children Enrolled in Facilities
1980	1,305	262	69,768	14.8%
1990	1,003	75	40,825	11.1%
1991	821	57	35,506	10%

Source: Hungarian Statistical Handbook (1991)

<sup>20</sup>Hungarian Statistical Handbook (1991), Tables 9 (p. 52), Table 2 (p. 63), and Table 13 (p. 16)

<sup>21</sup>Interview with Agnes Petho, Ministry of Cultural Affairs and Education, 1/15/93

<sup>22</sup>Table 7, Statistics pamphlet on education provided by the Central Office of Statistics, Budapest, Hungary.

The majority of the day nurseries currently available are funded through the municipal government with subsidization from the central government. Of the 821 permanent nurseries available in 1991, there it has been estimated that there are 40,867 places available, with 35,506 children enrolled.<sup>23</sup> The Institute for Methodological Nurseries estimates that in 1991 38,000 places were available in municipal nurseries, 2100 places were available in factory programs, and approximately 300 spaces were available in weekly kindergartens.<sup>24</sup>

#### 4. *Types of Preschool and Child Care in Hungary*

Despite difficulties faced during the transition period, most of the public kindergartens and day nurseries have remained in operation. Company or factory child care programs have been hardest hit by the transition and many have closed in the last few years. The majority of the programs previously financed and operated by the Hungarian State were transferred to municipalities and are presently supported by local government funds. These funds are provided by the municipality and the central state through cost-sharing programs. In addition to all-day nurseries and kindergarten programs, a small number of child care institutions offer half-day programs; some are using extra building space for parent and children programs and/or play groups. There are also a small and decreasing number of summer seasonal day care centers that support children of parents employed by the agriculture/tourism industries. In addition, there are "weekly" child care facilities that currently cater to children from families who have economic difficulties keeping children with them all week. Finally, proposals to begin small day care homes for 0-3 year olds have been made by the Ministry of Welfare's Institute of Nurseries, but this proposal has not yet been implemented.

The types of primarily publicly-financed programs currently in place include:

- **All Day Kindergartens or *Ovodas*.** These municipality-owned and managed programs are for 3 to 6 or 7-year olds and operate from 6 a.m. to 6 p.m. Some also include a half-day preschool option that allows parents to pick up their children after lunch. Parents are allowed to enroll their child in a kindergarten for a maximum of four years; some children stay in a group for more than one year, particularly in the last year of kindergarten if a teacher and parent feel a child is not "ready" to go to primary school. Children cannot stay beyond age seven, and the majority begin primary school at age six. Parents are required to pay a small fee for care services which includes two meals and

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<sup>23</sup>Copy of table on day nurseries supplied by Central Office of Statistics, Budapest, Hungary, and by the Ministry of Welfare, 1/14/93. Available on request.

<sup>24</sup>Statistics from interview at the Institute for Methodological Nurseries are slightly different from those supplied by the Central Office of Statistics.

two snacks.

In some cases municipalities have delegated the responsibility for providing child care to factories, firms or institutions. Occasionally these companies not only operate the facilities but finance them as well. Factory or firm owned/operated kindergartens (or day nurseries) were very prevalent after 1948 and at the beginning of Communist rule. Currently a few remain although they are rapidly decreasing in number (both university and military kindergartens were reported to have closed recently). In terms of the services offered by these firm-sponsored programs there are no significant differences when compared to the municipality owned/operated all-day programs.

- **All-Day Nurseries.** These municipality-owned/operated facilities care for infants between 5 months and three or four years old. According to several sources, parents have the right to choose whether their three or four year old child goes to a day nursery or to a 3-6 year old kindergarten program. Parents are also required to pay a fee for infant care services and meals given during the day.
- **Weekly Nurseries.** These institutions admit children from 0 to 3 years of age. About ten exist in Hungary with approximately 300 children in attendance. Children enrolled in these programs are cared for from Monday morning to Friday evening without returning home during the week. In addition to the regular care, children are fed according to their specific needs and they sleep overnight at the nurseries. Although sources indicate that fees for these nurseries are higher than those for all-day nurseries, most parents who enroll their children in these programs do so because they are unemployed or single parents, and therefore are unable to properly care for their children. Parents who have evidence of financial hardship or unemployment are not required to pay the customary care fees.
- **Half-day Kindergartens.** For five or six year old children attending the class preceding entry into the primary or elementary school are either physically part of the elementary school buildings, or linked to them institutionally. These are the five-year programs that nearly all children attend prior to beginning primary school.

- **Temporary or Seasonal Kindergartens and Nurseries.** These programs were designed to accommodate to the seasonal needs of parents employed by the tourism and agriculture industries. These programs care for children on a daily, weekly or even monthly basis depending on the needs of the parents. Parents are also required to pay care and boarding fees.
- **At-home care.** The state provides financial support to a parent (usually a mother) who wishes to stay at home with a child for up to the child's first three years. While parents receive a percentage of their pay during the first two years, they do not benefit from the subsidy during the last year. This publicly financed maternal child care is restricted to a child's 0-3 year period. Proposals to extend partial support for families with three or more children until the last child is eight years old have been recently passed in social legislation.)
- **State Supported Orphanages and Institutions.** These institutions host 0-3 and 0-6 year old children considered to be "social cases". Children are typically orphans or children from dysfunctional families.

## 5. Program Quality

Program quality has been described and assessed based upon information provided in curriculum guides, reports on Hungarian child care programs, information from interviews with different sources and visits to child care programs during the team's one week visit in Hungary. Along with interviews with a variety of individuals and organizations, during the in-country field work the team visited the following child care facilities: one model day nursery for 0-3 year olds run by the National Institute of Day Care Centers; a model residential nursery for 0 to 6-year olds, run by the Institute for Residential Nurseries; two public kindergartens for 3 to 7-year olds; and one private kindergarten for 3-6 year olds.

Indices of the quality of the public child care programs, based on our various sources of information will be described in this section, with a focus first on kindergartens and secondly on day nurseries. The determination of "quality" varies according to criteria used. In this report, we use the 1) quality of physical space and equipment, 2) teacher to child ratio, 3) curriculum priorities, 4) teacher training and supervision, and 5) evidence of outcomes for children or families.

### a. Quality of Kindergarten Programs

Price Waterhouse

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Throughout Europe and the United States, Hungarian kindergartens have enjoyed a sound reputation for quality care and experimentation. Under Communist rule, the Hungarian government provided kindergarten programs in accordance with the legal right of each child to education. Kindergartens were, until recently, centrally administered through the Ministry of Cultural Affairs and Education. Currently, there is a new spirit of flexibility and innovation on curriculum approaches expressed by Ministry officials as well as kindergarten teachers, yet based on the team's site visits, it is difficult to assess whether much change is taking place.

Significant variations are easily detected among industry or municipality nurseries. Some nurseries<sup>25</sup> are regarded as low quality facilities (custodial or "warehouse" types) whereas others are exceptionally high quality facilities. Theoretically, these variations do not occur in a centralized economy with ministry-controlled standards for programs, financing, and curricula. Variations in the quality of facilities, however, exist and seem to correspond to the surrounding environment. Even during the communist regime, contexts for the development of programs appeared to vary by rural/urban setting, financing, industry setting, individual leadership, and the quality and enthusiasm of teaching staff available. In addition, parents may also have had some influence on the quality of programs: parents with different backgrounds and expectations for learning bring different standards into kindergarten settings.

Since the transition period began, differences that were present at an earlier date have become more evident. In the public kindergartens visited by the team in Budapest (one in a well-to-do district and one in a "factory" district) the financial resources available to the kindergartens

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<sup>25</sup> Interview with Andrew Turner, Director, Price Waterhouse, Hungary, 1/11/93.

appeared to vary significantly and were reflected in the equipment, facilities and extracurricular activities at the kindergartens. In an economically stressed environment, parent expectations and financial support to the programs seem to increasingly influence the kindergartens. The context of emerging variation in kindergarten program quality observed by the team is described below.

1) **Quality of Physical Space and Equipment.** Some of the ministries under the former Communist government apparently developed showcase child care programs, while other facility factory and/or company child care programs varied from excellent to moderate in quality. It was not unusual for factories to build their own child care facilities, and some used rooms in church basements. Other kindergartens were reportedly installed in flats. A 1985 report suggests that only 4.1% of kindergarten classes are held in facilities not designed as classrooms.<sup>26</sup>

Team visits to kindergartens showed that, in general, the physical sites of public kindergartens are very good. The Ministry of Cultural Affairs and Education mandates a minimum of 50 square meters per group of 25 children, which is the equivalent of approximately 20 square feet per child, an acceptable if not generous space regulation in comparison with United States child care standards of about 25 square feet per child. As in the U.S., many kindergartens may have larger space per child than is regulated, and the second public kindergarten located in an area known as a "well-to-do" neighborhood, may well have been above minimum regulations.

The team visited three kindergartens in Budapest, 2 public and 1 private, all located in separate buildings designed and built as kindergartens. The private kindergarten functioned in a former public kindergarten building, which the municipality rented. Each facility the team visited was in good to excellent condition, with adequate space, clean and well-organized physical environments supportive of children's care and education. Despite differences in curricula, the three kindergartens appeared to have sufficient outdoor and indoor space for children, large supplies of equipment and educational materials, and clean, well-cared for environments. The public kindergarten located in the upscale district was better equipped than the other public kindergarten the team visited, however the latter was also well-equipped.<sup>27</sup>

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<sup>26</sup>Vari, Peter, "Care and Education in Hungary for 3 to 6 Year Olds." In Olmsted, P. P. and Weikart, D. P. How Nations Serve Young Children. Ypsilanti, Mich.: The High Scope Foundation, 1989.

<sup>27</sup>This conclusion is highly qualified as only one brief visit was made to this center.

**2) Teacher to Child Ratio.** In the United States, regulations and research support the concept that younger children require more adult attention, and that more adults and/or teachers should be available for interaction with younger children than older children. Some studies suggest that the larger the number of teachers present with a group of young children, the more likely positive and frequent adult-child as well as peer interaction will occur. The numbers of teachers in a setting may also offer the possibility to diversify groups of children such that "lessons" or activities can be carried out in smaller groups. Federal interagency child care regulations in the U.S. require 1 to 10 teacher to child ratios for three to five year olds. High quality child care programs may have ratios of 1:6 for the youngest group of children but the U.S. national average teacher to child ratio for groups which include three year olds is estimated at 1 to 8.5<sup>28</sup>. While a variety of cross-national reports indicate that many countries have larger groups of children with fewer teachers than is common practice or wisdom in the U.S.<sup>29</sup>, and some reports question the need or wisdom for larger numbers of teachers per group of children, the U.S. standards are offered as only one point of comparison for the data collected.

In Hungary, statistics suggest that the teacher to child ratio across groups in kindergarten programs has decreased since 1970. In 1970, the ratio was 18.2 children per teacher, while in 1990, the ratio was 11.6 children per teacher (10.8 per teacher in Budapest)<sup>30</sup>. Review articles on Hungarian child care, regulations set by the government, and the team's observations in programs showed that typically there would be approximately a ratio of 1.5 teachers to every 25 children in public kindergartens<sup>31</sup>. This fractional ratio is caused by the fact that two teachers usually share the burden of teaching: one teacher is present from 6 or 7 a.m. until 10 or 11 a.m., when a second teacher joins the group for about four hours (from 10 a.m. to 2 p.m., for example). At about 2:00 p.m., the first teacher leaves, and the second stays until 6:00 p.m. or departure time.

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<sup>28</sup>An approximate average of "Average Child-Staff Ratio in Groups in which the Youngest Child is Age 3", Table 1 in Kiser, E.E., Hofferth, S.L., Phillips, D.A., and Farquhar, E. A Profile of Child Care Settings: Early Education and Care in 1990: Executive Summary. U.S. Department of Education, 1990. No data were reported for groups in which the youngest child was older than three.

<sup>29</sup>For example, see, Olmstead, P.P. and Weikart, D.P.; How Nations Serve Young Children. Ypsilanti, Mich.: High Scope Press, 1989.

<sup>30</sup>Statistics on kindergartens available from the Central Office of Statistics and the Ministry of Welfare (given January, 1993, but without formal reference/source). The Hungarian Statistical Handbook (1991) presents somewhat different data: 1980-81--31.3 children/group: 1.93 teachers, and 1990--24.4 children/group: 2.09 teachers (1991 data is virtually the same as 1990 data).

<sup>31</sup>Vari, Peter, "Care and Education in Hungary for 3 to 6 year olds;" Observations in centers visited.

Groups of children ranged from 15 to 20 in classrooms the team visited; program directors suggested that an average group consists of about 25 children, although the Ministry of Cultural Affairs and many municipalities allow up to 30 per group. Teachers stay with the same group of children throughout their years in a kindergarten, however, the group will change classroom settings from year to year. Groups are divided according to ages: 3, 4, and 5 to 6-year olds. Teachers are supported by a full-time center director who performs administrative tasks and budgeting. Other support staff include a pediatrician, who visits the center on a weekly basis, and cooks, cleaning crews, gardeners, and custodians.

**3) Curriculum Priorities.** While there are cross-national debates about the "most effective" curricula for young children, the majority of educational reports favor what is termed a "developmentally appropriate curriculum for young children." Common characteristics of an appropriate curriculum would emphasize a careful balance between a healthy and nutritious environment, large and small motor activities for young children, an emphasis on social and peer interaction, and an emphasis on creative activities (art/music/dance/drama), as well as cognitive and academic concepts (including early literacy and language activities and early mathematical concept development). Many developmentally appropriate programs would emphasize the use of concrete educational materials over workbooks/worksheets, a balance of individual, small group, and whole group activities, learning through play with others in a variety of contexts, and an emphasis on home-school relations. Within these parameters the team observed the Hungarian curricula shared many of the emphases of a developmentally appropriate approach to curriculum for young children.

In 1989, the Ministry of Cultural Affairs and Education (MCAE) initiated, developed and published a modification of the 1985 version of kindergarten curricula titled Principles for the Kindergarten. While the 1985 version of this book was considered a "monopolistic" approach to curriculum by some, a representation of a centralized curriculum, Agnes Petho, the MCAE representative responsible for kindergartens, described the current program as more flexible, suggesting it was based on a largely Piagetian theoretical approach to child development. A Piagetian approach is likely to emphasize children's play, peer interactions, and the development of cognitive concepts through interactions with a wide range of concrete manipulative materials. In the past few years, some kindergartens have also integrated alternative experimental curricula<sup>32</sup> into the program which include the German Waldorf methods, the French psycho-

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<sup>32</sup>Source Vag, Otto (1/11/93). Professor of the History of Early childhood education and Chair of Organization Mondiale pour Education Prescolaire (OMEP)-Hungary. A publication on this topic of alternative curricula for early education was in a journal by OMEP in 1991; available in Hungarian from Prof. Vag or OMEP Hungary.

motor approach (Frenais), the Montessori approach, and other Hungarian experimental methodologies. Some of the new approaches have been applied by Hungarian educators, while others have been implemented by educators from Western European countries. The public kindergarten the team visited in one of the factory districts of Budapest was very proud of the Hungarian-based new curriculum methodology it was experimenting with at the time of the visit.

