

Child poverty and child-well being in the European Union

Policy overview and policy impact analysis

A case study: Slovenia

Nada Stropnik
Inštitut za ekonomska raziskovanja
stropnikn@ier.si

1. The nature of child poverty and the underlying factors

1.1 The children affected and the underlying factors

Overall indicators of income inequality and poverty

Income inequality, as measured by the Gini index, is lower in Slovenia than in the EU-25 average for both the total population and children. Inequality among children is lower than among the total population¹.

The at-risk-of-poverty rate for children is about the same as for the total population when the threshold is set at 40%, 50% and 60% of the median income. Whatever at-risk-of-poverty threshold is applied (from 40% to 70% of the median income), the at-risk-of-poverty rate is (significantly) lower among children than among children in the EU-25 as a whole. The at-risk-of-poverty gap amounts to 19.6% for children in Slovenia and 21.4% for children in the EU-25.

As regards the primary indicator of material deprivation, children in Slovenia are in a better position than those in the EU-25 on average: 12.5% are lacking three or more basic items compared to 17.4% in the EU-25. Their situation is also better than the average for the overall population in the country.

The proportion of children in Slovenia who are both relatively income poor and materially deprived (4.5%) is lower than in the EU-25 (8%) or the average for the total population (4.8%).

According to the child well-being index², Slovenia ranks 7th among 29 EU countries (Bradshaw and Richardson, 2009). In terms of material resources it ranks 5th. The authors conclude that children in Slovenia are better off than its GDP per capita might indicate.

Determinants of child poverty at household level

Children who are more likely (than the average child) to be at a higher risk of poverty:

- ✓ are aged over 5,
- ✓ have a father who is younger than 30,
- ✓ have a mother who is younger than 35,
- ✓ live with only one parent (and have brothers/sisters below the age of 18), or with two parents and two or more brothers/sisters below the age of 18,
- ✓ live in a household where those of working age are not employed full-time,
- ✓ live with unemployed parent(s),
- ✓ have low-educated parents and/or parents who do not have permanent employment,
- ✓ live in rented accommodation,
- ✓ have at least one parent with a chronic illness.

Children aged under 3 and between 6 and 17 have a higher proportional risk of poverty. The opposite is true for children aged 3-5. After the age of 3, the at-risk-of-poverty rate, therefore, increases with age.

The risk of poverty is higher for families with young parents. These parents are more likely to be out of the labour market (studying or unemployed) or have temporary jobs. Their earnings are also likely to be lower. Nevertheless, in the EU-25 as a whole, children with young parents are much more likely to be at risk of poverty than in Slovenia.

¹ This is due to the fact that inequality among the population aged 55 years and over exceeds that among the total population[0] (Stropnik and Kump, 2008).

² The index seeks to represent seven domains of children's lives: health, subjective well-being, personal relationships, material resources, education, behaviour and risks, and housing and the environment.

The at-risk-of-poverty rate for children in single-parent households is about three times higher than the average for all children. It is important to note that the number of single parent families is not greatly affected by teenage pregnancies or the fact that many children are born out of wedlock³. The large proportion of non-marital births being registered by both parents (95% since the 1990s) suggests that these births mostly occur within stable relationships (Šircelj 1998; SORS 2004; Stropnik and Šircelj, 2008). Many couples marry after the birth of the first child.

For children living in households with two adults and three or more children, the risk of poverty is 1.4 times higher than the average. However, the proportion of such families is low in Slovenia⁴ and has been declining (SORS)⁵, which is important for the evaluation of the severity of the problem.

As many as 76% of children living in households where no-one of working age is in employment are at risk of poverty (as against an EU average of 68%). The risk of poverty is also relatively high for children living in households where those of working age work only part-time.

The risk of poverty for children declines with an increase in their parents' (particularly the fathers') education. The risk is below average for children whose parents have medium or high education (2.1% in the latter case).

Chronic illness of parent(s) raises the risk of poverty by almost 5 percentage points relative to the average.

The likelihood of disadvantage passing from generation to generation

It is important to note that in Slovenia the decision to have a child is not usually a spontaneous one but rather a carefully planned step dependent on both subjective and objective conditions (Ule, 2004). Psychologists speak of the responsible parenthood norm (Ule and Kuhar, 2004). Increasing pressure on employment, financial security, housing, time, emotional maturity, ability to raise a child, good partnership relations, etc., acts as an obstacle to having children. Many young people say they would have children earlier if the two basic preconditions, a stable job and appropriate housing, were fulfilled.

Černak-Meglič et al. (2009: 59-60) did not find any significant differences in the children's success at school across income groups nor in the aspirations (expectations) of children.

1.2 Trends

Since, Slovenia was not a typical socialist country, the economy was not regulated to the same extent as other social countries, with greater economic development and cooperation, a better standard of living, etc. The political, economic and social transformation that started at the end of the 1980s did not cause as much turbulence as in other countries in transition (Stropnik and Šircelj, 2008). The employment rate started increasing in the second half of the 1990s. GDP began to increase from 1995, both in total and per capita. Annual growth of GDP was 3.5%-5.5% in the years 1995-2004.

