

**Analytical Review of Governance, Provision and Quality of Early  
Childhood Education Services at the Local Level in Countries of  
Central and Eastern Europe and the Commonwealth of  
Independent States (CEE/CIS)**

**Country Report for Serbia**

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## **Foreword**

Providing access to preschool education to all children and ensuring the quality of this essential service are key priorities for countries in Central and Eastern Europe and the Commonwealth of Independent States (CEE/CIS). In most of these countries, preschool education is a local mandate. The governance and finance of preschool education are responsibilities of municipalities or similar local administrative entities, which has its pros and cons systematically explored in this study. When the Regional Office of UNICEF decided in 2016 to investigate the local governance of preschool education in an analytical review, Serbia was selected as one of the country case studies. Our team visited Serbia in December 2016 and conducted in-depth interviews with key informants from three different municipalities based on a previously defined sampling frame and study protocol. This country report is the outcome of the work that was done before, during and after the in-country visit. Due to changes in the preschool legal framework that occurred after the research report was completed, the research team has revised the text and incorporated explicit references to these changes to the de jure situation but, there are no evidences on “de facto” situation and the impact of these changes. Further analysis will follow, also covering the other three participating countries Azerbaijan, Kyrgyzstan and Moldova. A Synthesis Report will be completed in June 2017.

We are deeply appreciative for the valuable information provided by all the key informants interviewed during the week in Serbia, and thankful to the UNICEF staff members who facilitated our work notably Tanja Rankovic and Aleksandra Jovic, as well as UNICEF consultant Lana Gosovic and intern Milos Nikolic. We are especially thankful to Jelena Markovic, the local consultant who made the implementation of the study report possible.

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## Executive summary

Expanding and improving Early Childhood Education (ECE) has been a major priority for UNICEF Country Offices and Regional Office in the CEE/CIS region over the past several years<sup>1</sup>. In Serbia, UNICEF pursues a range of activities with regard to ECE including the promotion of child-friendly pedagogies as well as programmatic diversification in order to include vulnerable children and parents and families, all in close cooperation with national and local government, national and international NGOs and multiple international organizations. More recently, UNICEF in Serbia launched a number of reform policy initiatives supporting the preschool education system in accordance with the strategic priorities in the area (Strategy for the Education Development in Serbia until 2020 (SED 2020), Action Plan for the implementation of the SED 2020), including the development and piloting of the new curriculum framework, development of new quality standards, modeling the inclusion of children with disabilities in preschool education, decreasing the equity gap in urban areas, and supporting capacity-building for further implementation of reform projects in this area. Action plan for the implementation of SED 2020 is, among other actions, predicting further development of the local system of ECEC and these activities were implemented within the defined framework of action. Hence, UNICEF in Belgrade was keen to participate in the *Analytical Review of Governance, Provision and Quality of Early Childhood Education Services at the Local Level in Countries of Central and Eastern Europe and the Commonwealth of Independent States*, which was launched in 2016 by the CEE/CIS Regional Office to investigate the impact of decentralization on preschool education. Moldova, Azerbaijan and Kyrgyzstan also participate.

This Country Report for Serbia study looks at the governance of preschool through three lenses:

- Decision space or autonomy: the extent to which Local Self Government (LSG) has the discretion to take decisions about preschool education (versus the extent to which this is in the hands of the central government<sup>2</sup>).
- Accountability: the extent to which – and ways in which – LSG can be held accountable for its local preschool policy and, vice versa, the central government can be held accountable to its policy commitments.
- Capacities at national and local level: the extent to which National government and LSG and its staff have the knowledge, skills, motivation, authority and resources to act upon its own mandates and the national policy directives with regard to preschool education.

The study distinguishes the *de jure* situation (the ways in which the governance of ECE is *supposed* to be executed) and the *de facto* situation (the ways in which the governance of ECE *actually* takes place).

### De jure situation

Serbia has three distinct preschool programs which are the point of entry to analyze access, quality and equity but also the governance of the whole. The main programs are:

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<sup>1</sup> This study is using the acronym ECE for the four country reports as well as the synthesis report. However, the acronym ECEC (adding the element of care) is also used at times, since this is commonly used in Serbia.

<sup>2</sup> According to the new Law on Foundations approved in 2017 certain responsibilities are transferred to the Autonomous Province (Article 185).

Sublevel	Age group	
Nursery Program	6 months to 3 years old	Non compulsory
Preschool Kindergarten Program	3 to 5.5 years old	
Preschool Preparatory Program	5.5-6.5 years old	Compulsory program of one school year, 4 hours per day

The Law on the Foundations of the Education System – 2017- stipulates the general framework for preschool education and sets the preconditions for non-segregated inclusion of children in education and continued schooling. Adopted in 2010, amended in 2017, the Law on Preschool Education<sup>3</sup> provides the key principles of preschool education: equity and accessibility, democracy, transparency, authenticity and development.

The responsibilities for preschool education are located at two levels of governance. One, the Ministry of Education, Science and Technological Development (MoESTD) supervises the preschool system (public and private) and it regulates the programs and the services that are provided. It also develops the policies for the establishment and management of preschool institutions; the coverage, equity and accessibility of the system; the standards of quality; the system of accreditation; the pre-service and in-service training of PSE staff, and other factors that might influence young children’s early education. The jurisdiction over ECEC at the state level is unified under the authority and governance of MoESTD. Institutions with special jurisdictions in monitoring, development and advancement of the education system at the national level are the National Education Council, the Institute for Improvement of Education (IIE) and The Institute for Education Quality and Evaluation (IEQE). Institutes are responsible for “developmental, advisory, research and professional activities in preschool education at the national level”.