In the past, municipality or council-level supervisors, representing both the municipality and the state-controlled curriculum, would have limited experimentation. Now "advisors" rather than supervisors from the municipality must still give tacit or formal approval for experimentation. Although the advisors encourage and allow new methodologies to be tried, there are very few kindergartens that have fully implemented experimental programs. Most still use the state program, with a common understanding that experimentation or moderate flexibility is allowed. Topics covered as "activities of children" in the state program reflected in Principles for Kindergarten include play, work, and learning. The "means of development" are described as covering education in the mother language, education for literature, education for music, visual education, education for getting to know one's environment, education for mathematics, and education for physical training.<sup>33</sup> In music, the Hungarian Kodaly method is generally used, and teachers must know and play at least one musical instrument.<sup>34</sup>

The official curricula focuses on the child's healthy personality.<sup>35</sup> During visits, the team observed the following curricular and interaction emphases: children's dramatic, constructive, and gross motor play with other children to foster imagination as well as peer social development, art and music, and early number and letter recognition. The children's schedules varied by age groups, with the youngest age groups, 3-year olds and sometimes 4-year olds, spending a great deal of time in free social and play activities. In the morning, teachers allocate 25 and 50 minutes to lessons or related activities for 4 and 5-year olds respectively in the following topics: art, gymnastics, music, mathematics, and knowledge of surroundings. There are also activities in literature--stories, films, puppet shows--but children can choose to participate in them.<sup>36</sup> In addition, due to increasing parental demands and to "compete with

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<sup>33</sup>Kindergarten Educational Programme, Publication of the Ministry of Cultural Affairs and Education, Hungary, (1989??).

<sup>34</sup> The Kodaly method integrates music with other forms of artistic expression.

<sup>35</sup>Interviews with Agnes Petho, Ministry of Cultural Affairs and Education, 1/14/93, Directors of two public kindergartens visited on 1/15/93.

<sup>36</sup>Vari, Peter, Care and education in Hungary for 3- to 6-year olds.

private kindergartens,"<sup>37</sup> public kindergartens offer language (usually English), swimming, and additional music lessons and gymnastics taught by either individuals or teachers from private companies established for that purpose. To enroll their children in such lessons, parents must pay supplementary fees. The practice of incorporating private lessons may vary by municipality, by school, or by parental preference and availability of private tutors. The public kindergarten in the upscale district offers English lessons, gymnastics, and art lessons for extra fees.

The GOH has instituted a kindergarten education program for 5 to 6 year olds designed to be more academic in preparation for primary school. A typical schedule at one school visited included many different segmented time periods for activities that largely included (in sequence over one typical day): free play, breakfast and clean-up, activities and training, outdoor physical training, lunch, rest-time, physical hygiene, afternoon snack, and free play. Representatives from the Ministry of Cultural Affairs and Education suggested that the five year program "tries to establish kindergarten traditions, and emphasizes specific abilities. Attempting to avoid transforming the kindergarten in a "school," the kindergarten education focusses on a variety of influences. Despite the portrayal of zero classes as too academic for young children, play remains an important element."<sup>38</sup>

**4) Teacher Training and Supervision.** Teacher qualifications are considered an indicator of quality in early childhood programs, with specific training in early education and/or child development being the most important indicator as reported in national and cross-national comparisons.<sup>39</sup> In Hungary, the vast majority of teachers have specific training in early education and child development, although our visit was too brief to gather much data on the specific quality of teacher training.

In 1993, special training programs prevail, although more time is devoted to practical training experiences, and new and subjects include more flexible teaching methodologies. There were 32,383 kindergarten teachers, 25,625 of whom had higher level (3 years past secondary school) training specific to kindergarten education, and 4,465 had vocational school training (between 14-18 years) specific to kindergarten education. As many as 2,293 teachers over the age of 50 had no specific training in vocational schools, high schools or universities, but had experience and in-service training.

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<sup>37</sup>Interview with Nemeskeri Janos, Vice-Mayor of one municipality in Budapest

<sup>38</sup>Interview with Agnes Petho, Ministry of Cultural Affairs and Education, 1/15/93.

<sup>39</sup>Kisker, et. al., 1990; Olmsted & Weikart, 1989.

**5) Evidence of Child Development Outcomes.** With little available published information on Hungarian child care programs, it is difficult to speak to program effectiveness. The few programs observed, and our interviews with various sources suggest that high quality programs exist, and in these programs, outcomes are probably favorable. The high attention to art, music, dramatic and other forms of play, movement and gymnastics, and most recently to language instruction, suggests outcomes for children are positive. On the other hand, if "warehouse" types of programs exist, where custodial rather than educational/social development is emphasized, outcomes for children after long days in child care can be lower than desirable. While we have no evidence that outcomes are poor, variation in quality and outcomes is still a question that should be examined further. In addition, there was some concern expressed that many children in poorer districts and areas of Hungary were not "ready" for primary school after their years at home or in kindergarten. In one of the public kindergartens visited, the director suggested they were instituting new sensory education methods to try to better prepare children for primary school, and, in addition, keeping children an extra year (e.g., their 7th year) when necessary. These concerns address the needs of primary schools for more "academically prepared" children rather than focussing on the quality of kindergarten programs in general. A representative from OMEP, for example, suggested Hungarian primary schools required the final year of kindergarten to be too academically-focused for the developmental needs of young children; the debate of "academics" vs. "developmentally appropriate activities" for young children is not, however, exclusive to Hungary.

b. Quality of Nurseries

Using the same criteria as above, the team assessed the quality of full-day nurseries for young 0 to 3-year old children. Residential nurseries where children live permanently are not included in the analysis below.

Up through the late 1980's, there was one type of day nursery funded by the central state, and run by local authorities. Fifteen to twenty percent of nursery-age children attended nurseries in large cities or towns, while 12 to 15% attended nurseries in villages and small towns. In many small towns there were no nurseries of any type available. As mentioned earlier, because of decreasing birth rates, as well as increasing unemployment and emphasis on "professional motherhood", there are fewer creches or day nurseries now than earlier (estimates range from 12% to 14% less). In addition, government regulations and recent legislation supports specific municipal funding for kindergartens, with no specific support recommended day nurseries. Interviews with members of the Ministry of Welfare and the National Institute for Day Care Centers indicate there is a real concern as to whether municipalities will continue to fund existing day nurseries at earlier levels. Lower predicted funding will impact quality of day nurseries in various ways, but as yet the only result of recent trends appeared to be in the closing of some centers. In addition, in the late 1980's, as fewer children went to day nurseries,

policies favored inclusion of children with handicaps in programs (e.g., Down's Syndrome, physical handicaps such as blindness, deafness, etc.). The National Institute for Day Care Centers in its model day nursery program at the Institute for Methodological Nurseries is experimenting with integrating handicapped and non-handicapped children into the same setting.

**1) Physical Space and Equipment.** While the team was only able to visit one day-nursery in Budapest, which was run by the National Institute of Day Care Centers and its National Methodological Day Care Center, this assessment of quality of physical environment is based on one model program, references made during interviews and relevant documentation. Marta Korintus, a research psychologist of the National Institute of Day Care Centers, wrote: "All day care arrangements are center-based, and the regulations and government support per child are the same for all, regardless of who operates them. Nevertheless, quality varies within the country to a certain extent. There are differences in the financial situation and in the availability of well trained staff in the different regions. Big cities usually have a better supply of day care."<sup>40</sup> While the standards for establishing and operating day care centers are the same in the whole country, regulations concerning building, play yard, toys and furniture, as well as other aspects of the curriculum, are given to those hoping to begin programs, and to those supervising the maintenance and/or running programs.

The team was not provided with guidelines for regulations for buildings, but the model nursery program visited would be typical of a high quality program in the United States. Quality is assessed for infants and toddlers on the basis of space per child, cleanliness of facility, and space for educational and caretaking/toileting/dressing activities. Children were given colorful different uniforms furnished by the center for each day they were present. A laundry room and kitchen were also part of each building. The playground area surrounding this model day nursery was also very large, well-equipped with motor and other educational equipment, and equipped with special cribs for all children so that naps could be taken outside, even during the winter (in weather equal to or above 5 degrees F.). The emphasis on being outside during all seasons is consistent with curriculum philosophies that accentuate the "healthy" development of children. In short, the physical environment was extremely well-planned, spacious, clean, and stimulating. Educational toys that were developmentally appropriate for very young children were plentiful, and equipment to support developmentally appropriate activities and goals for young children was also evident.

**2) Teacher/Caregiver to Child Ratio.** According to data presented in the Hungarian Statistical Handbook, in 1980 there were 1305 nurseries designed to accommodate 64,502 children. However, 69,768 children were enrolled and 10,713 "nurses" were employed by the Ministry of Health (currently the Ministry of Welfare) as caretakers/teachers for children.

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<sup>40</sup>Korintus, 1992, p. 4.

(Accommodations per nurse were described as 6, signaling a 1:6 caretaker or teacher to child ratio.) In 1990, according to the above source, there were 1,003 day nurseries with space for 50,250 children. Only 40,825 children, however, were enrolled. There were 8,758 nurses and the caretaker to child ratio was again 1 to 6. Signaling the rapid decreases in day nursery provision during the transition period, in 1991, there were only 821 day nurseries listed that would accommodate 40,867 children with only 35,506 actually enrolled.<sup>41</sup> The number of nurses employed was 7,617 and the listed caretaker: child ratio was reduced to 1:5.<sup>42</sup> As there are approximately 10 children per group,<sup>43</sup> there are usually two nurses available to each group. These ratios were reflected at the model day nursery program visited by the team. In addition, the team's observations and a recent report on day nursery programs confirm the general recommendation and procedure to have a nurse remain with "her group" of 5-6 infants or toddlers, even though a total group in a room may consist of 10 children. This procedure enhances the ability of nurses to develop consistent relationships with 5-6 children rather than focusing on all ten. Nurses also stay with children over their years in the kindergarten, although children and nurses change rooms with changing ages.<sup>44</sup> In comparison to the United States regulations and recommendations for caregiver to child ratios in group child care for infants, Hungarian ratios and procedures represent good quality care in terms of availability of adults for physical care and social/educational interaction. In addition to regular staff, all day nurseries have a full-time director, pediatricians who visit daily, as well as laundry, kitchen, and custodial personnel.

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<sup>41</sup>Marta Korintus' 1992 paper entitled "Day Care for 0-3 Year Old Children in Hungary" that has been previously cited, describes larger numbers of children in attendance in day nurseries in 1991 (52,646 or 14% of the age group), whereas the Hungarian Statistical Handbook numbers are significantly fewer and represent according to their figures coverage at 10% of the age group. One reason for these differences may be that Korintus' report examines issues and coverage related to 0 to 3-year olds, while the Hungarian Statistical Handbook refers to 0-2 year olds. One would expect that 2-3 year olds would be more likely to attend day nurseries than 0-2 year olds because child care allowances are reduced when a child reaches age 2, and because children are older and may be perceived as more "ready" to attend a group care program. Earlier sections and numbers report Korintus' numbers, while, for the purpose of seeing care giver to child ratios, the statistics reported above use those from the "Handbook".

<sup>42</sup>Hungarian Statistical Handbook. Budapest, Hungary, 1991, Table 9, p. 52.

<sup>43</sup> "Methodological Letter: Continuous programme in day-nurseries", undated mimeographed manuscript available from the National Institute of Day Nurseries, Budapest, Hungary, p. 1.

<sup>44</sup> "Methodological Letter: Continuous programme in day nurseries", unpublished and undated mimeographed manuscript available from the National Institute for Day Nurseries, Budapest, Hungary, p. 5.

**3) Curriculum Priorities.** As day nurseries are under supervision of the Ministry of Welfare, it is not surprising that "nurses" rather than "teachers" are hired as staff and curricular orientation emphasizes the safe, clean, nutritious, and "healthy" development of children. In the earliest years of the all-day nursery movement throughout Europe, custodial care focused on safe and healthy environments for young children. Since the mid-1950s added attention has been placed on socio-emotional development such that children develop a sense of security as well as secure relationships or attachments with parents and teachers. A great deal of attention is placed on consistency of schedule and staff, while still allowing for flexibility. A new experimental program gives special attention to child's entrance into the school setting emphasizing the importance of a gradual transition period in the child's confidence and future development.

There are three separate groups in day nurseries: 1) "infants and small toddlers" age 4-18 months old, 2) "toddlers" 18-24 months old, and 3) "small children" 24-36 months old. Some children who are older than 3 years can attend day nurseries under special request by parents, and if space permits, but only until age four when they need to attend kindergarten. The team found that there are various emphases on developing self-care habits, as well as secure emotional relationships and feelings about self, early language skills in interaction with caregivers surrounding normal tasks (made possible by the small teacher-child ratio), and considerable time provided for free play with a variety of developmentally appropriate materials.

**4) Teacher Training and Supervision.** As in most countries, child care is not a prestigious activity. Consequently staff salaries, performance, expectations, and training requirements are not high. Salaries of infant care givers are lower than those for kindergarten or primary school teachers. Training requirements that include fairly minor salary differentials include a high school or vocational school training for people to become nurses and other hospital personnel, and two years of on-the-job training. The National Institute of Day Care Centers and the Methodological Centers organize further training for nursery care-givers. There is also a one year course of additional training for those who wish to become directors. This program provides more child development training as well as training on other health, nutrition and management issues. Current plans to improve the training do include a six-year experimental training program at three vocational nursery schools, with some plans to offer free college education to people wishing to work with young children.<sup>45</sup>

Training for nurses who are also children's "teachers" should be evaluated in terms of the extent of child development knowledge gained in their training program, in order to ensure that emphases toward the development of language, cognition, and socio-emotional development are balanced with the traditional emphasis on health, safety, and, perhaps, motor development. Currently, the emphasis on children's play with a variety of materials, with other children, and

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<sup>45</sup> Korintus, M. (1992), p. 5.

on interaction with staff seems to be appropriate. In addition, members of the National Institute for Day Nurseries and the National Methodological Center are extremely well trained and innovative in their experimentation.