Both the at-risk-of-poverty rate (defined as income below 60% of the median equivalised net cash income of households) for the overall population and inequality of income (measured by the Gini index), have declined in the 2000s and are among the lowest in the EU.

The at-risk-of poverty rate for children under 15 fell from 2000 to 2003, but has increased since then (Table 1). Until 2005 it remained below the at-risk-of-poverty rate for the overall total population. The at-risk-of poverty rate for those aged 16-24 was higher than for the total population before 2003, but has fallen since then. In 2006, it was considerably (2.3%) lower than the at-risk-of poverty rate for both the total population and children under 15 – mostly due to a reduction in the unemployment rate among the young.

³ The proportion of non-marital births has been rising in all age groups of mothers. However, teenagers are rarely involved (just in 3.2% cases in 2004).

⁴ According to the 2002 Population Census, about 17% of children lived in families with three or more children (SORS).

⁵ About 77% of women who had their first child decide for a second one. The probability of having the third child is much lower. Among the 1957-1961 birth cohorts, women who gave birth to two children account for 55%, those who gave birth to one child account for 20%, and those with three children for only 13% (Šircelj, 2006; Stropnik and Šircelj, 2008).

The at-risk-of poverty rate for children aged under 18 fell from 2004 to 2006 and was similar to the average for the total population. In 2006 (according to the EU-SILC 2007) it was 11.3%.

Table 1: At-risk-of poverty rates; after social transfers

	Income, excluding income in kind						
	2000	2001	2002	2003	2004	2005	2006
Total population	13.0	12.9	11.9	11.7	12.1	11.7	11.5
0-15 years	11.2	11.7	10.5	9.9	11.9	11.8	11.7
0-17 years					11.9	11.5	11.3
16-24 years	12.3	13.4	12.3	13.0	10.4	9.1	9.2
	Income, including income in kind						
Total population	11.3	10.6	9.9	10.0	11.4	11.1	11.0
0-15 years	9.3	8.7	7.4	8.8	11.0	11.1	11.0
0-17 years					11.1	10.8	10.8
16-24 years	10.3	10.3	10.0	10.6	10.0	8.9	8.7

Sources: MoLFSA, 2008; SORS, <http://www.stat.si/>.

Notes:

Indicators for 2000-2003 are based on the Household Consumption Survey (Household Budget Survey). Indicators for 2004, 2005 and 2006 are based on the EU-SILC 2005, 2006 and 2007, respectively.

The significant increases in at-risk-of-poverty rate for children aged 0-15 years between 2003 and 2004 can only be explained by the change in the data sources.

Grey cells indicate rates that are higher than those for the total population.

The at risk-of-poverty rate is by far the highest for single-parent households with children (Table 2):

Table 2: At-risk-of poverty rates; after social transfers (income, excluding income in kind), by household type

	2000	2001	2002	2003	2004	2005	2006
Total population	13.0	12.9	11.9	11.7	12.1	11.7	11.5
Single-parent household with at least one dependent child	17.5	18.0	14.8	24.3	21.4	22.1	28.6
Two adults, one dependent child	9.2	6.9	6.7	6.2	9.1	9.0	9.9
Two adults, two dependent children	6.3	6.7	7.6	8.5	10.1	8.3	7.2
Two adults with at least three dependent children	16.7	18.7	13.4	10.3	16.6	15.4	15.2

Sources: MoLFSA, 2008; SORS, <http://www.stat.si/>.

Notes:

Indicators for 2000-2003 are based on the Household Consumption Survey (Household Budget Survey). Indicators for 2004, 2005 and 2006 are based on the EU-SILC 2005, 2006 and 2007, respectively.

The significant increases in at-risk-of-poverty rate for households with 3 and more children between 2003 and 2004 can only be explained by the change in the data sources. The big increase in at-risk-of-poverty rate for single-parent households between 2005 and 2006 is most probably due to a small number of cases.

Grey cells indicate the rates that are higher than those for the total population.

1.3 Absolute poverty

It is not really possible to speak of absolute poverty in Slovenia. While it is true that the minimum income is below the at-risk-of-poverty rate, there are one-time cash social assistance payments available in cases of proven need, and several organisations (like the Red Cross and Caritas) which provide poor families, particularly those with children, with in-kind assistance ranging from food supplies and clothing to free holidays. Families on cash social assistance also receive the highest child allowances (these allowances are high both in absolute terms and relative to other social transfers and the minimum wage), the highest childcare subsidy and the highest national educational grants. Their

children get free school meals and usually do not pay for school trips (including a week's recreational school excursion to the mountains or the coast).