Two, the local Self Governments (LSG) holds the executive power as they establish a network of preschool institutions and to finance pre-school programmes for children up to 5,5 y/o (age of enrollment into preparatory pre-school programme). The educational laws do not contain punitive articles related to the LSGs whose functioning is under the Ministry of state and local self -government (MDULS). Pre-school institutions are in charge for the implementation of legal provisions and are responsible for the managerial structures of educational institutions; for the enrolment and regular attendance of children in preparatory preschool programs; and for the enrolment of children with a need for additional support. The private sector covers a small proportion of the enrolment, but is currently growing, mainly in urban areas.

To ensure equity, the MoESTD has determined through the relevant bylaw on criteria on priorities for enrolment in pre-school institutions that children from disadvantaged groups have the highest priority to be admitted in case of a waiting list, followed by children of parents who are employed or fulltime students.

Preschool children are eligible for three different ECEC programs in Serbia, defined by The National Curriculum Framework for preschool education adopted in 2006. For children in the Nursery, the curriculum aims at developmental aspects such as sensory-motor, socio-emotional

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<sup>3</sup> The Law on Preschool Education ("Official Gazzete", No. 18/2010 and 101/2017).

and cognitive development. For Kindergarten, the curriculum contains two program models, which are based on different conceptual frameworks and pedagogical approaches. One is child-centered and oriented towards the full development of the child’s potential through self-guided activities, spontaneous exploration and play, while the other is more teacher-centered. The second program provided by the preschool institutions is the PPP, which has a relatively academic orientation. For those children who are enrolled in Kindergarten at age 5.5 to 6.5, the PPP is integrated into the curriculum. New curriculum framework is being piloted in a highly interactive and participative process.

A series of rulebooks regulate self-evaluation by preschool institutions; supervision; licensing of professionals; the work of experts such as pedagogues, psychologists and speech therapists; standards of competences of teachers and principals; and professional development.

The key element in the funding of preschool education is the economic price, which is calculated by the LSG for each program (nursery, kindergarten, PPP) following a method determined by law. This economic price is then covered in the following way:

Program	Age	Majority of children	Children from deprived families <sup>4</sup>	Children without parental care, with disabilities, in hospital treatment and from household receiving financial social assistance <sup>5</sup>
Nursery	6 months to age 3	80% covered by LSG and remaining 20% by parents*  *Since 2017 up to 80%	100% by LSG From 1 July 2018: LSG decides on cost reduction based on household material deprivation	100% by National Government
Kindergarten	Ages 3 to 5.5	80% covered by LSG and remaining 20% by parents*  *Since 2017 up to 80%	100% by LSG From 1 July 2018: LSG decides on cost reduction based on household material deprivation	100 % by National Government
PPP (Compulsory)	Ages 5.5-6.5	Operational costs for the realization of the programme covered by National government for 4 hours per day and 9 months per year. Any additional hours/months: 80% by LSG and 20% by parents	Operational costs for the realization of the programme covered by National government for 4 hours per day and 9 months per year. Any additional hours/ months 100% by LSG	100 % by National Government

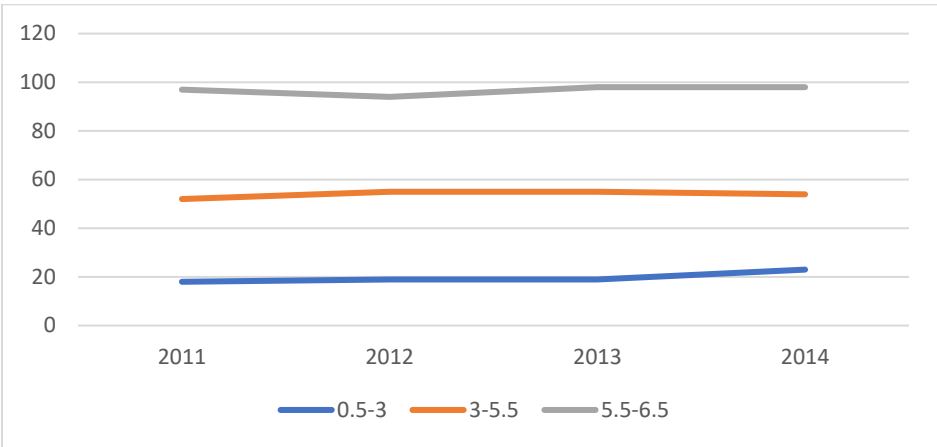
The recent policy change relaxes LSG legal-funding obligation from the 80% to up to 80% which is a significant change. The 80% used to be a minimum percentage of funding and now is the maximum which opens up the possibility for LSG to underinvest in PSE and transfer the financial burden to families which may undermine access and equity.

<sup>4</sup> Article 50. of The Law on Preschool Education proscribes that the children without parental care, children with disabilities and children from economically deprived families are excluded from participation in financing of all day and half day programs, according to the legislation in the area of financial support to families with children. New Law on financial support to Family with children is recently adopted. (Articles 11, 34 – 37). According to the Law, the implementation of this law is to begin from 1<sup>st</sup> July 2018.