**5) Evidence of Child Development Outcomes.** Although historically in Europe as in America, many have conceived of care for infants as custodial, current research on early child development suggests that appropriate, responsive interaction between caretakers and young children is extremely important to young children's development into creative, exploring, and inquisitive older children. The model program for day nurseries the team visited and available literature suggest that Hungarian day nursery facilities and equipment, staff to child ratio, and curriculum philosophies represent high quality programs for the care of young children, however, some reports suggest that considerable variation exists. Marta Korintus' report suggests that variations are manifest not only in the quality of child care but also in the quality of staff. However, if care were to become primarily custodial, with little appropriate interaction between caregivers and children, other than self-care (toileting, feeding, dressing, napping, washing), and with little time and opportunity to interact with a variety of appropriate quality materials, such care would not be suitable for young children's development. Currently day nurseries appear to deliver good quality services, charging low fees and making good care readily available. A reduction in resources in support of nurseries would result in a significant decline in quality.

#### B. Analysis of Private Child Care Services

As in other Eastern European countries, private participation in child care and education in Hungary is the exception rather than the norm. To date less than twenty child care facilities are operated by private entities. According to the Hungarian Statistical Handbook, there are 10 kindergartens run by religious groups or institutions and 9 private kindergartens owned by either individuals or foundations. Officials from the Ministry of Cultural Affairs and Education indicated that the government not only allows private child care (see section IV) but also encourages it. However, only a few private programs are in operation today. This low incidence of private child care may be attributable to the high costs involved and the fact that thus far municipality programs of reasonable quality are available to families.

Although limited private participation in child care and education exists in Hungary, it has taken on several forms including part public/part private, fully private, and private/non-profit. The following is a description of the three service delivery mechanisms as they have emerged in Hungary.

##### 1. *Public/Private Partnership*

Public kindergartens in Budapest and elsewhere in Hungary have agreed to allow private

certified instructors to teach extracurricular classes at specific times during the week. These classes focus on languages, music, sports and the arts. The arrangement allows private instructors to teach at different locations without having to directly incur any capital investment or operating costs for a physical facility. In order to enroll their children in extracurricular classes, parents are required to pay a special fee (ranging from 300 to 400 HUF per month for 8 sessions) along with a regular fee for food charges, to the kindergarten. Fees are then given directly to the private tutor or service. Discussions with the kindergarten and day nursery directors indicate that there is more than sufficient demand for the extracurricular courses and most children attend them. Languages, particularly English, and music, gymnastics, or swimming are perceived as important skills and activities by parents. Public child care centers, by offering extra services, "compete" with the emerging private sector schools that offer some of these services as an integral part of their program. Some districts have apparently developed extra curricular specializations. One municipal representative in Budapest indicated that her district specialized in swimming lessons for the majority of children, while others emphasized language instruction instead.

## 2. Fully Private Child Care

The team visited one private kindergarten facility in Budapest, the Greenhouse Kindergarten, and heard of another called the Penguin School in the same district. Both schools are in what is considered to be a "well-to-do" neighborhood and appear to cater to the international community (particularly American and British) as well as to Hungarians in higher income brackets.

### a. The Greenhouse Kindergarten

The Greenhouse Kindergarten is a bilingual English/Hungarian program for 3 to 6 year-olds, run by a Hungarian woman who had been a preschool teacher in the United States before returning to Hungary in the early transition period. The school is considered a "foundation" school for tax purposes, nonetheless, it is an excellent example of a purely private kindergarten and is comparable in quality, curriculum orientation, and in other ways to typical U.S. private preschool programs for middle-class families. The school operates from September through June and offers half and full-day programs. However, unlike many other kindergartens, Greenhouse runs a fully bilingual program. There are also efforts to involve parents in this program, which is different from the emphases in the public kindergarten programs visited; these efforts include monthly parent volunteering in the school,<sup>46</sup> as well as providing parents with examples of

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<sup>46</sup>The director reported that the American/British and other English-speaking parents, in general, are part of an international community in Budapest, and have time to volunteer as many do not work; the parent volunteer program is not as successful with Hungarian mothers and father who are, in general, working outside the home during the

monthly planning sheets (copies), and parent teacher gatherings every six weeks (parents contribute \$5.00 to each meeting for costs of renting the extra space). The kindergarten took six months to establish and, as of January 1993, was in its second year of operation. There were 32 children in the school when the team visited, approximately half of whom are British, American, or from English-speaking families. Half of the children in the school are in the three year old group, while the other half are in a four to six year old group. Approximately half of the children attend the kindergarten on a part-time basis. Each group has a certified kindergarten teacher, and one teacher assistant. If the individual teachers are not bilingual, the teacher and assistant as a pair speak both English and Hungarian. The fees charged by the Greenhouse Kindergarten are 23,000 HUF for full-day care and 21,000 HUF for half-day care (\$287 and \$262/month respectively).<sup>47</sup> These fees are lower than U.S. fees for comparable services, but very high for Hungarian income levels. In addition to these fees at Greenhouse, there are special classes for which parents pay extra fees. One example is gymnastics, where children go to a separate building for exercises with a specially trained teacher. In this case parents pay for gymnastics by the hour.

b. Family Day Care

The primary source of private nursery care in Hungary (and to a lesser extent kindergarten care) is the unlicensed and unregulated group day care provided in family homes. Individuals establish informal child care programs in their homes driven by the belief that they will provide a higher quality environment as well as lower costs and added convenience to other parents. The National Institute for Day Care Centers, however, envisions expanding their current network for day nurseries to include a regulated inexpensive home system. They have been in contact with educators from the United States and are in the process of identifying collaborative projects, and securing technical assistance in this area.

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day.

<sup>47</sup>As a point of comparison, U.S. full-day child care program fees are cited to average at \$1.60/hour or \$64/week (\$256/month) in 1990 across all types of programs based on U.S. Department of Education data in A Profile of Child Care Settings: Early Education and Care in 1990. Common fees in high quality full-day programs can be as much as \$125/week, although subsidization by government or employers, for example, can lower fees substantially.

### **III. ASSESSMENT OF EXISTING CHILD CARE NEEDS**

The GOH expects the demand for creche care to remain at current levels or to increase slightly as a direct consequence of the economic hardships faced during the transition period. As municipalities face tremendous financial pressure and extended responsibilities many have closed child care facilities. Budgetary norms clearly earmark certain municipal funds for the provision of kindergarten care, however this is not the case for nursery care. For this reason nurseries are more likely candidates for closing than are kindergartens. When closing a facility municipalities assign children to the remaining kindergartens and nurseries. This places additional pressure on the already strained budgets of municipality-run child care facilities.

Parallel to this situation, the government promotes "professional motherhood" and encourages mothers to stay at home with their children for at least two years. Professional motherhood would theoretically alleviate some of the demand placed on the existing supply of child care facilities and would also increase job opportunities for other workers. However, since unemployment seems to be particularly high among men formerly employed in the heavy industries many families currently depend on mothers for household income. Even in those cases where both parents are employed most families need two incomes to maintain their standard of living. Double-income families are more likely to experience a smoother economic transition (and possibly save money) than those with only one source of income. The result of this situation is, contrary to government policy and assumptions, an increasing demand for infant child care. In order to resolve these disparate perceptions and needs, it is important to find cost effective ways to provide child care through both institutional and non-institutional means.

#### **A. Types of Services Required**

Due to the transfer of a portion of the financial responsibility for child care facilities to the municipal governments, child care centers are thought to be at risk in Hungary. While providing child care for five year olds is an obligation of all municipal governments that is not the case for children between 0 and 4 years of age. It is thus likely that programs for children between those ages will be phased out before any others. Despite protests against the closing

of kindergartens and nurseries, municipalities and factories are closing many programs. In Budapest, some districts which have closed programs have suggested to parents other available kindergartens nearby. In addition, in an effort to curtail costs and/or privatize many company or factory kindergartens and day nursery programs are closing, transferring properties to municipalities.<sup>48</sup>

1. *Demographic Trends*

A brief look at Hungary's population figures reinforces the expectation of an increase in demand for child care. Although Hungary experienced a dramatic decline in birth rates between 1980 and 1990 (see table below), since then the trend has reversed and in 1991 statistics indicated that Hungary had 300,000 more children than the year before. According to the Central Statistics Office this pattern of population growth is likely to remain if not increase.

POPULATION BY AGE GROUPS (Numbers in Thousands) <sup>49</sup>			
AGE	1980	1990	1991
0 - 5 years	1,045	738	741
6 - 14 years	1,296	1,392	1,323

2. *Schedules*

In order to respond to parents' employment schedules, day nurseries and kindergartens must demonstrate a willingness to adopt flexible timetables. The difficult economic changes will contribute to an increase in the number of double-income families, an employment pattern already in existence before the transition. There is likely to be an initial tendency for part-time use of kindergartens and day nurseries while parents are looking for work and/or when they are temporarily employed. As unemployment decreases, child care facilities will need to adapt to the increasing demand for all-day care and care after work hours.

<sup>48</sup>Meeting with Dr. Edit Kecskeméti, Executive Director of Unicef-Hungary, 1/13/93.

<sup>49</sup>Hungarian Statistical Handbook: 1991, Table 2, p. 10.

3. Location

Currently child care centers are located in, or close to residential areas or working districts. These seem to be the most convenient and commonly adopted locations because they allow parents to take their children to school on the way to and from work. There was no evidence that would indicate a change in preference regarding this matter. There are a few neighborhoods that are not currently serviced by child care facilities, but there is adequate space in neighboring child care centers to allow enrollment of children from adjacent districts.

4. *Demand for Private Child Care*

The demand for private child care services is likely to stem from the needs of young families which have benefited and will continue to benefit from the economic transition. As a percentage of the total population, this select group is small but likely to grow. In addition demand for private child care may also come from the diplomatic community and the international business community. The local population will however continue to rely on public institutional care during the transition period.

#### IV. FINANCIAL REQUIREMENTS FOR CHILD CARE CENTERS

Public and private child care centers fund their operations through a variety of ways and today continue to seek innovative funding mechanisms incorporating sources not customarily tapped. Public child care centers depend on subsidies and transfers from the central government, collect fees to cover food costs and special activities, and lately have opted to request additional support from parents. Private kindergartens on the other hand receive minimal government funding (if any) and rely mostly on fees collected from parents and donations from private entities or individuals.

##### A. Financing of Public Child Care Facilities

##### 1. State Transfers and Subsidies

Local authorities in Hungary have been receiving subsidies from the central government for the operation of nurseries and kindergarten facilities for several decades. In the last four years these subsidies have changed significantly not only in the amounts allocated, but also in the manner in which amounts are assigned. While until 1990 kindergarten subsidies were allocated according to the number of kindergarten-age children in the community, since 1991 the government bases its fund obligations to kindergartens on the number of children actually enrolled in the care facility. Although in 1993 this subsidy amounts to 27,500 HUF per child/year (see table below), the amount necessary to fully fund one child's attendance to kindergarten is estimated at 45,000 HUF<sup>50</sup>.

<sup>51</sup> Transfers to Municipalities for Operation of Kindergartens		
YEAR	AMOUNT Hungarian forints	BASIS OF TRANSFER
1990	4,180.00	Population levels in municipality
1991	15,000.00	Number of children enrolled
1992	19,000.00	Number of children enrolled
1993	27,500.00	Number of children enrolled

Source: Janos Nemeskeri, Vice Mayor of Budapest's-District 4

<sup>50</sup>Nemeskeri, Janos, Vice Mayor of Budapest District.

<sup>51</sup>Ibid.

As a result of the gap between funds available from the central state and funds required municipalities must find complementary and/or alternative sources of funding for kindergartens.

The financial gap is particularly acute for infant care however. Although municipalities receive subsidies specifically earmarked for kindergarten services, there are no funds specifically labelled for nurseries. Municipalities must assign funds for nurseries from their general funds for social programs and have discretionary power to do so according to their perception of the needs of the community. [It was estimated that half of the children in the factory programs, at least, will not be covered in 1992, and fewer in 1993, as a result of a new government law that purposefully fails to earmark expenditures for day nurseries as part of municipality budgets.<sup>52</sup> place later] Representatives from the National Institute of Day Care Centers cited the amount of 150,000 HUF as the average cost for infant care per child/year, with a range of 70,000 in rural areas up to 200,000 in urban areas. Operating costs for residential nurseries are even higher, however they do receive government transfers for due to their categorization as a special service. In 1992, government transfers amounted to 233,000 HUF per child/year and yet these funds were insufficient.

## 2. *Fees Collected by Public Child Care Facilities*

### a. *Kindergartens*

As a way to complement subsidies from the state, kindergartens collect fees from parents on a monthly basis. In addition to the base fees kindergartens also collect fees for extracurricular activities. However, fees collected by kindergartens cover the cost of providing two meals and two snacks for every child enrolled are not intended to recover costs. The fees vary according to food costs in different regions and they range from 1000 - 1400 HUF per child/month. Parents who have three or more children pay only half the fees, and children from disadvantaged families (such as families of unemployed parents) pay a fraction of the fee or none at all. Between 1990 (when the fees were typically between 500 and 700 HUF) and 1992 kindergarten fees experienced a fifty percent increase.

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<sup>52</sup>Interviews at the Institute for Methodological Nurseries, 1/14/93.

Parents whose children are enrolled in public kindergartens pay additional fees to enroll their children in special or extracurricular classes. These extra fees range from 350 and 400 HUF per child per month for an average of eight sessions. This amounts to an additional 30% over the base fee.

b. Nurseries

Nurseries in Hungary also charge base fees to cover food costs for infants enrolled. Since January 1993 all public nurseries charge a daily fee of 55 HUF or 1200 HUF/month (slightly higher than kindergarten fees). This fee is revised once or twice a year by the Ministry of Welfare. Since 1990, when daily fees were 27 HUF, nursery fees have also increased by fifty percent. Special care fees (for overnight stays, handicapped children care, etc.) range from an additional 30 to 100 HUF/month depending on the region.

B. Financing of Private Child Care Facilities

1. *Financing Through Donations*

Private and foundational kindergartens obtain donations from individuals and institutions for initial capital investments as well as operational costs. These donations are given to the foundation under which the kindergarten operates (if applicable) and in the past private kindergartens have presented them as proof of availability of resources for the first year of operation (a requirement for the establishment of a private child care facility -- see section VI). Tax exempt status is an attractive feature of becoming a foundational kindergarten, and for this reason many parents have resorted to this mechanism to channel donations to kindergartens. Although not entitled to tax-free status private, non-foundational kindergartens solicit donations from parents to meet specific needs.