It should also be kept in mind that households at risk of poverty produce more of their own food, which increases their living standards. This is evident from a generally lower risk of poverty and lower income inequality if the poverty measures are based on both income in cash and income in kind (Stropnik and Kump, 2008). Another way of increasing family income is through the shadow economy, the extent of which is hard to estimate. Because of this, it is not possible to say that families with low monetary disposable income suffer from absolute poverty in the sense that they cannot meet their basic needs, or even that their children cannot participate in activities in the same way as children from better-off families.

Research on families with the lowest income does not indicate that they are living in absolute poverty. Černak-Meglič et al. (2009) found no difference in the proportion of children from low-income families and all children regarding their daily consumption of meat or fish. The proportion of children from low-income families consuming fruit and vegetables every day was only 8 percentage points below the average, which may be due to (free or subsidised) meals provided by childcare centres and elementary schools.

2 Impact and effectiveness of policies in place

2.1 Overall approach

Main policy features

Slovenia has a relatively well-developed family policy aimed at balancing professional and family obligations, providing equal opportunities to both sexes and horizontal redistribution of income in favour of families with children. Unlike in most transition countries, in the 1990s Slovenia managed to preserve the family policy measures from the socialist period. Moreover, some measures were improved and some new ones introduced.

In 1991, an independent ministerial department for family affairs was established. In 1993, the Parliament adopted the Resolution on Foundations of the Family Policy, and in 1994 the National Council for Family was established, comprising experts and lay representatives acting as an advisory body to the Government (Stropnik and Šircelj, 2008). In 2006, the Slovenian government adopted another strategic document: the National Programme for Children and Youth for the period 2006-2016 (MoLFSA, 2006).

Currently family policy measures are mostly of a financial nature (allowances, subsidies, wage compensations), i.e. aimed at moderating any decline in the standards of living following the birth of a child. At the same time they provide some necessary preconditions for reconciling work and family obligations.

Cash benefits for families with children range from cash social assistance to birth grants, parental allowances (for parents not entitled to parental leave and benefit), child allowance, and a large family allowance. The main measures that enable balancing of professional and family obligations and provide equal opportunities to both sexes include parental leave and parental benefit (earnings compensation), labour market policies that enable employment of parents with young children and subsidised childcare. A number of benefits are related to education (free textbooks, subsidised transport to school, subsidised school meals, scholarships, etc.). There are elements of family policy in tax and housing policy too. Some family policy measures are designed or adapted for families with children with disabilities (the allowance for nursing a child, partial payment for lost income, etc.).

Clarity of objectives and targets

In spite of a relatively low risk of poverty for children in Slovenia, they are treated generally as a vulnerable group, or a group facing a higher risk of social exclusion and/or poverty that may threaten their physical, mental/emotional and social development (MoLFSA, 2008). It has been a continuous goal of successive Slovenian governments to improve the financial position of families with children –

primarily those that are in an unfavourable position due to unemployment, low earnings, non-entitlement to wage compensation during parental leave, or serious illness or handicap of a child.

The fight against child poverty is implicit in the National Programme for the Fight against Poverty and Social Exclusion (2000). Providing adequate income support to vulnerable groups in order to prevent social exclusion is the first priority of the National Action Plan for Social Inclusion (MoLFSA, 2008).

The basic quantitative objectives for preventing poverty and social inclusion by 2010 include:

- ✓ to reach a 90% kindergarten attendance for children aged 3-5⁶
- ✓ to preserve the current rate for younger children⁷
- ✓ to increase the capacity of the therapeutic programme network providing psycho-social assistance to children and families to achieve full coverage with one expert per 50,000 inhabitants (MoLFSA, 2008).

2.2 Income Support

The *cash social assistance* is based on the basic amount of minimum income, which is equal to EUR 226.80 a month (from July 2009). A weight of 1 is attached to a single person or the first adult in the family, 0.7 for additional adults and 0.3 for each child below 18 (and older child in regular schooling). There is also an additional weight of 0.3 for single-parent families.

A review of the basic amount of minimum income is in process in order to check its suitability 8 years after its introduction (Stropnik, 2009).

Child birth allowance is a lump-sum benefit granted to every child whose mother or father has permanent residence in Slovenia. The amount is EUR 276 (from July 2009), though it is possible to opt for an in-kind benefit (in the form, e.g. of accessories for newborn babies).

A lump-sum *parental allowance* of EUR 193 is granted to those not eligible for insurance-based earnings compensation during parental leave (about 11% of parents on parental leave) for a period of one year.

Child allowance is granted to one of the parents up until the child is 18, or until the age of 26 if they are students⁸. Over the whole post war period, child allowance has been a selective benefit targeted on low-income families and, since 1994, on middle-income families as well. Since 1999, the income threshold has been set at 99% of the national average gross wage per family member. In recent years, child allowances have been received by 70% of children in the relevant age group⁹.

Child allowances vary with the number of children. Since 2003, child allowances for pre-school children who are not included in subsidised childcare programmes have been 20% higher than for other children¹⁰, and from 2004, they have been 10% higher for children in single-parent families.