<sup>5</sup> The change regarding children from household receiving financial social assistance will come into force on July 1, 2018, in line with the Law on Financial Support to Families with Children

**De facto situation**

The figure below shows the preschool enrolment ratios by age group. Despite the gradual decrease of the absolute number of children in the country, the figure shows that there was hardly any growth in the preschool enrolment ratios between 2011 and 2014. While the PPP is close to universal, enrolment for children between ages 3 – 5.5 stagnates at around 55% (52% in 2011, 55% in 2012, 55% in 2013, 54% in 2014).<sup>6</sup> Moreover, there are significant disparities: in the most developed municipalities there are twice as many children enrolled in the non-compulsory age group (0.5-5.5) as in the least developed municipalities.



According to survey data, an important reason for this disparity is that preschool is primarily seen as a service that is essential for child development and therefore is a right for all, and gives priority to that allows parents to go to work. Hence, if one or more parents or grandparents are at home to care for the child, there is no reason for enrolling; this partly explains the higher enrolment in areas with higher employment levels. In addition to attitudes of families there are major economic obstacles, poor resources in LSGs for wider participation of children in ECEC (practical obstacles such as a lack of spatial capacities (seats), large distance to the nearest preschool and lack of transportation) The system does not offer opportunities for all children/families who need/want it. Thus, there is an apparent gap between legislation (Law gives priority to vulnerable children) and practice in admission criteria. Finally, there are parents who consider kindergartens to be overcrowded and quality to be low. These problems are exacerbated by the fact that LSGs must pay the full price for children from families living in resource-constrained settings. Since these families are concentrated in the less developed municipalities, this creates an important financial burden for those municipalities. Indeed, family income is another strong determinant of access. Furthermore, Roma children have much less access to kindergarten than others, and this is almost regardless of their parents’ income. The education level of mothers predicts access as well, and in this case, this also applies to the

<sup>6</sup> ECEC enrollment of children from different age groups, Table 3.2, ECEC in Serbia, Situational Analysis and Recommendations, WB, 2016. This recent trend does not capture the biggest expansion of the system that happened between 2004-2009 when the number of children in ECEC has growth from 167,000 to 184,000 children which is in a great extent result of introduction of obligatory ECEC. After that period, which was marked with the economic crises, the process of widening enrollment was slower reaching 192,000 in year 2014.

Roma children: children of Roma mothers with secondary education have much better chances to be in preschool than children of Roma mothers with less or no education.

When the current preschool system was expanded in the 1970s, it was intended to support working parents. However, as mentioned, the current national policy positions preschool education as a right and essential service for all and gives priority to marginalized children (SED 2020, Law on Pre-school upbringing and education). In December 2016, however, this study found that these legal provisions are not implemented in practice at the local level, with the general exception of municipalities where initiatives have taken place such as IMPRES project, Kindergartens Without Borders, Schools for Life and Partnership for Reconciliation through Early Childhood Education and Development in Europe (PRECEDE). These initiatives have increased enrolment among vulnerable groups by programmatic diversification (e.g. offering shorter programs), upgrading of facilities, promotional activities, training and capacity building, and promoting diversity.<sup>7</sup>

In short, despite encouraging initiatives, there is significant progress to be made related to inclusion of children from vulnerable groups in preschool education. For example, diversification of ECEC programmes is one of potential strategies for the development of inclusiveness, equity and quality in ECEC. The SDE 2020 has recommended a long line of short-term, high-quality programmes and services based on the needs of children and families, to be developed by using existing capacities of preschool institutions and engaging relevant local professionals from different fields of expertise. The Law on Preschool Education enables the diversification of ECEC programmes within a variety of settings and services. This provides preschool institutions with the possibility to develop and implement different diversified programmes, including quality shorter programmes in accordance with family needs (in Serbia as less than 25% of the enrolled children are in such programs, while two thirds spend more than 8 hours per day in more costly full-day kindergartens)

## **Analysis and Recommendations**

Serbia has a long and rich tradition in preschool education, ECEC and in early childhood development policy more broadly. This has generated great expertise amongst policy makers and pride within the policy-making community. Although Serbia is now seeking to achieve EU benchmarks, many western countries might be inspired by the comprehensive curriculum in the Serbian kindergartens and the excellent arrangement for parental leave, to mention just two exemplar ECEC programs and initiatives. Decades before the global discussion about integrated ECEC started, Serbia already had integration of health, education and social welfare cooperating in early childhood settings<sup>8</sup>. Yet, the Serbian preschool system is facing challenges, notably when it comes to inclusion, pedagogical innovation and funding. Strengthening

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<sup>7</sup> ECEC in Serbia, Situational Analysis and Recommendations, WB, 2016.

<sup>8</sup> There is a concept and practice of integrated care of children (care, health and social protection, education) in preschool centres (nurseries and kindergartens). At the level of practice and curriculum, the unity of care and education is one of the basic principles in educational work. Serbia has integrated system of ECEC, which provides different functions: support to holistic development and well-being of children; care, preventive health and social protection of children; compensatory function; preparation for school and lifelong learning; family support



governance arrangements is one of the necessary steps in order to make progress, as illustrated in the following findings.