2. *Fees Collected by Private Kindergartens*

a. Kindergartens

Private kindergartens in Hungary charge fees typically between ten to twenty times as high as those charged by public kindergartens. This is not surprising since fees constitute the main source of their income and profits. Private kindergartens include costs for extracurricular activities and most special events

in their monthly fees, while public kindergartens do not. In the more expensive private kindergartens such as Greenhouse, foreign languages form an integral part of the curriculum throughout the day. Public kindergartens, however, only offer language classes for a few hours as an extracurricular activity. The Greenhouse Kindergarten caters to high-income families and is thus one of the most expensive child care options in Budapest: it currently charges 21,000 to 23,000 HUF per child per month. Other private kindergartens charge an average of 12,000 HUF.

b. Nurseries

To the team's knowledge there were no institutional private nurseries in Hungary at the time of the field visit. It is likely that group infant care takes place in family settings on an informal basis.

3. *Eligibility for Government Transfers*

Kindergartens operating under a special services agreement with the municipal government, whereby they agree to provide a service normally delivered by the municipality as an obligation to the community, are entitled to the same subsidy transferred to municipal facilities. These subsidies are only guaranteed for kindergartens, for the amount of 27,500 HUF/child per year. Private kindergartens which have not signed this agreement do not receive the subsidy.

4. *Availability of Private Financing and Credit Opportunities*

Foundational and private schools seem to be more successful at collecting donations from individuals and businesses than at obtaining loans from banks and other lending institutions. Although some banks have been referred to as "openminded" all lending institutions require business plans and/or collateral of at least fifty percent of the loan value and they are reticent to lending money to not-for-profit entities. Interest rates in Budapest banks at the time of the team's visit ranged from 20 to 25% placing a tangible obstacle to those seeking capital for the establishment of child care centers.

C. *Cost Recovery and the Hungarian Ability to Pay*

In order for private kindergartens and nurseries to successfully deliver high quality services and retain a percentage of earnings as profit, they need to be able to charge fees that are approximately 10 times those charged by public child care facilities (i.e. 12-14,000 forints per month). This price difference will almost automatically eliminate a substantial portion of the Hungarian population's access to private child care. To a parent earning the average gross income of 17,000 forints a child care fee of 12,000 is not an option. This inability to pay higher child care fees significantly limits widespread private delivery of child care services in Hungary. Nonetheless it opens the door to private/public partnerships which would alleviate the state's burden without placing undue stress on the average family budget.

D. *Financing and Credit Opportunities*

E. *Representative Budgets for Public and Private Child Care Facilities*

The following budgets and/or expense summaries reflect projected and actual costs for public and private kindergartens visited by the team in January 1993.

<b>HUNGARY</b> <b>Operating Budget 1992</b> <b>Partly Independent Kindergarten</b>				
Expenses*	Planned for the Year	Monthly Expenditures in Forints	Yearly Expenditures in Forints	Cost Recovery
1. Salaries	2,977,950.00	215,756.42	2,589,077.00	
2. Insurance	1,304,000.00	59,715.08	716,581.00	
3. Utilities and Office Supplies	330,000.00	65,637.68	787,652.13	
4. Business Trips	10,000.00	708.57	8,502.86	
5. Teaching Materials	50,000.00	14,277.86	171,334.28	
6. Scholarships	0.00	0.00	0.00	
7. Food	8,000.00	685.71	8,228.57	
8. Medical Supplies	85,000.00	1,952.47	23,429.66	
9. Linens and Uniforms	0.00	1,692.14	20,305.71	
10. Facility Repairs	60,000.00	6,157.34	73,888.11	
11. Other/Miscellaneous	206,000.00	69,999.15	839,989.86	
12. Taxes	280,000.00	155,066.00	1,860,792.00	
13. TOTAL	5,310,950.00	591,648.42	7,099,781.18	
14. Total Fees Collected Anually				631,026.00
15. Percentage Cost Recovery				8.89%
*Note: Exchange rates as of January 1992: US \$1 = 78 Hungarian Forints (HUF)				

**HUNGARY**  
**Operating Budget: 1992-1993**  
**Greenhouse Kindergarten (Private)**

Expenses*	Monthly Expenditures	Yearly Expenditures	Cost Recovery
1. Salaries**	250,000.00	3,000,000.00	
2. Rental	120,000.00	1,440,000.00	
3. Utilities: Electricity, Water, and Gas	20,000.00	240,000.00	
4. Materials/Supplies/Books	10,000.00	120,000.00	
5. Food and Cleaning Materials	100,000.00	1,200,000.00	
6. Telephone and Communications	7,000.00	84,000.00	
7. Insurance	1,666.00	19,992.00	
8. Advertising	3,167.00	38,000.00	
a. Yellow Pages @ 10,000/year			
b. Newspaper @ 28,000/year			
9. Special Events	8,000.00	96,000.00	
10. Bookkeeper	12,000.00	144,000.00	
11. Refurbishing (one time cost)	200,000.00	200,000.00	
<b>12. TOTAL</b>	<b>731,833.00</b>	<b>6,581,992.00</b>	
13. Fees Collected: Full-time Care @ 23,000/mo. per child (16 children)			4,416,000.00
14. Fees Collected: Half-day Care @ 21,000/mo. per child (16 children)			4,032,000.00
<b>15. Total Fees Collected</b>			<b>8,448,000.00</b>
<b>16. Percentage Cost Recovery</b>			<b>128.35%</b>
<p><i>*Note: Exchange rates as of January 1992: US \$1 = 78 Hungarian Forints (HUF)</i></p> <p><i>**Teacher salaries are 20-25,000 HUF/year - Hungarian Teacher</i>  <i>30,000 HUF/year - Native English Speaker</i>  <i>(5 hours/day - 25 hours/week)</i></p>			

Price Waterhouse

34  
90

## V. TRAINING AND EDUCATIONAL AVAILABILITY AND NEEDS

### A. Availability of Training for Kindergarten Teachers

Hungary was the second country in Europe to instate higher level training requirements for kindergarten teachers. By 1959 prospective kindergarten teachers were required upon graduation from secondary school, to attend a two-year training program specially designed for kindergarten teachers. Today three years of training after high school are a prerequisite for kindergarten teachers (tertiary degrees). However, during a brief period in the 1970s, the government established a vocational level training program for prospective kindergarten teachers in response to unprecedented demands caused by high birth rates. Due to the lack of adequately trained teachers, the GOH instituted a secondary degree training system which enrolled students between 14-18 years of age. By 1985 however, the majority of kindergarten teachers interacting directly with children had secondary or tertiary degrees. In 1985, 68% had tertiary-degree teacher training, 20% had secondary-degree teacher training, and 12% had no teaching qualifications. There are three high level teacher training university programs in Budapest and eight other kindergarten teacher training institutions at the high school (college) level. In addition, there is a National Public Education Institution and an Educational Research Institution that conduct research and experiments on new methods.

Training courses at the tertiary degree level include: history of education, theory of education, didactics, general, developmental, and educational psychology, pedagogy of play, language, literature, physical education, mathematics, music, methodology, and kindergarten practice. According to a 1985 report, the theoretical component accounts for 90% of the training, while the practical on-site experience is 10% of the training.<sup>53</sup>

### B. Availability of Training for Nursery Caregivers

As in most countries, child care is not a prestigious activity. Consequently, staff salaries, performance, expectations, and training requirements are not high. Salaries of infant caregivers are lower than those for kindergarten or primary school teachers. Training requirements include high school or vocational school training for nurses and other hospital personnel, and two years of on-the-job training. The National Institute of Day Care Centers and the Methodological

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<sup>53</sup> Vari, P. Care and education in Hungary for 3- to 6- year olds.

Centers organize further training for nursery care-givers. There is also a one-year course of additional training for those who wish to become directors. This program provides more child development training as well as training on other health, nutrition and management issues. Current plans to improve the training do include a six-year experimental training program at three vocational nursery schools, with some plans to offer free college education to people wishing to work with young children.<sup>54</sup>

Training for nurses who are also children's "teachers" even at such an early age should be evaluated in terms of the extent of child development knowledge gained in their training program, in order to ensure that emphases toward the development of language, cognition, and socio-emotional development are balanced with the traditional emphasis on health, safety, and, perhaps, motor development. Currently, the emphasis on children's play with a variety of materials, with other children, and on interaction with staff seems to be appropriate. In addition, members of the National Institute for Day Nurseries and the National Methodological Center are extremely well trained and innovative in their experimentation.

### C. Teacher Training Needs

#### 1. Kindergarten Teachers

Since 1989 Hungary has identified and begun to implement a more flexible approach to kindergarten programming. There has been some innovation in the development of programs as well as some initiatives to experiment with approaches such as Montessori, Waldorf and Frenais. In addition to these, it would be appropriate to introduce other alternative curricular programs and ideas from the United States as well as other countries. Doing so would expand the alternatives from which future teachers may choose. Training courses in parent-teacher communication and collaboration, parent education, and for those interested in management, courses in administration and financing of child care facilities. The latter may be particularly relevant as private participation in child care increases in the future. In addition, the pedagogic community would also benefit from scholarly exchanges or teacher exchanges to discuss the application of alternative programs and methodologies.

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<sup>54</sup> Korintus, M. (1992), p. 5.

## 2. *Nursery Caregivers*

Given the strong emphasis on health placed by the Ministry of Welfare it would be beneficial to incorporate, into nurse training programs, courses which address child development beyond the current emphases that include some child development training for language, cognitive and socio-emotional development. It is important that both caregivers and parents understand the importance of the early years for children's total development. For this reason the team recommends courses in parent involvement, communication, and collaboration with caregivers.

If the nursery network is expanded to include family day care homes as an alternative to the larger, institutional group care, training in establishing individual home family day care settings is important, particularly courses that discuss instructional/caregiving variations appropriate for mixed-age groups of children in home settings. Courses in administration and financing will also be useful for future family caregivers.

## VI. LEGAL AND REGULATORY FRAMEWORK

### A. The Legal Framework for Child Care

Several laws define the parameters and objectives of child care and education in Hungary: The Education Act of 1985 (Act 1.1985) and its Implementing Regulations (Decree 41/1985); the Decree on the Local-Regional Direction of Kindergartens, Primary and Secondary Schools, Students Hostels and Music Schools (Decree. No. 14/1987); and the 1990 Amendment to the Education Act of 1985 (Act 23/1990 and Decree 10/1990).

#### 1. *The 1985 Education Act*

The 1985 Education Act establishes the basic rules of the educational system in order to enforce the constitutional state's obligations regarding the citizens' rights to education. To date, access to primary and secondary education in Hungary is a constitutional right, and the state is responsible for delivering the service to all Hungarians free of charge. With regard to child care, it is now the legal responsibility of the municipal governments to provide child care services to the community as stipulated in the Act 20/1991 (Act on Responsibilities of Municipalities). Attendance, however, is not compulsory at the kindergarten level while it is at primary and secondary education levels.

#### 2. *Decree 10/1990*

The Ministry of Education and Cultural Affairs is currently drafting the implementation regulations to Act 23/1990, the Amendment to the 1985 Act on Education, and hopes to negotiate them and obtain their approval by September 1993. Until the approval of the amended Act on Education, Decree 10/1990 defines parameters for the operation of private kindergartens and schools in Hungary.

### B. Establishing a Private Child Care Facility

According to Decree 10/1990 any moral or legal person interested in establishing a private kindergarten (or school) must comply with the following procedures:

Initially interested parties must submit an application for the operation of a private (non-municipality run) kindergarten to the local municipal government. The application requires information regarding the physical facilities to be used, the

number of children it can accommodate, the type of care and education to be provided, the staffing structure, operating expenses, and the educational program, as well as certification of availability of materials and teaching aides. In addition to the information requested on the application, the following documentation is required:

- statement of activities
- deed of foundation
- ministerial permit to employ experimental or alternative curricula and methods of educare (when applicable)
- rental agreement for physical facilities or other relevant documentation that proves access to physical facilities
- educational program
- list of teaching aids and materials
- list and qualifications of personnel and
- budgetary information.

Once the application is filed, interested parties must obtain inspection certificates or approvals from the Institute of Health and Sanitation as well as other authorities concerned with fire protection, public health and workplace safety. Once all the necessary approvals are granted, the Municipality issues the operational permit. As the permit is granted, and in those cases where the private kindergarten will replace a public one, the director of the private kindergarten is asked to sign a *statement of special services*. This statement stipulates that the private entity will provide a service that is the responsibility of the municipality, and is normally provided by it. Once the permit is issued, the Municipality is responsible for the supervision of the private kindergarten, which can begin operations immediately.

Kindergartens whose directors have signed a special services statement are entitled to a 27,500 HUF<sup>55</sup> subsidy per child enrolled, per year. This subsidy although presented by the municipality is originally transferred to it by the central state. Since it only covers partial operating costs, the subsidy is a form of compensation for relieving the municipality of its obligation to provide child care services to the community. It also promotes the private provision of child care services, a practice the government encourages. Another incentive to setting up private kindergartens is the tax-free status they are entitled to when linked to a non-profit educational foundation. Numerous kindergartens, particularly religious

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<sup>55</sup> The amount is revised on a yearly basis during budgetary reviews.

ones, are taking that option in Hungary and for this reason the government is in the process of drafting laws that will regulate their operation. All parties interested in establishing a public or private foundation must submit an application which describes their principles of operation.

I. BACKGROUND

A. Social and Economic Conditions

1. *Transition and Shock Therapy*

From 1948 to 1989, a Communist government ruled Poland. Solidarity, a grass roots movement which began to gain influence in the early 1980s, was an early stimulant for change in Poland and elsewhere in Eastern Europe. The election of Solidarity leadership in [1990] and the beginning of economic and social "shock therapy" marked Poland's dedication to a successful transition to democratization and an open economy. The Polish strategy included goals to privatize companies quickly, decentralize political and economic decision-making, control inflation, reduce foreign debt, and increase free-market activity. Privatization and other economic reforms present a challenge to the maintenance of Poland's established social safety net.

Safety net benefits were revised in 1990 on the basis of a projected maximum decline in income of 10%. Incomes of Poland's 38.5 million inhabitants however declined by 27%. In January 1993, the minimum salary per family with one employed worker was 1,300,000 Zloty or approximately US \$86.00. Half of family income was estimated to go toward food expenditures alone. Inflation was to be eliminated within four months, yet it has increased steadily by more than 3-5% per month.<sup>1</sup> Unemployment, "nonexistent" in Communist rule, became widespread. In fact unemployment has increased over the 1990-1992 period, with one current estimate of 3,000,000 unemployed by the end of 1992.<sup>2</sup> Unemployment among women is greater than among men, particularly in factories and industrial areas such as Lodz, where personnel reductions in large textile factories have created large scale female unemployment.

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<sup>1</sup> Wiktorow, A. and Mierzewski, P. (1991). Promise or peril? Social policy for children the transition to the market economy in Poland. In Cornia, G.A. and Sipos, S. (Eds.). Children and the transition to the Market Economy. New York: Unicef, p. 220.