Child allowances are relatively high for children in low-income families in relation to wages and other social benefits. The highest child allowance (EUR 135.55 a month for the third and subsequent children in the lowest income bracket) is equal to around 15% of the net average wage or about 31% of the net minimum wage; the lowest (EUR 19.64 per month for the first child in the highest income bracket) is equal to only about 2% of the net average wage or about 4% of the net minimum wage. A family with two children in the lowest income bracket (with income per family member below 15% of

⁶ It was 82.1% in the school year 2007/08 and 84.1% in 2008/09 (SORS, 2009).

⁷ It was 43.7% in the school year 2007/08 and 49.2% in 2008/09 (SORS, 2009).

⁸ If the tertiary education lasts five or six years or if the child has not completed regular schooling within the prescribed period due to prolonged illness, or injury, or the undertaking of military service during schooling, the right to a child allowance may be extended by the length of the period for which education was extended for such reasons.

⁹ The proportions of the population receiving child allowances (population in 2008, beneficiaries in August 2009) is 86% for the age group 0-18, and 71% for the age group 0-26. Such high proportions even in a rather "old" age for children are due to a high levels of continuing education at tertiary level on the one hand, and a bad habit of studying slowly on the other. The average duration of graduate studies is 6.8 years. Due to exceptions (long university study programmes and similar), there are also about 500 beneficiaries aged 26-29.

¹⁰ This is intended for compensating for a part of the costs of informal childcare arrangements or a part of the opportunity costs for a parent taking care of a child at home.

average earnings) is eligible for a monthly child allowance of EUR 237.19, or 26% of average net monthly earnings, 55% of the net minimum wage. Families in the highest income bracket (with income per family member between 75% of average earnings and the average) are eligible for a monthly child allowance of EUR 46.81, 5% of average net monthly earnings or 11% of the net minimum wage.

A *large family allowance* was introduced in 2002 as a lump-sum transfer to all families with three or more children below the age of 18. From July 2009 it amounts to EUR 386.96 for families with three children and EUR 471.90 for those with four or more¹¹.

In 2000, the *alimony fund* was established. In the case of one of the parents not fulfilling his/her obligation to pay support for a child under 15 (or 18, if not employed) and living in a family with income per family member not exceeding 55% of the average wage), the child is entitled to compensation from the public alimony fund. The amount of alimony compensation is then recouped from the errant parent (Stropnik et al., 2003).

2.3 Indicators of policy impact

The family policy measures have undoubtedly alleviated unfavourable economic conditions or even poverty in many families with children. It should be stressed particularly that the high awareness of the importance of the welfare state prevented the deterioration of these measures even in the hardest transition years (Stropnik and Širčelj, 2008).

In the period from 2004 to 2006, the at-risk-of-poverty rate for the total population was 12.5-13.7 percentage points lower after social transfers (Tables 1-3). For children under 18, it was around 14-16 percentage points lower. Social transfers, therefore, more than halve the at-risk-of-poverty rate for children. Child allowances have the greatest impact.

Table 3: At-risk-of poverty rates before social transfers (pensions are not treated as social transfers); income, excluding income in kind

	2004	2005	2006
Total population	25.8	24.2	23.1
0-15 years	27.5	26.3	25.0
0-17 years	28.0	26.2	25.0

Source: SORS, <http://www.stat.si/>

Note: Indicators for 2004, 2005 and 2006 are based on the EU-SILC 2005, 2006 and 2007, respectively.

It is evident from the transfer distribution indices that single-parent households and couple households with up to two children receive less than their proportional share of both family/child-related and all social transfers. Two-parent households with three or more children receive (much) more than a proportional share of family/child related transfers (over double their share in the total population). This to a large extent is due to child allowances that are relatively high for children from low-income families and which increase with the number of children. Other means-tested social transfers vary with average income per family member, so neglecting the economies of scale in the expenditure of households with more members. Additionally, some important social transfers are not counted in family income when assessing entitlement to social benefits, so increasing the number of families eligible and the amount they receive.

Households where no-one of working age is employed receive almost double their proportionate share of social transfers and almost 1.5 times their proportionate share of family/child-related transfers. The same is true for households with low work intensity.

On average, all social transfers account for 18% of income received by households with children while the sub-group of family/child-related transfers accounts for 8%. For households with children at risk of poverty, all social transfers account for almost half (47%) of their income, while family/child-related transfers account for 22%.

¹¹ According to the 2002 Population Census, less than 4% of children lived in families with four or more children (SORS).

The relative importance of family/child-related transfers is much the same as the EU-25 average. Family/child-related transfers, however, are means-tested in Slovenia and therefore more targeted on low-income families. They account for 16% of the income on average of two-parent households with three and more children, while single-parent households receive almost a third of their income through social transfers, though family/child- transfers account for only 14%.

For households with children where no-one of working age is employed, social transfers account for more than two-thirds of their income while family/child-related transfers account for a fifth.