The 2010 Law on Preschool Education brought an important change to the function of preschool education. While preschool education was formerly seen as primarily a service that allowed parents to work, the new vision is that PSE is also crucial for the early development of children, and gives priority to children from vulnerable groups. This new vision calls for programmatic diversification such as: (1) shorter programs that are more focused on child development, (2) provision in diverse settings whether museums, libraries, open spaces or cultural centers, and (3) an expansion of services aiming to enroll every child regardless of socio-economic and ethnic background. In 2012, a UNICEF study<sup>9</sup> showed how this could be realized. However, this study found that stakeholders at all levels have varying understandings of the preschool programs that are offered and of how this can be realized in terms of pedagogy, admission policy, and finance. Of the three municipalities that the team visited, one was entirely dedicated to – and very successful in – reaching out to vulnerable children; another was focusing on providing high quality services to mainly the traditional target group; and the third was not even aware of the legal possibility to provide anything other than the traditional full-day program. Six years after the new Law on Preschool Education, the evidence gathered shows that its implementation has been slow and tends to be limited to municipalities that participated in the aforementioned innovative projects.

In principle, this stagnation in implementation of national policies could be addressed by means of external evaluation and/or inspection. Evaluators and/or inspectors could then signal this to the high level national policy makers, leading to renewed and enhanced efforts to communicate the new vision to LSGs and preschool institutions. However, this requires active leadership on the part of central government, institutional capacities of the Ministry of Education to effectively monitor implementation and a redefinition of the relation between national and local level. A motto could be that autonomy can be progressively gained by LSGs. In other words, those LSGs that meet certain policy objectives (e.g. inclusion and pedagogical innovation) would earn a relatively wide decision space, while those that lag behind would be under closer oversight until they improve their performance. Since current legislation does provide a wide decision space already, this would mean that the national government may need to develop capacities at central level to work closely with those LSG more in need.

An important step towards more inclusion was the decision to compensate the fee for children without parental care and children with disabilities (Law on Financial Support to the Family with Children). However, this also raised the financial burden for the LSGs because of the rule that they must cover 80% of the economic price for all children and 100% of the economic price of vulnerable/low-income families. In practice, many vulnerable children remained excluded for reasons varying from: (i) a lack of money (parents' contributions are sometimes higher than the 20% regulated by the Law); (ii) parents' lack of knowledge and skills to go through the complicated application procedure; (iii) insufficient parental understanding of the importance of preschool education; (iv) insufficient supply of programs that meet the needs of vulnerable children and (v) indirect and hidden costs such as transportation, clothing and hygiene. More recently, the legislation change has reduced the LSG legal-funding obligation from the 'at least 80%' to 'up to 80%' which opens up the possibility for LSG to underinvest in PSE and transfer

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<sup>9</sup> UNICEF (2012); Investing in Early Childhood Education in Serbia, UNICEF, Belgrade.

the financial burden to families which may undermine access and equity. It is to be mentioned that there are no data yet on impact on equity of the new LFES from 2017 and this amendment of the Law on pre-school education that gives possibilities to LSGs to decrease their funding “up to 80%” and to increase parental financial participation. Again, this calls for monitoring on a regular basis (not just by surveys) and for a national government that intervenes where necessary and grants autonomy where possible.

Municipalities also have difficulty navigating the preschool system and its complex financial arrangements. For example, many LSGs are struggling to mobilize sufficient financial resources for PSE. Local tax revenue, transfers from national government and fees do not always add up to what is needed to provide the programs. However, it appeared that there are demand driven channels to obtain additional funding from the central level by means of *projects*. In the absence of a mechanism to request additional funding based on needs (for example a specific programme with an application form where LSG present their needs and justify the funding knowing ex-ante the evaluation criteria and prioritization of projects presented) Majors lobby according to their needs and commitment to PSE and eventually they present a specific project justifying finance needs. But some LSGs are more successful than others in this regard, which depends partly on having the right connections and partly on having the local capacity to successfully write project proposals. This mechanism seems to exacerbate existing disparities and would be countered if a more objective and explicit scheme is created.

Within municipalities, disparities also persist. While for many families a fee of 20% of the economic price is a true burden, there are also the families with two working parents who can usually pay more (in the meantime LFES was changed so there are no data yet if the fee was changed in LSGs). For this group, some LSGs with limited preschool capacity are providing expensive subsidies to enroll their children in private kindergartens in order to expand access. This practice is taking place in LSGs where a) spatial capacities are limited in public kindergartens, b) there is private sector willingness to set up pro-profit new KGs. KG owners receive the same sum of subsidies per child as those who enroll children in state owned kindergartens (which used to be 80% of the economic price) plus parents contributions for the remaining 20%. A better solution from a social justice perspective could be the introduction of a sliding scale for the fee, whereby families pay according to their income which is now possible with the new legislation since LSG may decide to subsidize less wealthier families or KG. Thus, government and LSGs could invest the money saved by providing more short programs for free. Together, the lack of information about the size and funding of the whole private sector indicates a need for further research and exploration in the near future.

Data systems are essential to monitor progress towards inclusion, but currently they are not fully transparent and sometimes contradicting. At local level, for example, employees of LSGs and preschools can always tell the absolute number of children who are enrolled but are often unable to say what percentage of all children this concerns (the enrolment rate). Calculating this important indicator does not seem to be a priority of local policy makers and preschool management: though all municipalities have access to the latest data from vital statistics and DevInfo, municipalities are either not aware of this or not interested in using these data. Sometimes privacy arguments are used to explain why excluded children are not identified and actively approached, but one LSG proved that this does not need to be an obstacle.