<sup>2</sup> In Transition: Mission Report-Poland. (October, 1991), New York: Unicef, p.1; Interview with representative from Unicef-Poland, 1/18/93. In a paper "Early Childhood Education in Poland--Changes and Threats" by M. Karwawska-Struczyk, written in 1992, she states a 2.5 million estimate for unemployment ("14% of all working people") and that "they are mostly women" (paper to be published in the International Journal of Early Years Education (Volume 1), and presented at the National Association for the Education of Young Children, New Orleans, LA, November, 1992).

As in other Central and East European countries in the process of economic transition, those able to profit from the economic liberalization are forming a new middle and upper-class in Poland. The vast majority of the population, however, does not belong to these emerging economic groups and instead are facing increasingly difficult economic situations.

As they move toward privatization, former state-owned companies are transferring company "social assets," including nurseries, kindergartens, and schools, to local municipalities or "gemina." While the state has agreed to continue to pay approximately half of the costs of operating kindergartens and nurseries to local authorities the transfer of a variety of social assets to municipalities, accompanied by rising prices, has resulted in a taxing of municipality budgets. Social assets that are not transferred to gemina, including some housing, recreation halls, etc. are being sold to private owners.<sup>3</sup> Municipalities, faced with the challenge of new responsibilities in the context of diminishing state transfers, have found it difficult to maintain the social services previously provided to the community by the state or state-owned industries. As a result of increased unemployment of women, more pronounced in some municipalities than others, and increasing costs and needs, many municipalities are combining or closing facilities.

## *2. Church Influence in Poland*

Ninety percent of the Polish population is Catholic, and the Church continues to play an active role in nearly every aspect of Polish life. The political spectrum in Poland is vast, consisting of more than 100 political parties and having as many as 16 parties currently occupying seats in the Sejm or lower house of parliament. A number of these parties root their ideologies in the Catholic Church. Examples of the church's influence on the political and social environment are many. In January 1993, for example, the Parliament passed one of Europe's most conservative family planning laws. In addition, there has been a strong push to encourage women to return home to provide "family education," or to stay at home to care for their own children during the first three, or perhaps, even the first five years of life. In 1992, the "Office of the Plenipotentiary for Women and Family Affairs" originally established to monitor progressive family planning and broad social services for families, was eliminated. This may also be attributed to the strong influence of the Church.

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<sup>3</sup> Draft Report to U.S. AID from DeLoitte-Touche on Privatization of Ancillary Assets

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B. The Polish Social Security and Social Services System

1. *Social Services and Benefits*

Under the Communist government, social benefits and insurance were considered a right of all citizens. During the transition period, every effort is being made to safeguard social benefits and insurance, but, for a variety of reasons (rising costs, church influence, decentralization), real benefits to families have decreased<sup>4</sup>.

2. *Benefits Related to Child Birth and Child Rearing*

Approximately 6.5% of Poland's population consists of children up to six years old. At the end of 1991, more than 2.5 million children were directly affected by several safety net benefits related to child birth and child rearing. These benefits which were established during the 1980's are currently undergoing reexamination and modification. Pre-transition benefits include maternity leave, childbirth grant, child care leave, child care allowance and child nursing allowances.

**Maternity leave** was granted for sixteen weeks for the birth of the first child, eighteen weeks for subsequent deliveries, and twenty-six weeks if a woman had multiple births. The maternity allowance equaled 100% of the mother's income before taking leave. In addition all women (whether employed or with employed spouses) were entitled to a childbirth grant equivalent to 16% of the average monthly remuneration in the previous quarter. **Child care leave** was granted for a period of three years, but not beyond the child's fourth birthday, to fathers or mothers with at least six months of employment. Leaves could be extended for an additional three years when special care for children was required (e.g., in the case of a handicap, or upon approval in other cases). The child care allowance is paid through twenty-four months or the child's second birthday; leave can be paid until a child is three years of age if the child needs special care, for mothers caring for more than one child born during the same delivery, or for single mothers. According to Wiktorow and Mierzewski,<sup>5</sup> the allowance has been equal to 25% of the average monthly remuneration (40% for single mothers) in the previous quarter.<sup>6</sup> While many families took advantage of the option for child care leave, only a few qualified for the allowance.

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<sup>4</sup> See Wiktorow & Mierzewski, 1991.

<sup>5</sup> Wiktorow & Mierzewski, 1991, p. 209.

<sup>6</sup> It was also means-tested and paid if the monthly income of the head of the family was lower than 25% of the average monthly remuneration in the previous year.

Child care allowances were also granted under the Communist government for a healthy child up to the age of eight years if there was an unforeseen closure of a creche, kindergarten, or school attended by the child. Since 1948, child allowances in Poland have differed for each successive child in the family, as well as, according to the income of the family. Between 1984 and 1988, the child allowance varied only in relation to the income of the head of the family; in 1989, a flat rate, equal for all children, was introduced. Since 1990, the allowance for each child has been equal to 8 percent of the average remuneration in the previous quarter for each child. It was granted to all those employed with children up to the age of 16 years or up to the moment of completing schooling (but not beyond 25 years). For children with a disability, the allowance was paid irrespective of age. Finally, a means-tested child-support allowance has been provided to a child who is entitled to child support from a noncompliant parent.

Child-nursing allowances entitled the mother to take paid leave to care for a sick child under 14, and a healthy child under 8 [?]. The allowance was equal to 100 per cent of the mother's salary, was payable for a maximum of 60 days in any calendar year regardless of the number of children requiring such care. On occasions, but not regularly, the leave and its corresponding allowance could be granted to fathers.<sup>7</sup>

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<sup>7</sup> *ibid.*, p. 210

## II. ASSESSMENT OF EXISTING CHILD CARE SERVICES

Compared with Bulgaria or Hungary, Polish child care is considered to be less abundant and less subsidized. In fact, one report cites Polish child care as one of the lowest quality in Europe.<sup>8</sup> In the 1991 Unicef report,<sup>9</sup> kindergarten enrollment in the 3-5 year bracket was reported to be only 36% of the available population. While other reports estimate coverage of 3-5 year olds at closer to 50% of the population with nearly 96% coverage of 6 year olds. Public nurseries in turn (for 0-3 year old children) indicated that only 3-4% of these children were successfully placed in nurseries and generally "of poor quality". The majority of 0-3 year old children are cared for by mothers on child care leave (in 28% of the cases), by grandmothers or by paid private child care providers.<sup>10</sup> Polish coverage of 0-6 year olds is significantly lower than other Eastern European countries reviewed in this report.

### A. Analysis of Public Child Care Services

#### 1. *Background of Child Care and Education in Poland*

Early education in Poland dates back to the late 18th century when a National Education Commission was established in 1773 and the first day nurseries were instituted shortly thereafter. By the mid-19th century, three types of child care institutions existed largely as private or charitable initiatives. While nursery schools for 0-3 year olds were based on the ideas of the Czech educator [first name?] Svoboda, kindergartens for 3-7 year olds were based on the ideas of the German educator Froebel. "Occupational classes", the third type of program, were also instituted at this time [we need a definition of occupational classes.. how do they differ from kindergartens/nurseries]. The nursery schools and occupational classes provided child care options mainly for the working-class. As kindergartens charged a fee, they had largely a middle-class clientele, and were considered more "educational"<sup>11</sup>. "Shelters" or day nurseries

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<sup>8</sup> Wiktorow, A. and Mierzewski, P, Promise or peril? Social policy for children during the transition to the market economy in Poland. In Cornia, G.A. and Sipos, S. (Eds.) (1991). Children and the Transition to the Market Economy in Poland. New York: Unicef, p. 217.

<sup>9</sup> UNICEF In Transition Mission Report: Poland, Oct. 1991

<sup>10</sup> Ibid., p. 218.

<sup>11</sup> Miaso, Jozef, The pre-school education of working-class children in the Kingdom of Poland/1839-1914/. Conference Papers for the 4th Session of the International Standing Conference for the History of Education.(Vol 1.), Otto Vag ( Ed.), Budapest, Hungary: Eotvos Lorand University.

at large industrial plants financed by lay charities were developed for preschool children whose parents worked. The third type of program, occupational classes were also run by private persons and charity organizations and were intended for children up to 10 years of age.

In the early 20th century adult women made up 27.8% of the workers in the factory industry and almost 60% in the textile industry. Nurseries were intended to safeguard children who otherwise might be untended at home or who might be put to work shortly after age 5. During the last decade of the 19th century, the number of nursery-schools increased to a total of 139. Lodz, a heavy textile industry town, boasted as many as 33 nursery schools by 1901. Charitable organizations and owners of industrial enterprises became increasingly involved in providing preschool education during this period. In 1914, there were 391 nursery-schools, including 239 in the countryside, founded and maintained mainly by Polish social and educational organizations. In addition there were 51 Froebelian kindergartens that were considered centers for "modern" preschool education and for teacher training. Founders of nursery schools provided care, education, and free meals. Children were instructed in practical mediums, including darning, sewing, plaiting, weaving, and gardening. Play and motor skill activities were also included, as was a certain amount of religious training.

While there were no teacher training centers in Poland in the 19th century other than in the Froebelian kindergartens, in 1907 the Polish Preschool Education Committee developed the first courses for preschool teachers. In 1919, when Poland recovered independence, private individuals and associations acquired these educational facilities and established kindergartens. By 1939 there were as many as 480 state-owned and 1173 privately-owned kindergartens. Two year high schools and four-year seminars for kindergarten teachers were also established. In addition, Poland began publishing two journals Kindergarten and the still existing Education in the Kindergarten.<sup>12</sup>

After World War II, a session of the National Education Assembly advanced the idea of "common and obligatory kindergarten preschooling," particularly for the post-war industrial centers.<sup>13</sup> The 1945 resolutions focused on the organization of a network system of public kindergartens. In its early stages the public kindergarten network expanded quickly in urban areas although it was adopted gradually in rural areas as well. From 1948 on, particular stress was placed on increasing the number of kindergartens within the industrial centers, state and

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<sup>12</sup> Karwowska-Struczyk, M. (1990) Preschool education in Poland. In Spodek, B. and ? (Eds.) Early Childhood toward the 21st Century.

<sup>13</sup> Mokrzecki, L and Zerkio, J. The realization of certain conceptions of the process of education with kindergarten children in the Polish People's Republic. In Conference Papers for the 4th Session of the International Standing Conference for the History of Education, Otto Vag (Ed.). Budapest, Hungary: Eotvos Lorand University, 1982, p. 269-280..

cooperative farm areas which primarily accepted children of people employed in state enterprises. In May 1945, 1423 kindergartens were attended by about 74,000 children. This number increased dramatically to 290,000 by 1949.

Early theories of preschool education dominated the immediate post-war period as the number of kindergartens increased and teachers were actively trained. By 1949, however, Russian pedagogical ideas began to dominate curricula. The "Pre-school Department" of the Ministry of National Education developed a centralized curriculum which, in its first phase, was heavily dominated by primary school type of academic lessons.

Increasing difficulties in the provision of sufficient programs for children in cities and rural areas resulted in a 1957 recommendation that kindergartens should primarily serve six-year-olds, and parents be charged for services in relation to their mean income. In locations where kindergarten centers were too few, the government built new centers or established them in primary school buildings, particularly facilities for zero classes (classes for 6-7 year olds following a more educational and structured curriculum, in preparation for elementary school).

In 1961, the Polish parliament passed an act stating that preschool education was an integral part of the education system, and by 1963, introduced new curricular ideas which focused on health-care education, social and aesthetic education, intellectual development, and children's sense of ethics. Despite these efforts, by 1971 only 36% of the 2,000,000 3-6 year old children in Poland took advantage of the preschooling "system", out of these only 24% attended kindergartens regularly<sup>14</sup>, the largest group consisting of children six year olds.

In 1981, the Ministry of National Education once again reformed its curriculum seeking to "accentuate the conscious, goal-oriented and carefully pre-planned process of directing the child's activity, forming its personality in skillfully developed activity and in close contact with the world around."<sup>15</sup> A more recent report, however, described the same curricular reform period in children's instruction in the following way<sup>16</sup>: (kindergartens had) "strict, uniform curriculum and methodology and ...subjected to severe control from local and regional educational authorities. The system was characterized by lack of faith in the creative

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<sup>14</sup> *Ibid.*, p. 273-276.

<sup>15</sup> *Ibid.*, p. 277.

<sup>16</sup> *Ibid.*, p. 179.

possibilities of the teacher, her responsibility, ability, and so-called political viewpoints. (This attitude led to the helplessness of the teacher...her loss of self-confidence, and the low status of the profession. The result was a negative morale in the teaching profession and teachers becoming passive executors of the curriculum."

## 2. *The Child Care and Education System*

The Polish state has assigned two ministries to define, implement, supervise and regulate early childhood care and education. The Ministry of Education is responsible for the network of kindergartens and zero classes while the Ministry of Health has jurisdiction over the nursery school system. Both ministries engage in methodological research and define approaches to child care and education nationwide, in public as well as private child care centers. At a local level the Ministry of Education performs its duties through an Office of the Curatorium. Each Curatorium is in charge of supervising all kindergartens to ensure that they meet the standards set by the ministry of National Education. Through its representatives at regional governments (*voivodships*), the Ministry of Health implements policy and supervises the local nurseries. The majority of Poland's current public care and education programs integrate children with special needs into programs for normal children whenever possible. However, there are also special schools for children who need institutionalized or segregated care, as well as orphanages.

## 3. *Kindergartens and Nurseries: A Look at the Numbers*

### a. *Kindergartens and Zero Classes*

The number of kindergarten institutions established prior to the transition has decreased slightly in response to the declining demand for child care and education. While before the transition finding available space in kindergartens was difficult now places are ample. In 1987-88, there were 26,289 institutions assigned the task to provide preschool education for 3-7 year old children (including zero classes). However, these institutions failed to meet the demand at the time. Every year kindergartens were forced to reject approximately 100,000 children.<sup>17</sup> In 1992, there were 25,873 total preschool establishments of which 12,308 were przedszkola or kindergartens, with places to serve 896,725 children. There were 856,577 children in these types of schools (95% capacity).

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<sup>17</sup> Karwawska-Struczyk, "Preschool Education in Poland", p. 181.

Type of School	Number of Institutions - 1992	Number of Children Enrolled - 1992
Rural	5,299	190,775
Urban	7,009	665,802
Special	120	5,420
<b>TOTAL</b>	<b>12,428</b>	<b>861,997</b>

Source: Central Statistical Office, Social & Demographic Surveys Division.