Because of social transfers, more than half (57%) of children in Slovenia at risk of poverty before social transfers are pulled out of relative poverty and more than a quarter (28%) due to family/child-related transfers alone, more than in the rest of the EU.

The poverty reduction impact of all social transfers, and family/child-related transfers in particular, is much larger for children in all types of two-parent households than for children in single-parent households, the impact increasing with the number of children.

2.4 Access to the labour market and income from employment

Access to the labour market

For more than 50 years, Slovenia has been a country with a high female employment rate. This is not only due to the professional aspirations of women, but also due to necessity¹². Two wages are still needed for a decent standard of living for families with children, so women join the labour market and do not leave it after childbirth (Stropnik and Šircelj, 2008).

In the 1990s, 47% of those employed were women and about 46% in the first half of the 2000s (SORS). The employment rates by sex and age are detailed below in Table 4. This shows that in families with small children usually both parents are employed. Another important feature of female employment in Slovenia is that the majority of women are employed full-time. Typically, after parental leave, women return to their job full-time. Some 85% of women with children under 12 are employed for more than 30 hours a week (SORS 2006a).

Table 4: Employment and unemployment rates, by sex and by age groups, 2007

Age	Employment rate		Unemployment rate	
	M	F	M	F
15-24	43.2	31.4	9.6	11.6
25-49	90.1	85.0	3.3	5.7
50-64	58.6	39.6	3.6	4.9
65 and over	12.0	6.7	-	-

Source: SORS, 2008.

As a rule, women do not leave the labour market after giving birth to a child. The child is about a year old when parental leave expires, and childcare is available and affordable for children below the age of three.

Over 80% of single women aged 25-49 with the youngest child under 12 are employed. The same is true for women in couple households. The employment rate is about 80% for women without children, and increases with the age of the youngest child. It is 82% for women with the youngest child under the age of 3, 87% for those with the youngest child between 3 and 5, and 89% for those with the youngest child between 6 and 11.

Between 92% and 95% of women with children under the age of 12 in employment work full-time. It is thus not surprising that Slovenia is one of the Member State with the largest share of children aged under 5 living in households where everyone of working age are employed full-time.

¹² Stropnik (2009) has estimated that the minimum costs of living for an adult amount to about 2/3 of the net average earnings. The calculation is based on the expenditure pattern of 40% of households with the lowest income.

Only around 12% of children under 6 at risk of poverty and 13.5% of those aged between 6 and 11 live in households with the highest work intensity. Around a fifth of those aged under 6 and about a quarter of those aged 6-11 live in jobless households, while almost three quarters of those aged under 6 and around two-thirds of 6-11 year-olds live in households with a work intensity of 0.5 or lower.

Measures enabling the reconciliation of work and family

Parental leave¹³

Since 1986 Slovenia has had one-year parental leave with full pay. Total leave related to childbirth (parental leave) consists of 105 days of maternity leave, 260 days of childcare leave (or 520 days if taken as half-time leave) and 90 days of paternity leave.

Childcare leave is extended by 30 days if – at the birth of a child – parents are already bringing up at least two other children below the age of eight; by 60 days if they are bringing up three children; and by 90 days if they are bringing up four or more children.

Up to 75 days of the childcare leave may be taken up until the child is eight. Childcare leave is a family entitlement. Fathers are obliged to use at least 15 days of paternity leave while the child is under six months, while the rest of the 75 days can be used up until the child is three.

Earnings compensation amounts to 100% of the average monthly gross earnings during the twelve months prior to the leave¹⁴. The minimum earnings compensation is set at 55% of the minimum wage and the maximum at 2.5 times the average wage (the upper limit is not applied during maternity leave).

All insured mothers take maternity leave.

Some 63% of fathers took up to 15 days of paternity leave in 2003 (when it was introduced), 72% in 2004, around 67% in 2005 and about 75% in 2006-2008. Out of these, 10% took more than 15 days in 2006 and 15% in 2008.

Research suggests that most fathers do not take more than 15 days of paternity leave because their earnings are not fully compensated during the rest of it. There are also obstacles on the employers' side (Renner, Švab, Žakelj and Humer, 2005; Stropnik, 2005).

Virtually all mothers take childcare leave. In 2003, only 2% of fathers took a part of it. In subsequent years, there has been an increase – to 5% in 2006, and almost 6% in 2008. Given the full wage compensation during the first 15 days of paternity leave, the reasons for the low participation of fathers may be found in the traditional division of tasks within the family, social attitudes, the negative image of fathers who take on more family responsibilities, and employers' expectations.

Other labour market related measures for parents with young children

After parental leave, a return to the job held before is guaranteed. Breastfeeding mothers who work full time have the right to a break during working time of at least an hour a day.

The parent of a child under 3 (or a child under 18 with a severe physical disability or a moderately or severely mental disability) may choose to work part-time and have social security contributions (based on the minimum wage) made up from the state budget. In January 2007, the right was extended up until the youngest child reaches 6 if parents are taking care of two children or more. There are, however, only around 8,000 parents taking advantage of this.