The absence, inadequacy, and/or lack of transparency of fiscal data on budget revenues and expenditures in Serbia presents a major obstacle for the analysis of local public finance and control of the system. It is strongly recommended to collect, consolidate and publish data on preschool education at national level. The fact that preschool education is the purview of the municipalities should not be an argument for central government to refrain from an active role in data-collection. An important step in the right direction is that the MoESTD, supported by UNICEF, is developing a preschool module within the Education Management Information System (EMIS). Depending on the adoption of the revised umbrella law on education, this would allow the introduction of a unique number for every child through all levels of education. In parallel, municipalities must also grow their institutional capacities for data collection, processing and use for planning and implementation.

## **Conclusions**

The challenge for the central government is to ensure the implementation of national priorities *despite* local autonomy. In other words: while local autonomy is a given fact and deserves to be respected because of its potential advantages, central government does remain responsible for national priorities. This tension requires ongoing dialogue between central and local level rather than distance between the two. This dialogue may result in well-delineated measures to guarantee access for the most vulnerable children, e.g. by earmarking the funding for preschool education.

There is a need to analyze in terms of equity and effectiveness of the recent policy to provide access to private kindergartens to working parents by means of a substantial subsidy, especially in comparison with policies of diversification of offer in public kindergartens in some municipalities. The 2010 Law on Preschool Education suggested a crucial shift in paradigm: from childcare for some, to child development for all. But this shift seems to be forgotten. Finally, the various projects mentioned in table 10 are funded by the donor community. Despite the important role they have played and are playing in innovating the preschool system, they are not genuinely part of the regular financing of that system. It is important to take into consideration that local autonomy does not directly imply self-financing. There are examples of countries that safeguard access to public services to means of earmarked per capita transfers, while granting autonomy that LSGs and/or service providers.

The current legal framework is the result of many years of policy-making processes, but generally speaking there has been insufficient participation of LSGs in the development of laws and regulations. Despite an intention to be consultative, it seems that the policy making process has been mainly top down. Central government did hold consultation meetings with a variety of stakeholders but ultimately set the preschool system rules and goals, and then handed over the responsibility for implementation to LSGs while providing only partial funding. This does not necessarily mean that the voice of the LSGs has not been heard from alternative and informal channels such as local politicians contacts, but this was ad hoc and dependent on the LSGs personal networks. And once established, new laws and regulations have been insufficiently communicated to LSGs.

A good step forward is the interactive way in which a new preschool curriculum is currently being developed. Further steps in that direction could involve the Standing Committee of Towns and Municipalities. This organization could be allowed and empowered to play a more

prominent role in horizontal and vertical coordination as it already provides the necessary infrastructure.

# 1. Background and Summary of Methodology

Chapter 1 outlines the background of this study and its methodology. Chapter 2 describes the *de jure* governance of PSE in Serbia, or the ways in which PSE is provisioned or intended to be governed according to the stated policies, laws and rulebooks. The *de jure* governance is broken down into six key areas of preschool policy, namely: legal framework, decision making, admission policy, curriculum, programmatic diversification and quality assurance, and finance. Chapter 3 describes the *de facto* situation of the PSE sector, or the actual implementation of the country's policy framework. The *de facto* situation is structured according to the access, equity and quality of the system. Chapter 4 presents the key findings from the country visit, desk analysis, and overarching recommendations.

For many years, expanding and improving Early Childhood Education and Care (ECEC) has been a major priority for UNICEF Country Offices and Regional Office in the CEE/CIS region. In Serbia, UNICEF pursues a range of activities with regard to ECEC including the promotion of child-friendly pedagogies as well as programmatic diversification in order to include vulnerable children and parents and families, all in close cooperation with national and local government, national and international NGOs and international organizations including the World Bank. More recently, there is a number of reform policy initiatives supporting preschool education system, that was launched by the Ministry of Education, Science and Technological Development in Serbia, public institutes, academic institutions and UNICEF, such as the development and piloting of the new Curriculum Framework; development of new quality standards; modelling the inclusion of children with disabilities in preschool education; decreasing the equity gap in urban areas; and supporting capacity-building of professional preschool network for further implementation of reform projects in this area.

In 2014, the CEE/CIS Regional Office published the report of a multi-country evaluation to assess the impact of UNICEF's many activities in the field of ECE, learning that the common trend towards decentral governance of ECEC has important disadvantages that need to be addressed if quality, inclusive ECEC is to be available for all. The multi-country evaluation provided the impetus for this *Analytical Review of Governance, Provision and Quality of Early Childhood Education Services at the Local Level in Countries of Central and Eastern Europe and the Commonwealth of Independent States*. This Analytical Review is partly based on fieldwork in four countries, each located in one of four sub-regions of CEE/CIS: Serbia, Moldova, Azerbaijan and Kyrgyzstan. The UNICEF Country Office in Serbia was very motivated to participate in this analytical review, partly because of apparent governance issues at local level with regard to ECEC, partly because of promising new initiatives (including an imminent World Bank loan) that require the resolution – or at least significant mitigation - of governance issues associated with decentralization.

## Summary of the Methodology

A comprehensive and detailed methodological approach to the study is presented in the project's Inception Report. We hereby highlight the scope and overarching areas of analysis for the Serbia Country Report.