While the available data is not broken down by "zero class" and 3-5 year old kindergarten programs, different sources claimed 48-50% coverage of the 3-5 year old group in kindergarten programs, with more children being served in cities and towns than in rural areas. On the other hand, because of government laws dating from 1975 that make provision of zero classes obligatory in all communities, ninety-six percent of the country's 6-7 year olds were estimated to be in zero classes either at public kindergartens, in special zero classes in public primary schools, or in private kindergarten programs (partially or fully private).

According to one official in the Ministry of Education, 1,967 kindergartens including zero classes closed between 1991, when the government shifted kindergartens to municipalities, and January, 1993, when the team visited in Poland. Of these, 1,336 were kindergartens only and 631 were zero classes. Six hundred and fifty-nine were closed in cities or towns, while six hundred and eighty three in rural areas were closed.<sup>18</sup> Approximately 11,000 public kindergartens are left. While private kindergartens had been increasing, some had recently closed due to lack of profit. Eva Branska, from the Ministry of National Education estimated that this would be a period of stabilization in the private market with approximately 300-350 private kindergartens remaining in Poland. While at one time, up to 20% or over 1,000 (at that time) public kindergartens had been those of state-owned factories or industries, the Ministry of National Education official stated that only ten remained. In Lodz, a large textile factory town with heavy female unemployment, fifty-eight kindergartens had closed in the past 18 months (from approximately 220 to about 160). A kindergarten director quoting similar figures, suggested that of the 182 kindergartens left in Lodz at the beginning of 1993, 167 were public

<sup>18</sup> Interview with Eva Branska, representative from the Ministry of Education, Warsaw, Poland, January, 1993.

kindergartens, ten were social kindergartens (partially private), five were fully private kindergartens, and in addition, two or three were kindergartens linked to religious organizations. Only two of the fifteen factory kindergartens that used to operate in Lodz remain.

b. Nurseries

In 1992, there were 1,033 nurseries for children under three in Poland, with a total of 66,439 places. There were 74.8 places/1000 children or places for 7.5% of the 0-3 population. In contrast to the number of places available, the 1992 data also indicate an average of 30.6 children/1000 children age 0-3 were placed in nurseries, confirming earlier estimates that only 3-4% of the 0-3 year population were in nurseries in Poland. Of the 111,200 children in nurseries, the majority were in municipality-run nursery institutions; Ministry of Health data show that 105,266 children had been in municipal programs during the 1992 year, while only 5,168 had been in nurseries run by places of employment (e.g., factory nurseries). Figures for the end of 1992 suggested even fewer children were in both municipality and employer-run nurseries than had been in them during the entire year.<sup>19</sup>

Many nurseries have closed during the transition period as a result of financial duress and a drop in demand related to maternal unemployment. In the past, nurseries could stay open with only 50% attendance, according to some reports; today many municipalities find that operating nurseries is a costly endeavor and they are converting some child care facilities to other institutions for children with special needs. In addition, there is strong encouragement by the government for women to stay home and care for young children which decreasing the demand for nursery care.

The cost of operating a nursery for 0-3 year olds is estimated by a Ministry of Health official at 3,000,000 Zlotys or \$200/child/month. Some have suggested that the state provide higher maternal allowances to encourage mothers to stay at home with children, while others encourage cheaper care for children through licensing or regulated family day care homes. Information on family homes obtained during the team's visits suggests the Ministry of Health has developed regulations for small group care in individual's homes, but that such care is largely private and difficult to regulate. As kindergartens and nurseries in the past faced a higher demand for child care, a market for privately provided family care developed. (See Section II.B Analysis of Private Child Care Services).

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<sup>19</sup> These data were provided by a representative of the Ministry of Health during interviews in January, 1993. The end of the year figures presented in tabular form may be misleading as they cite "As of December 31, 1992"; based on available explanations, it is difficult to determine whether the data represent end-of-the year figures or seasonal/holiday figures.

#### 4. *Types of Preschool and Child Care in Poland*

Although the history of Polish child care programs is clearly differentiated between programs for working parents, emphasizing care rather than education, and those considered to be more educational, the current belief is that all programs for young children combine care and education. In addition to the all-day nurseries and kindergartens Poland's public education system includes a *zero class* (prior to first grade) and weekly nurseries all of which are publicly-funded and managed. In addition to the public care and education system there are kindergartens and nurseries in which the private sector plays a significant if not essential role: social and fully private kindergartens and nurseries. In light of the partial participation of the public sector in social kindergartens and nurseries they are included in this section. However, they will also be discussed in a subsequent section on private child care. Fully private entities will be only be discussed under Section B.

The network of Polish child care programs consists of the following:

- **Public nurseries or *zlobek*.** The *zlobek* care for children from 4½ months to three years old. These are large group programs which provide all-day care for infants from 6 a.m. to 5 p.m. The vast majority of the *zlobek* are publicly funded, although privately funded ones have been recently established. Most *zlobek* are managed and supervised by municipalities however a marginal amount remain under the ownership of state-owned and managed enterprises or factories.
- **Public kindergartens or *przedszkole*.** These facilities enroll children three to six years of age. *Przedszkole* remain under the authority of the Ministry of National Education, although the majority have recently been transferred to municipal ownership and management. *Przedszkole* provide child care and education services to large groups of children (usually divided into three age groups) throughout the day. Schedules vary from 6 or 7 a.m. to 5 or 6 p.m. Mondays through Fridays. Public kindergartens in the past have been operated by municipalities or companies and charge minimal fees to parents.
- **Factory or Company kindergartens.** It was customary in the past for medium to large size companies and factories to build and manage child care service centers in or close to company premises for the exclusive use of children of employees. Despite company sponsorship, these kindergartens also charged nominal fees. Although these facilities had been numerous (see earlier discussion), only a few remain because the majority were transferred to municipality ownership or closed by January, 1993.

- **Zero class or *zeroka*.** These are for children six or seven years of age. These can be situated either in Kindergartens (Factory, Municipality, Social, or Private Kindergartens) or in State or Private Primary Schools. If a rural community has no other place, they can also be situated in community centers or apartment flats. These classes are obligatory in that communities must, by law, make them available to children, and parents. Zero classes begin at 7 a.m. and typically end at 2 p.m.
- **Religious kindergartens.** Religious kindergartens are considered to be private. In the past, these were numerous, but in the late 1980's, there were only three still operating nationwide.<sup>20</sup> During the team's field research in Poland, these were mentioned but no specific projections for increases or decreases in numbers were made.
- **Social kindergartens.** These are partially funded by municipalities in joint operation, foundation style, with private entities. Theoretically government financing should cover 50% of operating costs yet in reality these funds only sustain 10 to 30% of costs. The remaining funding needs are met through private sources including fees charged to recover costs. There are two kinds of social schools in Poland : STO schools and non-STO schools. STO is the Polish abbreviation for social education committees, the organizations in charge of supervising and regulating social schools and kindergartens on behalf of the Ministry of Education. Active parental participation is an essential element of all social schools and kindergartens, however, only STO schools and kindergartens are advised by the local STO chapter established for that school. All social schools and kindergartens are subject to regulation by the local curatorium office.
- **Weekly Nurseries.** These institutions admit children from 0 to 3 years old. Children enrolled in these programs are cared for from Monday morning to Friday evening without returning home during the week and sometimes even remaining at the nursery over the weekend as well. In addition to the regular care, children are fed and clothed. Although sources indicate that fees for weekly nurseries are higher than those for all-day nurseries, most parents who enroll their children in the former do so because they are unemployed or single parents unable to properly care for their children. Parents who present evidence of financial hardship or unemployment are not required to pay the customary care fees.
- **Family Day Care.** An informal network of private, unlicensed "family day care homes" for young children has existed in Poland since before the economic and political transition began. This kind of child care is usually provided by mothers on maternity leave, and in the past was a direct result of insufficient child care services. Since family day care was unlicensed, there is not access to information regarding the fees collected,

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<sup>20</sup> Karwawska-Struczyk, M. "Preschool Education in Poland", p. 182.

however, conversations with parents and teachers indicate that in the past these services were often more expensive than public kindergartens and scarce.

## 5. Program Quality

Program quality was evaluated according to information provided in curriculum guides, reports on Polish child care programs, information made available through interviews with different entities and individuals, and visits to child care facilities during the team's one week visit to Poland. During field work the team visited two public kindergartens, one in an urban setting and one in an industrial town; one social school with a zero class setting for six year olds and one public nursery.

Program quality in the public sector was assessed through available information on 1) physical space and equipment, 2) teacher/caregiver:child ratios, 3) curriculum priorities and practices, 4) teacher training and supervision, and 5) evidence of outcomes for children or families. Because there are a growing number of "social kindergartens" which are fifty percent state funded (and 50% private), information about social kindergartens is presented in this section on public programs.

### a. Quality of Kindergarten and Zero Class Programs

**1) Quality of Physical Space and Equipment.** Kindergartens and zero classes are supposed to have 2.4 square meters/child or about 24 square feet/child, which is similar to regulated square meters in Hungary and minimum regulations for square feet/child in the United States. In the past, however, group sizes were larger than prescribed because there were not enough places/child in kindergartens; thus, in the recent past, kindergartens were described as "overcrowded, badly equipped and highly controlled (where) the staff concentrates mainly on maintaining elementary safety conditions."<sup>21</sup>

During field visits to two public kindergartens in Poland, one in Warsaw and one in Lodz, group size was approximately 25 rather than the larger group sizes that may have been present in previous years. While there was generally one teacher present with children at a time (1:25 instructional ratio), rather than the 1:15 teacher:child ratio quoted in general descriptions (see below), the rooms appeared to be adequate in both space, organization of centers for different play and activity, and well-equipped. While the first kindergarten in Warsaw we visited was designated as a teacher-training center and may have represented a well-equipped urban kindergarten, the public kindergarten in Lodz was chosen at random from a telephone directory and, nonetheless, was in very good condition. Each room for 3 to 6 year olds had fairly large numbers and varieties of construction, dramatic play, art, puppetry or theatre-oriented materials

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<sup>21</sup>Karwawska-Struczyk, M. "Preschool Education in Poland", p. 182.

(e.g., puppet theaters), and literature for young children. Rooms were arranged in corners of activity with some large group tables in the centers of rooms. In one room visited by the team, the teacher was conducting a cooking activity (making jello), while in another room, they were developing art activities for "grandparents" day that was occurring later that morning. During a performance for grandparents, musical activities by age group were performed. Zero classes had greater types and numbers of materials oriented toward early time concepts, early reading and writing readiness activities.

**2) Teacher to Child Ratio.** Teacher child ratios for zero classes for six year olds are regulated to have 1 teacher for every fifteen children. This same ratio is expected for the older groups in the 3-6 year kindergarten programs, while the teacher: child ratio for the youngest kindergarten groups (e.g., 3 year olds) is supposed to be 1:8. There are thirty children prescribed to be in zero classes and 25-30 children in the 3-6 year old kindergarten age groups.

In the team's visits in two public kindergartens, we saw one teacher per group and generally saw variation in class attendance from 15 children/group to 25/group. Children were divided by ages with 3,4,5, and zero class 6 year olds in separate groups. In general, teachers stay with children from the time that they enter into the kindergarten through the age five group. Teachers for the zero class may be different. The kindergarten at Lodz had two different rooms for zero class children, one for children who had attended kindergarten for more than one year, and one for children who began kindergarten during their zero class year.

The zero classes are usually open for 18-25 hours/week, with a general expectation that schools are open for a minimum of five hours/day (8 a.m. to 1 p.m. or 9 a.m. to 2 p.m.). The shortness of the days for zero classes, the most prevalent form of institutional child care in Poland, was considered to be a problem for many parents, and problems with young children being at home alone after school were increasing, and one stated reason for government encouragement to mothers to stay at home with young children.

**3) Curriculum Priorities.** There are five primary curricular topics that include physical training, creativity, social development and education, technical education, and aesthetic education. These five "topics" are represented in a flexible curriculum according to director of one public kindergarten in Warsaw we interviewed. We were told that the new regulations from the Ministry of National Education represented movement from more rigid standards that were required before the transition began.

The kindergarten curriculum had been revised frequently during the Communist regime (see earlier descriptions in kindergarten history section), but was, in general, guided by centrally developed and quite specific curricular guidelines that required teachers and schools to follow certain strategies and activities with children at all ages. The centralized curriculum was influenced by Russian pedagogical ideas and focused on moral and ethical education, aesthetic

(art/music/theater) education, social development (peer interaction and dramatic play), and technical education, in addition to early reading, writing, and number concepts appropriate for 6 year olds.

The curriculum was characterized by an emphasis on the teacher and was not differentiated between children's backgrounds, interests, or developmental levels. The early childhood settings (room/equipment) were standard, and curricular foci and activities were virtually identical throughout the country. One report suggests that "a visitor coming to several settings on the same day at the different regions of Poland would be surprised finding the same things happened although children were different, social milieus they come from were different, and even parents' expectations were different."<sup>22</sup> The philosophy of education was to "shape" the child according to certain specific aims of education, with the model child able to "acquire and reproduce knowledge" rather than being able to "discover and create" knowledge.<sup>23</sup>

The separation of the school from family or community was common in most of the Communist countries; the purpose was, in part, to educate the child in a common way to be citizens of the Communist state; it was less important that they represent individual differences of families, ethnic groups, or communities. The emphasis on moral and ethical education, knowledge of state holidays and the community occupations was also common in many curricula organized with Communist government influence. These were common strands in Poland, as they were in Bulgaria, and to a lesser extent in Hungary.<sup>24</sup>

In 1992, new curricula were introduced by the Ministry of National Education.<sup>25</sup> These curriculum guidelines are altered to allow kindergarten and zero class directors and teachers much greater flexibility in developing curriculum and instructional strategies, as well as goals. In addition, private and social kindergartens, particularly, but now also public programs were allowed to use experimental programs such as Montessori, Frenais, and Waldorf. Kindergartens also have private classes in English, music, and gymnastics that can be offered for a fee and the majority of children in older classes are included in at least some private classes when available. Finally, with municipalities now supervising kindergartens rather than "directing" kindergarten curriculum or controlling it as had been the case, the government provided mechanisms for local

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<sup>22</sup> Karwowska-Struczyk, M. "Early childhood education in Poland—Changes and Threats", p. 1.5.

<sup>23</sup> Ibid., p. 1.

<sup>24</sup> An in-depth comparison of the three countries' curricula from this perspective would be interesting, but is beyond the scope of this report and the field work done for this project.

<sup>25</sup> "Program of Pre-school Education" (Ministry of National Education (MNE), Warsaw, 1992) "Educational-Instructional Program for 6-Year-Old Children" (MNE, Warsaw, 1992), and "Program of pre-school Education for Children Ages 3-6" (MNE, Warsaw, 1992).

autonomy and community-sensitive or controlled education for the first time in recent history.