A parent leaving the labour market in order to take care of four or more children is entitled to have social security contributions paid from the state budget until the youngest child reaches the age of 10. This affects around 1,200 people.

Parents are also entitled to take leave to care for sick children. In general, 7 working days of leave may be taken for each episode of illness per family. In exceptional circumstances, the period may be

¹³ The term "parental leave" is used for the maternity, paternity and childcare leave.

¹⁴ If the contributions were paid during a period shorter than twelve months, the minimum wage is taken into account for the missing period. For persons not insured at the time the leave starts, but have been insured for at least twelve months in the last three years before the start of the maternity leave, the wage compensation amounts to 55-105% of the minimum wage, depending on the insurance period in the last three years.

extended to 14 and 30 working days, respectively, or longer in extreme cases (up to six months). Leave is paid at 80% of average earnings over the preceding 12 months.

Pre-school childcare

Female employment has always been accepted in Slovenia, even for mothers with small children. Because of this, the well-developed network of pre-school childcare centres has been maintained, high subsidies continued, while standards and norms in childcare have been improved during the transition. With quality childcare available and affordable, women do not have to break their careers after childbirth but can continue to contribute to the family budget. This is very different from developments in a number of other transition countries, like Poland, Hungary and the Czech Republic, where organised and subsidised childcare for children up to the age of three hardly exists; so mothers have tended to stay on parental leave for three years receiving relatively low benefits and suffering a loss of their human capital.

In Slovenia, there is organised care in nursery schools for children as young as one, i.e. after parental leave comes to an end. Just over a third of children aged under 3¹⁵ receive formal childcare. This applies to both those in households with low incomes and those with higher levels.

Around 83% of children aged 3-5 are enrolled in kindergartens, and less than 7% receive no childcare at all.

At the start of 2009, the cost of childcare programmes was about EUR 450 a month per child under 3 and about EUR 334 a month per older pre-school child¹⁶. Nevertheless, childcare services are affordable due to high means-tested subsidies from public sources. These subsidies are by far the highest single transfer to families. All approved programmes of public and private day-care centres/providers are entitled to be subsidised, on average, covering 68% of the costs at the start of 2008. Families on social assistance are exempt from paying fees altogether.

The amended Pre-school Childcare Act alleviated the burden placed on other parents and substantially increased the public subsidy. From September 2008, childcare has been free of charge for the second and any subsequent child if there are two or more children simultaneously attending childcare; parents pay only for the oldest child. A 50% reduction in the payment for children aged 3 and over will be implemented gradually between January 2010 and January 2014; so, from January 2010 the payment will be lower for five-year-olds, from January 2012 for four-year-olds and from 1 January 2014 for three-year-olds.

The provision of pre-school childcare places is almost in line with demand. The access rate in 2008/09 was 49% for children under 3 and 84% for children aged between 3 and 5 (SORS, 2009).

Flexible working arrangements

According to the 2005 Labour Force Survey, 51% of those of working age in employment usually have the option of varying the start and end of their working day, for family reasons, by at least one hour (SORS 2006b); 30% have that possibility rarely and 19% never.

The amendment to the Employment Relationship Act adopted in November 2007 sets the foundation for the implementation of flexicurity. Some of the key points in the adopted amendments relate to the following:

- ✓ provision of greater internal employment flexibility;
- ✓ use of flexible forms of employment and working hours;
- ✓ incentives for reconciliation of professional and family life – additional means for easier reconciliation of professional and family life have been introduced, under which it is now possible to adapt working time to the needs of employees with parental obligations, providing that work or production process requirements allow it, so that employees with school-age children may be able to take at least one week of their annual leave during school holidays. In addition, more

¹⁵ In Slovenia, these are children aged 1 because parents are entitled to about a year of parental leave.

¹⁶ Source: Ministry of Education and Sport,

http://www.mss.gov.si/fileadmin/mss.gov.si/pageuploads/podrocje/vrtci/xls/vrtci_cene_2009.xls.

comprehensive as well as clearer rules on the special protection of employees with parental obligations against dismissal have been established;

- ✓ provision of greater protection of employees against discrimination of all forms (MoLFSA, 2008).

Ensuring adequate income from work

The minimum wage is relatively low in Slovenia (EUR 454 per month after payment of social security contributions and taxes; or about a half of net average earnings). There is an intention to negotiate an increase, which is related to the planned increase in minimum income.

In-work benefits include:

- ✓ reimbursement for meals during work,
- ✓ reimbursement of travel expenses to and from work,
- ✓ holiday allowance,
- ✓ retirement severance pay,
- ✓ extra payment for years of service.

There are *tax allowances* (reduction of taxable base) for tax payers and dependants. The allowance covers spouses or partners and any other dependant adult as well as the first child, while for each subsequent child the amount is increased. The allowance is also higher for a child requiring special care. However, it should be noted that tax allowances for children are worth more to higher income taxpayers than lower income ones.