The study looks at the governance of ECEC through a combination of three lenses:

- Decision space or autonomy: the extent to which Local Self Government (LSG) has the discretion to take decisions about ECEC and matters related to it (versus the extent to which this is in the hands of national and/or intermediate levels).
- Accountability: the extent to which – and ways in which – LSG can be held accountable for its local ECEC policy and, vice versa, the central government can be held accountable to its policy commitments.
- Capacities at national and local level: the extent to which National government and LSG and its staff have the knowledge, skills, motivation, authority and resources to act upon its own mandates and the national policy directives with regard to ECEC.

The study distinguishes:

- The *de jure* situation: the ways in which the governance of ECEC is supposed to be executed, according to formal documents such as policies, laws, bylaws, decrees, and such (chapter 2). This relies on an extensive desk research that revisited all the key legal and normative documents.
- The *de facto* situation: the ways in which the governance of ECEC actually takes place (chapter 3). In this case the evidence was gathered during a country visit during December 2016 where all relevant stakeholders were interviewed. This includes National Government officials within and outside the education sector, three LSG authorities with a diverse situation (City of Belgrade – Municipality Čukarica, Čačak and Smederevska Palanka) public and private preschools, international organizations and local and international NGOs. Wherever differences occur between the formal arrangement and the actual practice, this is reason to investigate the causes of the discrepancies (chapter 4).

There will be a focus on the implications of decentralization for access, quality and equity of preschool education.

### **On terminology and Commonly-used Abbreviations**

In the case of Serbia, we will speak of *preschool education* rather than ECEC. In Serbia, programmatic diversification takes place within the existing public preschool system rather than in parallel systems as we see in some other countries in CEE/CIS. This allows us to simply speak of preschool, which also has the advantage of staying close to the Serbian term *predškolsko vaspitanje I obrazovanje*. Abbreviations that we use are PS for preschool, PSE for preschool education, and PSI for preschool institution. As usual, the pre-primary program will be abbreviated as PPP.

## 2. The governance of PSE in Serbia: the *de jure* situation

### 2.1 Legal framework

The legal framework related to preschool education was analyzed in the first quarter of 2017. It was comprised in various laws, bylaws and rulebooks adopted by the Ministry of Education (MoESTD). The two main Laws that are analyzed:

Law on the Foundations of the Education System LFES -2009 and 2011, revisions 2013 and 2017). The LFES stipulates the general framework for preschool education and sets the preconditions for non-segregated inclusion of children in education and continued schooling. LFES from 2017 and the amendment of the Law on pre-school education gives the possibility to LSGs to decrease the contribution from the formerly fixed amount of 80% of the Economic Price to any level between 0% and 80% of the Economic Price. As a result, parents will pay minimally 20% of the Economic Price, and maximally 100% (i.e. when the LSG opts for the minimum of 0%).

The LPSE has been adopted for the first time in 2010 and is the main Law for preschool education in Serbia. The key principles of preschool education are equity and accessibility, democracy, transparency, authenticity and development.

Preschool education is conducted in compliance with the basics of preschool education programs comprising: i) nursery program (from six months to three years old), ii) kindergarten program (from three years to 5.5), and iii) preparatory preschool program PPP (5.5 to 6.5). The PPP was established as a special component of preschool education in order to allow children to acquire knowledge, skills and experience relevant for their future education and to improve the link between preschool and elementary education. This program was introduced in school year 2006/2007. It is nowadays mandatory, has duration of a minimum of 9 months, covers 4 hours per day and is free of charge for children attending public institutions<sup>10</sup>. The mandatory nature of the PPP implies that its coverage is intended to be universal; this will be assessed in chapter 3 of the report.

Table 1. Structure of the Preschool System in Serbia.

Sublevel	Age group	
Nursery Program	6 months to 3 years old	Non-compulsory
Preschool Kindergarten Program	3 to 5.5 years old	
Preschool Preparatory Program	5.5-6.5 years old	Compulsory program of one school year, 4 hours per day

Source: Own elaboration

Key amendments of the LPSE from 2017 are related to the organization of pre-school programme (possibility for the school to organize the preparatory preschool programme etc); further support to differentiation of pre-school offer and development and organization of

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<sup>10</sup> The 4-hour PPP is free of charge. For those children who attend the whole-day program, parents pay for the extra services (beyond the four hours) such as meals and dormitory.

different programmes developed by the preschool institution: support for children and families through a more equitable coverage, more diversified programme offer; motivating the LSGs (as a founder of PSI) to treat various programmes and forms as equally important in achieving the goals and principles of preschool education and to support their achievement. New provisions related to quality inclusion of children with disabilities are requesting mandatory every day interactions with children from peer groups.

Also, Law on Financial Support to Families with Children – regulates subsidies for PSE for vulnerable children. Issued by the Minister of Social Affairs.

## **2.2 Functioning, power division and decision-making**

Generally speaking, the division of power and responsibilities with regards to decision-making across the Central and Local Government is as follows:

Firstly, the Ministry of Education, Science and Technological Development (MoESTD) supervises the entire preschool system (public and private). It regulates, criteria for the establishment of the Preschool Institution (PSI) network at local level; the programs and the services that it provides; the coverage, equity and accessibility of PSE; the standards of quality; the system of verification of PSIs; the accreditation standards of pre-service curricula and in-service training of PSE staff, and other factors that might influence young children's early education and care. In other words, the ultimate responsibility of the system as a whole is with the Central Government.