4) **Teacher Training and Supervision.** The proportion of early childhood teachers/care workers who are qualified (certified) in Poland is about 88%.<sup>26</sup> All teachers are to have at least secondary school graduate degrees (12 years of schooling), and the majority are now graduates of teacher colleges (3 additional years). After the three year comprehensive program, a small number of teachers also go to universities to get degrees in preschool pedagogy or a diploma as a psychologist (two to five years of training). Directors of kindergartens must have similar qualifications to the teachers. Twenty-one percent of the teachers now have university or higher two year graduate degrees; all of the rest have 3 year college training or a six year equivalent diploma.<sup>27</sup>

5) **Evidence of Child Development Outcomes.** Results of a survey done for the IEA Preprimary Project study being conducted in over thirty nations of the world suggest that when children attend only the zero class, they are behind others who attend kindergarten for more years in their levels of social, intellectual, psycho-motor competence, and reading readiness (as measured in the IEA project assessments).<sup>28</sup> These results may reflect 1) the effectiveness of greater numbers of years of kindergarten education, or 2) initial differences in the children in the zero class only/zero class and earlier kindergarten education groups. During our field visits to schools, it was claimed that intensive work by teachers with the one-year only zero class children allowed these children to "catch up" to their other kindergarten peers within about six months of entry into the program. The Lodz kindergarten director suggested that while there were large initial differences in those who had attended kindergarten for several years in comparison with those who entered only at the zero class level, that all children leaving her kindergarten for primary school had equivalent skills at the end of the zero class year. The team has no independent data on these issues, but further study of the effectiveness of the zero class program is important to examine issues of quality of education provided in different forms of child care.

While various reports suggest that kindergarten programs, and particularly the zero class programs, are still very teacher directed and inhibiting of child creativity and independence, the team's observations in two public kindergartens (one in Warsaw and one in Lodz) gave our team members the impression that children were involved in a great variety of fairly "developmentally appropriate" activities and appeared to be self-initiating, social, healthy, and fairly happy. As described above, the curriculum programs have been made more flexible in the past year by

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<sup>26</sup> Karwowska-Struczyk, M. IEA Preprimary Project table; also see Karwowska-Struczyk, M. "Preschool Education in Poland", p. 182.

<sup>27</sup> Interview with Eva Branska, Ministry of National Education, Warsaw, Poland, 1/93.

<sup>28</sup> Karwowska-Struczyk, "Preschool Education in Poland", p. 181.

order of the Ministry of National Education, and teachers and directors may have only recently altered programs to allow for greater child-initiation in activities.

b. Quality of Day Nurseries

**1) Quality of Physical Space and Equipment.** The nursery building visited in Warsaw was extremely well organized, clean, with developmentally appropriate play equipment for children throughout the building. As this was, however, a model teacher training institution, it is difficult to generalize from this one visit. More details are provided as curriculum is discussed below.

**2) Caregiver to Child Ratio.** According to the same IEA Preprimary Project report cited for kindergartens above, nursery school teacher or caregiver to child ratios are lower with a 1:4 ratio in the youngest age groups and a 1:6 ratio in the older nursery age groups (e.g., 2 year olds). The Ministry of Health regulates the group size to a maximum of 12 children. However, another estimate provided in a cross-national study of preprimary education in Poland suggested that 20 children were in the younger nursery groups and 25 children in the 2-3 or 2-4 year old nursery groups.<sup>29</sup> The groups in the nursery visited by the team in Warsaw had from 20-30 children/classroom. Children can begin the nursery program as early as 4.5 months, but most mothers take an additional 1.5 months of maternity leave and begin children in nurseries at 6 months. There are groups for 6 month-1 year old children, for 1-2 year old children, and for 2-3 year old children.

**3) Curriculum Priorities.** The day nursery focus is as much on "care" as "education", and because of its historical affiliation with the Ministry of Health, it emphasizes the health of young children. The team's visit to one nursery or creche showed that teachers wore nurse uniforms, as in many other European countries, and focused attention on establishing a consistent stable routine for children in areas of eating, toilet training, and sleeping. Curriculum emphases as expressed through equipment and materials focused on children's social development through play, motoric activities (e.g., hoops, developmentally appropriate climbing apparatus), and early language development (appropriate level books, language activities). A sample schedule for the oldest group included beginning the program at 6 a.m., with breakfast at eight, play at 8:45-9:45 a.m., and a second breakfast as soon as play is over, at 9:45 a.m. A second play period from 10-11:15 was followed by preparation for lunch and lunch at 11:30-12:00. Children then napped until 2:30 p.m., received a snack, and pick-up occurred between 3 p.m. and 5 p.m.

As mentioned above, the team visited one creche which is used for caregiver training in Warsaw. While this creche had very high quality materials for independent play by children,

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<sup>29</sup> IEA Preprimary Education study for Poland. Unpublished survey provided by M. Karwowska-Strucyk, January, 1993.

it is difficult to determine the quantity and quality of caretaker to child interaction during a short visit.

**4) Teacher Training.** As in other countries throughout western and eastern Europe, caregivers in Polish nurseries are trained as "nurses." Caretakers must have five years of secondary school training for nurse/health and pediatric training. They may attend college after secondary school training, but it is not mandatory. Secondary school training typically takes place during a student's 15th to 19th years. In the model nursery program visited, each group had 25 children registered with two qualified teachers per group and two "helping teachers". The director was a former College Teacher Training Professor who had taken charge of the nursery program.

**5) Evidence of Child Development.** Based upon one visit and available information from interviews on nurseries in Poland, it is very difficult to draw any conclusions in this area. The team's visit to a model day nursery suggested that children were well cared for custodially (careful attention to feeding, toileting, napping routines), and attention paid to availability of caretakers, health, and safety. In addition, the equipment available was varied and developmentally appropriate such that motor and movement development, peer interaction, the beginnings of symbolic or dramatic role-play, and early language development appeared to be fostered. If this nursery program is representative of others in Poland, and if careful attention is given to adult-child interaction as well as child-child interaction, the nursery programs nationwide are likely to result in good developmental outcomes, even for such young children.<sup>30</sup>

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<sup>30</sup> There is much debate about the positive and negative effects of infant-toddler child care in the United States; however, the one nursery we visited in Poland represented high quality standards for early child care and should have few negative effects on children in attendance, based upon comparative evidence in the U.S. If other nursery programs are significantly different, however, serving as a custodial "warehouse" for young children, these types of programs could have a negative impact and should not be encouraged.

B. Analysis of Private Child Care Services

According to the Ministry of National Education, there are approximately 300-350 social and purely private kindergarten programs in Poland as of January 1993.<sup>31</sup> These include social programs, and purely private programs owned and operated by religious organizations. In addition, there are regulated and unregulated family day care homes serving up to 15 children at a time in individual's homes or apartments (36 according to 1988 data; over one hundred in current estimates of regulated day care homes). In Lodz, for example, even after many public kindergartens and nurseries were closed, there were still 167 public kindergartens, ten social kindergartens, five private kindergartens and two or three nunnery kindergartens.<sup>32</sup> Representatives of the Ministry of National Education and Ministry of Health indicated that the government encourages private participation in kindergarten and nursery care and education especially through the establishment of social kindergartens. The low (although increasing) incidence of social and fully private kindergartens and nurseries can be attributed to high costs and a prevalent inability to pay the high costs.

1. *Public/Private Partnership: The Social Schools and Kindergartens in Poland*

The growth of private kindergartens in Poland appeared to be stabilizing as some were beginning to close because of costs.<sup>33</sup> In turn, social schools and kindergartens seem to be an attractive alternative which allows for significant private participation. The team visited a social elementary school which provides zero class schooling for six year olds. This school had between 7 and 14 children per class with one teacher/group, and seventy-four children total and a non-state controlled curriculum. In the particular school we visited, there was an emphasis on eastern philosophy and all children participated in Judo lessons twice per day in addition to other outdoor recess periods. In addition, typical curricular emphasis on academics occurred. The small class sizes facilitated an interactive form of learning between teacher and children that probably did not occur in public primary schools.

In the social primary school visited by the team in central Warsaw, parent fees were 1,600,000 Zloty/month or just over \$100/month. The director suggested the children came from families in the "educated class"...children of doctors, lawyers, teachers. The state's contribution per child was equal to the state's contribution to publicly-funded municipal kindergartens equivalent to 179,000/child/month or \$12/month. The state subsidy according to law, as cited above, should amount to half of the expenses required per child. However, the director of this social

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<sup>31</sup> Interview with Eva Branska, Ministry of National Education, January, 1993.

<sup>32</sup> Interview with Daniela Mrocek, Ministry of Health, Warsaw, Poland, 1/22/93.

<sup>33</sup> Interview with Eva Branska, Ministry of National Education, January, 1993.

school suggested that the state subsidy is approximately 10% of the amount required to operate the school. In public schools, municipalities pay all of the bills and teacher salaries; in social schools, the director is responsible for bills and salaries. The expenditures of social schools are 50% higher than those of public schools due costs such as property or rent fees, maintenance costs, and salaries. In addition, these schools usually have fewer children enrolled.

Requirements for director and teacher training and qualifications in private schools in Bulgaria, Hungary, and Poland appeared to be similar to that required for public schools. However, in Hungary and Poland, where private schools are more prevalent than in Bulgaria, it appeared that once the state or municipality gave approval for a director or teachers, based upon presented qualifications, the state or municipality did not continue to check qualifications for additional teacher hires. In addition, in "social schools" in Poland, parents are involved with hiring directors and teachers, whereas in public schools this is not the case.

## *2. Fully Private Child Care and Education*

Although the team did not visit any fully private kindergartens or nurseries, fees in Warsaw-based private schools were reportedly estimated in the range of 3.5 to 4 million zloty per month/child; the director in the social kindergarten suggested that "usually private schools get children from rich families."

## *3. Private/non-profit Child Care*

Religious organizations have recovered church property since the transition began and have re-established schools which include nurseries and kindergartens. These kindergartens are privately owned and operated however they are of a not-for-profit nature. The team did not visit any of these kindergartens.

### III. ASSESSMENT OF EXISTING CHILD CARE NEEDS

"It is not true that early intervention is ineffective because the child cannot meet school requirements. A good quality preschool or kindergarten should not fulfill school demands but rather meet developmental needs of the child. You cannot treat it as a 'vaccine' against schools' failures." <sup>34</sup>

#### A. Type of Services Required

##### 1. Schedules

The largest current need in the field of child care is in the area of after-school care. A half day child care program at the end of the zero class, which typically ends at 2 p.m., is needed throughout Poland. In addition, after-school care and activities for older children in the first years of primary school may also be a needed. Such care could be provided in family homes, or in rooms in kindergartens that are no longer in use.

Half-day as well as full-day kindergarten programs for 3-5 year olds and nursery age children, accommodating different children's needs, and potentially responding to the needs arising from unemployed as well as partially-employed family schedules is necessary. These customized programs could be developed in spaces created by the decreasing number children enrolling in full-time programs. Private initiatives in group kindergarten care as well as regulated and unregulated family day care homes are already beginning to service half- as well as full-day schedules.

##### 2. Location

Currently, there are many former kindergarten and nursery buildings being closed; in addition, others have space. Therefore, there are no needs for new buildings during the transition period. Because government buildings constructed especially for kindergartens and nurseries<sup>35</sup> will be difficult to find again if and when there is increasing need for them (post transition period), it is recommended that every effort be made to encourage the state and municipality (gemina) governments to retain, rather than sell, nursery and kindergarten buildings and put them to use in various ways during the transition period. Kindergartens and nurseries that are in close

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<sup>34</sup> Karwowska-Struczyk, M., unpublished document, provided by M. Karwowska-Struczyk, January 1993, pg.4.

<sup>35</sup> It's our understanding that not all buildings used for kindergartens were built especially for this purpose; some buildings or spaces may be in very bad condition. The recommendation pertains to buildings judged to be of good quality and that were developed with the various needs of young children in mind.

proximity to factories or other government businesses/ministries, etc. should also be kept as public buildings with efforts to keep minimize renovation for other purposes than care of children. Although this recommendation may appear to be economically unfeasible in the current climate, the costs for rebuilding in the future will be greater than maintenance costs of today.

To the extent possible, current levels of kindergartens and nurseries should be supported by the government, as before; strong efforts should be made in this direction. Other half-day or after-school child care may be used to support the financial base for keeping buildings open. Additional recommendations for developing a better financial base for child care are offered below.

### *3. Ability and Willingness to Pay*

The small but growing middle and elite classes in Poland are increasingly turning toward purely private or social kindergartens and schools. Those with fewer resources available are in turn dependent on affordable public child care, to a greater degree than before, to sustain the standard of living which they had prior to the transition. While purely private child care is very costly for the vast majority of the Polish population, social kindergartens and schools which are partially financed by the local authorities are likely to grow in popularity, and/or to become one of the only ways to continue to have public subsidization of group programs.

In Lodz, where many factory kindergartens and municipality kindergartens as well as nurseries had closed, the demand for child care was still great. Municipality decisions to close many programs, combining others, were not popular; indeed factory workers had threatened to strike for a variety of issues, including child care.

#### *B. Quantity of Services Required*

In 1990 alone, 1,967 kindergartens closed in Poland. Out of that total, 1,336 offered only kindergarten curriculum while the remaining 631 offered zero classes in addition to the other levels. Of the 1,336 mentioned above 659 were located in urban areas and 683 served rural areas. The Ministry of National Education representatives interviewed indicated that less than a dozen company kindergartens remain in operation. It is important at this point to keep in mind that prior to the transition, when everyone was guaranteed a job, there were insufficient kindergartens to meet the demand. Many mothers chose then to take the three year leave to care for their children. Presently however, families depend on every amount of income obtainable (many times obtained informally) and rely on affordable and available child care to seek out employment and income.

1. *Urban vs. Rural Demand*

Almost all six year olds attend zero classes in kindergarten buildings or in primary school buildings (approximately 98%) throughout the country. However, in rural areas, it was estimated that only 18% of the 3-5 year old children were able to find places in kindergartens<sup>36</sup>. Children in urban areas where programs were closing seemed to be placed (not without some difficulty) in other public kindergartens. The trend indicates that increasing closings are taking place generally across the country. This tendency needs to be monitored and other decision making criteria identified when deciding whether, and to what extent, to support child care facilities. Nurseries throughout the country were scarce, covering only 3-4% of the 0-3 population.