2.5 Access to enabling services

Housing and the environment

The housing market in Slovenia is characterised by the limited availability and affordability of housing for young people: long waiting lists for social housing, insufficient availability of favourable housing loans, poor development of the private rental sector, insufficient availability of student housing, and an absence of a co-operative sector. House purchase is usually possible only through intra-family transfers. Renting of housing in the private sector is expensive while social housing is of a low quality (Cirman 2006). According to the 2005 Housing Survey, the share of rented accommodation is 9%, while the share of social housing is a mere 5% (Mandič 2006).

There are *non-reimbursable rent subsidies* for young families that may be as high as 80%. A young family qualifies for a subsidy if it resolves its housing problem on its own by purchasing, constructing, reconstructing or changing the purpose of existing premises or buildings (the subsidy is granted for a maximum of eight years and totals EUR 300 per family member¹⁷). A young family resolving its housing problem by renting market housing after one of the parents has completed studies is entitled (after a means test) to a market rent subsidy for a maximum of two years.

According to the amended Housing Act, rents will be subsidised for those renting at market prices and waiting for social housing for a long time, so long as their income is low enough. In July 2007, the Act amending the Act on the National Housing Savings Scheme and Subsidies for Young Families Solving their Housing Problem for the First Time was adopted. It upgraded previous housing options with the aim of providing provide subsidies to families with children and single parents with a completed university or college education unable to obtain social housing or purchase a house or apartment because they do not have a permanent job or sufficient savings. They can now obtain a subsidy for buying or building a house or for renovating an existing building (MoLFSA, 2008).

Information on the housing conditions of the Roma population is scarce. Some estimates show that, on average, housing standards of the Roma are much worse than that of the rest of the population.

¹⁷ In practice this means that, for example, a young family with three members receives the following subsidy: $3 * 300 * 8 = \text{EUR } 7,200$.

Relatively large numbers of Roma live in unplanned settlements that lack even basic communal facilities and so provide bad and unsuitable living conditions. Expert and financial help is provided in the form of the planning of Roma settlements and social housing (Stropnik et al., 2003).

In Slovenia, homelessness among families with children is not an issue. Occasionally, individual cases occur. The reason for a sudden loss of accommodation is often the inadequate regulation of a tenant's status, resulting in evictions (Stropnik et al., 2003).

Elementary education

All pupils are entitled to a *subsidy for public transport*. If their school is located more than 4 km from their home, pupils are entitled to *free school transportation*. Children from socially and economically deprived families are entitled to *subsidised school meals*. These children accounted for around 37% of all pupils in elementary schools in the school year 2008/2009. There are *textbook funds* in elementary schools. Starting from the school year 2008/2009, there is no lending fee and textbooks are available for all pupils (from the first to the ninth grade) (Ministry of Education and Sport...). Families have to pay for all additional - however compulsory - activities, like school trips, sports days, and a week of "school in nature" (in the mountains, skiing, or coastal resorts), though children from deprived families may be subsidised by local communities or be exempt from payment.

Upper secondary education

Upper secondary education is free in public schools. All upper secondary students are entitled to a *subsidy for public transport* ranging from 7% to 70% of the monthly cost (depending on family income and distance to school). In the 2006/2007 school year, 32% of upper secondary students (from s deprived families) were entitled to subsidised school meals. From 2008/09, upper secondary school students are entitled to a *subsidy (from the state budget) for school meals* of EUR 2.42 per school day attended. In practice it means that secondary school students are entitled to one free hot meal a day.

A new Scholarship Act was implemented in September 2008, establishing an income threshold¹⁸ for entitlement to state *scholarships* of 65% of the minimum wage. Such educational grants not only make education at secondary and university level (more) affordable for children from low-income families, but they also contribute to the long-term alleviation of poverty and social exclusion among these children and to breaking the intergenerational cycle of poverty.

In 2008, scholarships were granted to 34,500 people, of whom 21,469 were secondary school students and 12,531 university students, the value for secondary school students amounting to EUR 144.93 per month.

School drop-out

The rate of school drop-out has tended to decline in recent years, from 4.4% in the school year 2000/2001 (MoLFSA, 2005) to under 1% in 2006/2007. Research has shown that drop-outs tend to be from low socio-economic status families, with parents with low education levels and low motivation and to have a poor relationship with their parents.

Health care

Basic and hospital-level health care is relatively evenly distributed geographically and accessible to everybody (MoLFSA, 2008). The major problem is a shortage of paediatricians and school doctors (MoLFSA, 2005). All children in Slovenia up to age 18, and longer if in regular schooling, are covered by compulsory (basic) and supplementary health insurance. This means that they are also exempt from supplementary payment for health services and prescriptions. Preventive activities in primary health care include examination of newborn babies, pre-school and school children, young people and students, while all children have annual dental check-ups (MoLFSA, 2008).

¹⁸ Income per family member must not exceed 60% of the minimum wage for applicants attending school in the place of their permanent residence or 60-65% of the minimum wage for applicants attending school outside their place of permanent residence.