Secondly, Local Self Governments (LSG) have executive powers: they establish a local network of preschool institutions, are responsible for the managerial structures of educational institutions and their financing; they are responsible for the enrolment and regular attendance of children in preparatory preschool programs, enrolment and support of children with a need for additional education support. Each LSG adopts its own Act on the Preschool Institutions Network determining the number and distribution of public preschool institutions within the LSG's jurisdiction based on the demographic information regarding in the eligible age group. Usually, municipalities have only one public PSI (rarely two, such as Čačak), but these PSIs usually have many facilities or locations where the services are provided. This characteristic – one large PSI rather than many small ones – could be seen as a favorable condition for strong local management, although there is an impression that PSIs with more than 100 groups tend to be too large for optimal management. The private sector covers a small proportion of the enrolment, but is currently growing, and mainly for relatively wealthier households in urban areas.

The foundation of all ECEC institutions and the realization of its functions and activities are regulated by several rulebooks, of which some were adopted two decades ago and therefore not fully adjusted to the new legislative framework (World Bank, 2016).<sup>11</sup> Two rulebooks are of particular importance for PS. The first is the Rulebook on the Fundamentals of the Preschool

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<sup>11</sup> These rulebooks include: i) Rulebook on Detailed Conditions for Beginning of Work and Pursuit of Activities of Children's Institutions (1996); ii) Rulebook on Preventive Medical Protection and Professional Qualifications of Medical Workers in Preschool Institutions (1994); iii) Rulebook on Norms of Social Sustenance of Children in Children's Institutions (1994) which regulates nourishment provided in ECEC institutions; iv) Rulebook on Fundamentals of the Preschool Education Program, v) Rulebook on Detailed Conditions and Method of Realization of Child Social Protection in Preschool Institutions (2014)



Education Program adopted in 2006 which defines the National PS Curriculum Framework. The second is the Rulebook on Detailed Conditions and Method of Realization of Child Social Protection in Preschool Institutions (2014) which regulates social function of PS and the program of social work in PSIs.

### **2.3 Admission policy**

Two rulebooks regulate the admission of children into the PSI. The first is the Rulebook on Defining Lower or Higher Number of Children to be enrolled in a Preschool Education Group (2010). This rulebook establishes the criteria and conditions that allow the number of children to be up to 20% higher or lower compared to the norm given in the LPE. This gives the PSIs some flexibility in terms of Pupil Teacher Ratio. The second is the Rulebook on Conditions for Determining Priorities for Enrolment of Children in Preschool Institutions (2011). This provides the following order of priority for enrolment in PSIs:

- 1) children from disadvantaged groups
- 2) children of parents who are employed or fulltime students
- 3) children who have a status of third and each subsequent child
- 4) children whose siblings are enrolled in the same PSI
- 5) all other children.

The entitlement for additional support in PSE to the child and family is regulated by two other rulebooks and has some financial and decentralization implications since these Rulebooks contain norms for support that should be provided and funded by LSG. The first is the Rulebook on additional Education, Health and Social Support to the Child and Pupil (2010), which defines conditions and procedures for the assessment of the need for providing additional support to the child and family engaged in PS, as well as the scope for social measures to facilitate access. The second is the Rulebook on Conditions for Determination of the Right of an Individual Education Plan (IEP) for children in Preschool, Elementary and Secondary school (2009).

### **2.4 Curriculum**

The National Curriculum Framework (NCF) for ECEC was adopted in 2006 and consists of three separate program documents.

- For children in the Nursery (6 months to 3 years of age) the curriculum is based on early learning and development norms for each of the following sub-groups: from 6 to 12 months, 12 to 18 months, 18 to 24 months, 24 to 36 months. Curriculum objectives are presented according to different developmental aspects (sensory-motor, socio-emotional and cognitive development) and the program is divided into four phases – one for each sub-group.
- For children in the Kindergarten (for children aged 3-5.5 ) the curriculum contains two program models (Model A and Model B) which are based on different conceptual frameworks. Model A is child-centered and oriented towards the full development of the child's potential through self-guided activities, spontaneous exploration and play and activities supported by the teacher. It gravitates towards a concept of open education

and emerging development, depending on children's interests and holistic understanding of the child, its development and its learning process. On the other hand, Model B is based on the theories of learning and education that are focused on child's activities that are directed by adults. Model B has the characteristics of a cognitive and developmental teacher-centered program with elaborated educational objectives, tasks for the teacher and activities categorized according to developmental aspects in different education areas: i) physical development, ii) socio-emotional and spiritual development, iii) cognitive development, and iv) development of communication and creation.

- The curriculum framework for PPP also contains two different models, but none of them is aligned with the educational conceptions provided in the curriculum framework for kindergarten. The curriculum of the PPP has an academic orientation with a focus on children's functional preparation for school by acquiring a certain knowledge content rather than on orientation to development of learning dispositions and capacities of executive functioning.

There is nowadays wide recognition of the need for change. Expert analysis of the existing curriculum document and its implementation have demonstrated the necessity to develop and eventually adopt a new curriculum document (IMPRES, 2012, 2013 and Baucal et al., 2016). The analysis proposes defining a firm and clear framework for the development of practice and guidelines for the work of practitioners. The piloting of new curricula in Serbia is on-going in partnership with all related institutions (MOESTD, Institute for Improvement of Education Quality, Institute for Pedagogy and Andragogy, Faculty of Philosophy of the University of Belgrade and UNICEF). The following chapter – in its section on quality – will revisit the subject of curriculum.