2. *Demand for Private Child Care*

While demand is difficult to determine without more precise data, it is clear that there are places available both in urban and rural schools, despite the numbers of schools that have already been closed down. However the type of demand for child care has changed in the last three years. Today those who have benefitted from the transition, and to a certain extent those who have not, seek higher quality care and education for their children. Extracurricular activities and languages receive unprecedented attention. In the field of music, arts and sports, new and innovative subjects and approaches are sought by children as well as parents. Parents are aware of the future demands society will place on their children and seek to prepare them from an early stage. For this reason, English and other language tuition seem to gain popularity across economic groups. The demand for private child care and education also stems from parents' desire to steer away from the orthodox and conventional teaching approaches, which they participated in. Parents seek innovative and more (vs. community-oriented) approaches and they feel these are more genuinely and readily embraced by private rather than public child care and education programs.

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<sup>36</sup> M. Karwowska-Struczyk, in "Early childhood Education in Poland--Changes and Threats", p. 2.

## 3. Demographic Changes in Poland

Demographic data from the Central Statistical Office in Warsaw reflects a considerable decrease in the absolute number of children in Poland since 1985 and an increase in the rate of

Age Group Urban & Rural Distribution	1985	1990	1991	% Change 1985-1991
0-2 years	2,059,600	1,669,700	1,629,200	20.9% ↓
Urban	1,161,600	929,500	888,200	23.5% ↓
Rural	898,000	750,200	741,000	17.5% ↓
3-6 years	2,692,900	2,560,200	2,452,200	8.9% ↓
Urban	1,582,300	1,496,800	1,421,300	9.9% ↓
Rural	1,110,600	1,063,400	1,030,900	7.2% ↓

#### IV. FINANCIAL REQUIREMENTS FOR CHILD CARE CENTERS

##### A. Financing of Public Child Care Facilities

###### 1. *State Transfers and Subsidies*

Municipal or public kindergartens are financed from both the central state and the municipality coffers. The central state transfers a lump sum for social programs to the municipality. Municipality officials allocate these funds among all social programs including child care facilities at kindergartens and nurseries. The central state transfers subsidies based on resource base of municipalities and the cost of delivering services at specific locations. Municipalities subsidize public kindergartens' operating costs by assigning an amount that covers operating costs per month per child. These amounts vary from location to location and they are determined at the municipal authority's discretion. The 1993 allocation in Warsaw amounts to 358,000 zloty per month per child.

The Polish state also subsidizes social schools through the amount of 179,000 zloty/child/month, or 50% of the operating costs of a kindergarten as determined by municipal authorities. However this amount is only sufficient to fund 10-30% of kindergarten operating costs. In addition to monthly subsidies municipal authorities periodically transfer small one-time funds to public kindergartens in the form of grants. Grants are applied for by kindergarten directors and are designated for very specific activities or expenses (such as a slide projector or facility repairs).

Operational costs of nurseries are also subsidized by the Polish state. Subsidies cover approximately 75% of operating costs, the remainder is covered by fees collected from parents.

###### 2. *Fees Collected by Public Child Care Facilities*

###### a. Kindergartens

Public kindergartens charge fees of approximately 330,000 to 700,000 zloty per month per child. Variations occur according to the location of the kindergarten; rural areas tend to charge lower fees than urban areas. Although these fees in the past were arrived at to cover the cost of serving food two to four times a day, many municipalities are now passing on other costs to parents and charging complementary fees. The fees in the town of Lodz consist of three elements: a care fee, a kitchen staff fee and a meal fee. The care fee is equivalent to 65,000 zloty per month/child; the kitchen and staff fee amounts to 85,000 zloty per month/child; and the meal fee is equivalent to 9,000 zloty per day/child, or 180,000 per month/child. Since fees are charged based on the amount of time each child spends at the kindergarten and how many

meals they eat (five hours being the minimum time spent) reportedly many parents facing financial difficulties take their children after breakfast is served and pick them up before lunch is served, therefore avoiding the cost of fees for main meals (which together amount to more than half of the entire monthly fee. In more urban areas (such as Warsaw) meal fees are typically 14,000 zloty per child/day.

In addition to the fees described above, public kindergartens are increasingly resorting to complementary fees in order to provide extracurricular classes or activities. Private teachers are hired by the kindergarten director to give English lessons twice a week for 50 - 80,000 zloty per month per child. The additional cost does not seem to present an obstacle to enrollment in these classes as parents consider English lessons a requirement for children's academic development. Music lessons and other extracurricular activities normally offered once a week also require additional fees which normally do not exceed 5-10,000 zloty per month/child.

b. Nurseries

Public nurseries charge a monthly fee of 500,000 zloty per child. These fees cover the costs of care, food and linens for young infants. As is done in kindergartens parents who are unemployed or single-parents are exempt from paying monthly fees.

Fees for private kindergartens were said to range from US \$65/month (1,000,000 zloty) for a half or full-day program, with or without food to the most expensive program fee of approximately US \$500/month.<sup>37</sup> Private family day care homes charge from 1,600,000 zloty (US \$110) to 2,000,000 zloty (US\$133) per child per month on average, but charges can be higher. There is no financial assistance for this type of care from the government.

B. Financing of Social and Private Child Care Facilities

1. *Financing through Donations*

Parents whose children attend social kindergartens and schools are actively involved in the management and funding of these institutions. Through private (institutional or individual) donations, social kindergartens fund start-up costs and special expenses not associated with the month-to-month operation of the educational center. Municipal governments have been known to assist social kindergartens with start-up costs by donating equipment or facilities previously used by other kindergartens or municipality entities.

2. *Fees Collected by Social Kindergartens*

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<sup>37</sup> Interview with Ms. Maria Dunin-Wasowicz, Director OMEP-Poland, 1/19/93.

Social kindergartens usually charge two kinds of fees: a registration fee and a care fee. Registration fees range between 2 to 3 million zloty per child per year while monthly care fees range from 1 to 1.6 million zloty per child per month. These fees include regular language instruction and physical education courses in addition to those classes required by the centralized curriculum.

### 3. *Fees Collected by Private Kindergartens*

Although the team was unable to visit a purely private kindergarten in Poland, inquiries revealed a range of 3.5 to 4 million zloty in monthly fees per child.

### 4. *Eligibility for Government Transfers*

In Poland, only public and social kindergartens are eligible for state funding. Private kindergartens are subject to the minimum levels of supervision from the local authorities and thus, do not benefit from any government transfers.

## C. *Cost Recovery and the Polish Ability to Pay*

Two very strong elements of Polish society and economy place significant obstacles to cost recovery in the field of child care, particularly public child care: the financial hardship that the average Polish family faces and the long-established policy of waiving fees for those in particularly difficult situations. Low income levels in an inflationary context, coupled with the low production levels and high unemployment, put pressure on authorities to keep the fees charged for child care at minimal levels. The average salary in Poland as of 3/93 consisted of 2,600,000 zloty. As kindergarten fees typically amount to 350,000 per month per child, or 13.5% of the average salary, the average family with two kindergarten-age children and two incomes must be ready to spend one almost one sixth of family salary income on kindergarten fees. In a world of rising costs, where the average Polish inhabitant spends half of family income on food, kindergarten fees seem to increasingly demand a precious amount.

Many unemployed parents and/or single parents are not in a position to pay even the lowest of care fees and are thus granted fee waivers. This practice further diminishes the chances of cost recovery in the field of public child care. If public child care is to remain it cannot count on fees collected from parents to recover costs. Priority for access and for individual subsidization (through fee waivers) of public kindergartens has long been determined on the basis of family need; historically, there was great demand for slots, and bribery could be used to circumvent more regular ways to enter. Presently, according to Ministry of National Education rules, first priority for access and subsidies is assigned to children of single mothers; second priority to children in low income families where the primary worker earns below or equal to the minimum salary of 1,300,000 Zlotys (or \$86); and third priority to families with three or more children.

Because of high unemployment, and a perception of high fees (250,000-350,000 Zloty/month or \$16.67-\$23/month parent fee), the transition period is the first in recent Polish history when not all places are full; nevertheless, there is 90% or greater utilization of available places in cities, towns and rural areas.

D. Financing and Credit Opportunities

The team is not aware of any lending programs especially labelled for educational purposes. Nor did the team hear any encouraging news regarding small business loan programs. Due to time constraints the team was unable to verify these observations during its visit to Poland.

E. Representative Budgets for Public and Private Child Care Facilities

According to the National Institute for Educational Research, under Ministry of National Education jurisdiction, the cost of operating a kindergarten ranges from 2.5 to 7 million zloty per child per month. The following figures reflect the costs of operating a public kindergarten in Poland.

A-1

<b>POLAND Public Kindergarten Annual Operating Budget*</b>			
<b>Expenses</b>	<b>Annual Total</b>	<b>Income</b>	<b>Annual Balance</b>
1. Salaries	365,646,300.00		
2. 13th Month	17,788,000.00		
3. Premium Salary (Everyone)	20,760,200.00		
4. Travel Expenses (Ground Transportation)	1,280,000.00		
5. Supplies	52,950,000.00		
6. Food	103,375,200.00		
7. Electricity, Gas, Heating	63,611,100.00		
8. Services: post office, laundry, repairs etc.	24,013,000.00		
9. Non-mat Services	3,348,000.00		
10. Supplies	22,226,900.00		
11. Insurance (Building)	1,392,000.00		
12. Social Insurance (Social Security Tax)	167,683,000.00		
13. Unemployment	7,508,800.00		
<b>SUBTOTAL</b>	<b>851,582,500.00</b>		
<b>Income</b>			
1. Food - Children		115,178,100.00	
2. Food - Staff		15,655,800.00	
3. Fees from Parents		133,007,000.00	
4. Rental Income		12,783,800.00	
5. Grant from Church		2,090,000.00	
6. Municipality Grant		552,674,000.00	
7. Interest (38%)		7,674,400.00	
8. Opening Balance (Not spent in '91)		133,233,542.00	
<b>TOTAL INCOME</b>		<b>972,296,642.00</b>	
<b>REMAINING BALANCE</b>			<b>120,714,142.00</b>
* Note: Exchange rate as of January 1993: US\$1.00 -- 15,000 zloty			

Price Waterhouse

25

125

## V. TRAINING AND EDUCATIONAL AVAILABILITY AND NEEDS

### A. Availability of Training for Kindergarten Teachers

Teacher training at the kindergarten level in Poland includes the following coursework: pedagogics, general psychology, developmental and educational psychology, biomedical elements of development and education, methodology of introductory education (with field work in schools), literature for young children, mathematics, basics of socio-natural environment, music education, art education, and physical education. Prospective teachers have two weeks of full-time practice teaching in their third semester of training and four weeks in their fourth semester.

### B. Availability of Training for Nursery Caregivers

According to an official from the Ministry of Health, nursery caregivers are trained in health as well as pedagogical aspects of child care over a period of five years during secondary school training specially identified for nurse/health and pediatric training. Students may choose to attend college after highschool, but it is not obligatory to do so. Secondary school training typically takes place between a student's ages 15 and 19.

### C. Teacher Training Needs

#### 1. *Kindergarten Teachers*

Strengthening of the available training programs for kindergarten teachers in Poland could be achieved through courses in developmentally appropriate interactions between teachers and children, aiming to make teachers more responsive to children's needs, interests and family background; courses on children with special needs and teacher-family interaction to meet those needs; courses for teachers and parents as well as municipality officials, social skills which enable them to collaborate to improve children's conditions of life (family/parent education) through teacher-family collaboration and more involvement by community members in the development of curricula and facility policies and courses on management of educational facilities. Courses for zero-class teachers could focus on how to be more developmentally appropriate and less didactic in their activities with children.

#### 2. *Nursery Caregivers*

Needs for nursery level caretaker could be addressed through courses in child development and pedagogy, particularly since most caretakers are trained by the Ministry of Health where the

emphasis is on a healthy environment and a healthy child. Should family day care be identified as an area for future development training will be necessary in the managerial, financial and administrative aspects of operating a family day care home.

Further examination of the reports suggesting fairly teacher-directed and rigid academic training in, particularly, the zero classes as the transition process in Poland continues should be conducted by researchers affiliated with the Ministry of National Education, or the Institute for Educational Research. In addition, planned long-term follow-up of children and programs originally observed and assessed at age four should be encouraged.

## VI. LEGAL AND REGULATORY FRAMEWORK

### A. The Legal Framework for Child Care

#### 1. Ministerial Decrees

The Ministry of Education decreed in April 11 1992 that kindergartens are required to choose one of two curricula approved by the Ministry for kindergarten and zero classes. The options include a modified version of the old curriculum, and an alternative (modern) curriculum which incorporates parental involvement and innovative methods in child care. All kindergartens must choose one curriculum.

#### 2. Act 425 on the Educational System

Act 425 (9.7.91) on the Educational System shifted responsibility for provision of child care services from the central state to municipal authorities and designated attendance to the *zero class* compulsory for children six years of age and its provision a legal obligation of local authorities. This law also provides legal parameters for private participation in the delivery of child care services. Although it is clear that local governments have the duty to provide child care and preschool services to their communities, the law does not detail the extent of that duty with the exception of the clearly defined "compulsory and exclusive task" to guarantee a place for every six year old child in a *zero class*, in preparation for primary school.<sup>38</sup> The law makes no specific mentions of child care for children up to five years old.

### B. Establishing a Social or Private Child Care Facility

#### 1. Social Kindergartens or Nurseries

Parents and teachers interested in establishing a social child care facility must first organize a local chapter of the STO. With the continuous advice of the STO the chapter presents an application for the establishment of the kindergarten to the local curatorium and to the Ministry of Education. In the case of nurseries the application is presented to the local Ministry of Health representative. All non public child care and education establishments are expected to meet the standards set by the appropriate ministry for operation of public entities. In the case of social kindergartens or nurseries, however, decisions regarding the amount of subsidies and grants are defined by each local authority.

The information required in the application includes:

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<sup>38</sup> Republic of Poland, Legislation Bulletin, No. 95 (October 25, 1991): Chapter 2; Art.14; cl.3.

- Identification of the location where the child care services will be provided as well as a certificate of inspection from local authorities.
- A complete list of staff and their corresponding qualifications (including the Director of the establishment who must be a Polish citizen).
- A description of the educare approach to be adopted by the facility, the curriculum chosen and the educational program.
- A description of the financial resources available to the facility. In the case of social kindergartens or nurseries the law entitles them to a subsidy equal to "50 % of current expenditures borne in public pre-schools of the same kind per student" under the condition that the kindergarten director present to the appropriate body the planned number of students no later than the 30th of September of the year preceding the school year for which subsidies are requested.<sup>39</sup>

Once the application is approved the curatorium or Ministry of Health representative issues a one-time registration certificate. Subsequent supervision of the facility is done regularly by the corresponding local authorities.

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<sup>39</sup> Republic of Poland, Legislation Bulletin, No. 95 (October 25, 1991) Act 425 on the Educational System (approved 9.7.91): Chapter 8; Art. 90; cl.1,3 and 4.)