Child protection

Children with disabilities

The majority of children with disabilities, particularly those with mental disabilities, live at home. However, institutional care and day care are also available (MoLFSA, 2005). Institutional care in social welfare education institutions is free of charge for all. Parents of children with disabilities have access to support arrangements, which help them to reconcile family and work obligations and to remain in the labour market.

An allowance for nursing a child (of around EUR 99 a month or EUR 199 for those with severe disabilities) is available which is universal and independent of income to cover the higher costs associated with the care of the seriously ill and children those with physical or mental disabilities. Entitlement to the allowance does not exclude the right to receive child allowance.

Partial payment for lost income is payable to a parent who stops working full-time to care for a child with a serious mental disability, equal to the minimum wage (or a proportion of it according to the hours worked). Parents are also entitled to a higher *tax allowance* if their child requires special care.

Children with disabilities are included in the mainstream education system. Pre-school day-care centres provide expert help for children with special needs Children with disabilities or impairments are also entitled to up to three hours of special teaching assistance per week and those with a more severe physical impairment to a permanent attendant. Children with a moderate or severe mental development disability are placed in special classes (developmental classes), which form a part of the regular pre-school day-care centres. Children with special needs are also entitled to free transport.

Roma children

The Roma population face a higher risk of social exclusion and/or poverty than others. Their problems are often complex and need to be tackled by a mix of different policy measures (including in respect of employment, housing, and social and health care services (MoLFSA, 2008). The Roma are not a large ethnic group in Slovenia, amounting to under 0.2% of the population of (according to the 2002 population census). Nevertheless, the Programme for Children and Youth 2006-2016 (MoLFSA, 2006) stresses the need for special care as regards Roma children. The basic goals are to achieve an improvement in their social position, to ensure their social inclusion and to give all of them regular health examinations and to ensure that they receive the usual vaccinations.

Measures have been taken aimed at broadening their educational opportunities by positively discriminating in their favour in both pre-school childcare and primary education. Special standards have been established for class sizes (no more than 16 children in a Roma class and no more than 21 if three Roma children are included). Roma children are also included in after-school day care and some after-school classes are intended for Roma only, though most are integrated into regular after-school day care classes.

Centres for social work organise activities aimed at integrating Roma into the life of a community, self-help and solving their particular social problems. Preventive programmes are also organised in health care (Stropnik et al., 2003).

For the future coordination of the Roma community's special rights, the National Programme of Measures for the Roma was adopted in December 2008. The measures are aimed at improving their situation in the education system, raising their education level, formulating a suitable scholarship policy, integrating them into employment, preserving and developing the Roma language, supporting cultural activities, resolving spatial planning issues concerning Roma settlements and provision of better housing (MoLFSA, 2008).

Other

There are social services for families with problems such as alcohol or drug addiction and families with children in need of support¹⁹ and there has been an increase in the number of state-subsidised family-

¹⁹ http://www.mddsz.gov.si/en/areas_of_work/social_affairs/social_security_services/help_to_family/

support service programmes (Kobal, 2002). There is also a network of maternity homes and shelters for women and children, who are victims of violence, as well as regional youth crisis centres.

Participation in sport, recreation, social and cultural life

Those with a poor financial status and those with a physical disability are exempt from the payment of radio and television subscription fees, provided they have been granted assistance and attendance allowances (MoLFSA, 2008). Subsidised or free programmes and activities organised by not-for-profit and volunteer organisations include: creative workshops, trips, activity holidays, sports activities and cultural programmes for children from deprived families to contribute to their personal development; the organisation of leisure activities; (therapeutic) summer camps for children from dysfunctional families, emotionally affected children, those with behavioural problems and those from deprived families. There are also free summer holidays for families with children with disabilities who otherwise would not be able to afford them and school-holiday activities for socially excluded children.

Conclusions

The at-risk-of-poverty rate for children in Slovenia is about the same as for the overall population and (significantly) lower compared to children in the EU-25 as a whole. The rate for children in single-parent households is about three times higher than the average for all children. Family policy measures have undoubtedly alleviated the unfavourable economic circumstances of many families with children.

There are several major reasons for the relatively low risk of poverty among children in Slovenia:

- ✓ The fact that earnings are fully compensated for one year of parental (maternity, paternity and childcare) leave, so that there is no decline in income after childbirth, while in addition, direct and indirect public transfers cover a significant part of the costs of children.
- ✓ The high female employment rate, so that there are usually two incomes per family even when there are small children, and the fact that women usually work full-time.
- ✓ The wide availability and affordability of pre-school childcare, enabling mothers to work.
- ✓ The efficient targeting and relatively high level of benefits which redistribute income so as significantly to reduce poverty and income inequality (Stropnik and Stanovnik, 2002).
- ✓ A political and public consensus on the need to support families with children, encouraged by a very low fertility rate and a consequently ageing population.
- ✓ The low average number of children per family (1.25 according to the 2002 Population census).

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