## **2.5 Programmatic Diversification and Quality Assurance**

The Law on PSE allows and enables PSIs to diversify their preschool programs in terms of content, organization and duration, in order to meet the varied needs of children and families. An important example is the possibility to provide short programs focused on early learning based on the Framework Curriculum, alongside the traditional full-day programs for children of working or studying parents.<sup>12</sup> New LPSE gives possibility for development of different forms and programs, which are to be “described” with the new bylaw, after the adoption of the new Curriculum Framework. In 2012 the Strategy for Education Development (SED) especially emphasized diversification, which is in compliance with contemporary tendencies in PS and a very important platform for the development of inclusiveness, equity and quality in PS. The SED 2020 recommends a long line of short-term, high-quality programs and services attuned to the needs of children and families, to be developed by using existing capacities of PSI and engaging relevant local professionals from different fields of expertise.

This broader vision on preschool programs came hand in hand with innovations in the evaluation of the quality of preschool programs and the supervision of the work of PSIs, their

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<sup>12</sup> These are: i) Rulebook on Types, Ways of Realization and Funding of Special and Specialized Programs and other Forms of Work and Services realized by the Preschool Institution (2013); ii) Rulebook on Standards of Conditions for Realization of Special Programs in Preschool Education and Pedagogy (2010) and iii) Rulebook on Specific Program of Realization of the Education and Pedagogical Work in Adequate Health Care Institutions (2012)

professional competences and the development of teachers, expert associates and principles of PSIs. This has materialized in the following series of Rulebooks:

- The evaluation as well as self-evaluation of the work of PSIs is regulated by the Rulebook on Evaluation of the Quality of Work of PSI (2012).
- Supervision of the work of PSI is regulated by the Rulebook on Expert and Pedagogical Supervision (2012).
- The Rulebook on License for Work of Teachers, Preschool Teachers and Expert Associates (2005) defines preconditions and procedures of gaining license for professionals working in PS.
- The Rulebook on Program of All the Forms of Work of Expert Associates (2012) defines the activities of expert associates (pedagogues, psychologists, speech therapist, art pedagogues and pedagogues of physical culture) working in ECEC institutions.
- Standards of competences are developed for principals of educational institutions, included PSI, in the Rulebook on Competences of Principles of Educational Institutions
- and finally continual professional development of PS teachers and expert associates is regulated by the Rulebook on Continual Professional Development and Career Advancement of Teachers, Preschool Teachers and Expert associates (2014 and amended in 2017).

## 2.5 Finance

The funding of PSE is regulated by the Law on the Fundamentals of the Education System, the Law on Preschool Education and the Law on Financial Support to Families with Children<sup>13</sup> in the following way. Each LSG calculates an ‘economic price’ per child. Box 2 explains the method of calculation.

This economic price is then covered by the LSG, parents and/or central government. Exactly who of these three pays which share depends partly on the sublevel (nursery, kindergarten, PPP) and partly on whether it concerns children with special needs and from different vulnerable groups.

Table 2 summarizes this; an explanation follows below the table.

Table 2. Sources of funding

Sublevel	Age	Majority of children	Children from materially deprived families	Children without parental care, with disabilities, in hospital treatment and from household receiving financial social assistance <sup>14</sup>
Nursery Program	6 months to 3 years old	80% covered by LSG and remaining 20% by parents	100% LSG	100% Covered by National Government
		2017: up to 80% covered by LSG and remaining by parents	From 1 July 2018: LSG decides on cost reduction based on household material deprivation	
	3 to 5.5 years old	80% covered by LSG and remaining 20% by parents	100% LSG	100 % Covered by National Government

<sup>13</sup> Official Gazzete", No. 113/2017; The Law primarily defines cash benefits aimed at protecting poor families with children (child allowance) and benefits aimed at the reconciliation of work and parenthood, as well as support to childbearing.

<sup>14</sup> The change regarding children from household receiving financial social assistance will come into force on July 1, 2018, in line with the Law on Financial Support to Families with Children

Preschool Program (kindergarten)		2017: up to 80% covered by LSG and remaining by parents	From 1 July 2018: LSG decides on cost reduction based on household material deprivation	
Preschool Preparatory Program (Compulsory)	5.5-6.5 years old	4 hours per day, at least 9 months per year: teacher salaries and operational costs covered by National government Additional hours and months 80% LSG and 20% Parents	4 hours per day 9 months per year: teacher salaries and operational costs paid by National government Additional hours and months 100% LSG	4-hour PPP 100 % Covered by National Government

Source: Own elaboration.

It can be seen from table 2 that for the majority of children from 6 months to 5.5 years old the financial burden is covered by LSG (up to 80% of the economic price) and parents (20%). In the case of children with disabilities, children without parental care, children in hospital treatment and children from household receiving financial social assistance the Law establishes that they be covered by the National Government. Finally, the economic price for children from other vulnerable families (low income or single parents) may be entitled for regression of the costs, based on household material deprivation (in other words, the amount that should be paid by parents can be reduced, by decision of the LSG). This means that most of the non-compulsory PS program from nursery to PPP is funded by the LSG out of their own budget. The compulsory PPP of four hours per day is, according to the Law, financed by the national level independently of the children's social background and special needs. However, for those children who attend programs for more than four hours per day it is assumed that the additional costs are borne by the LSG and parents with the same scheme. In addition to this, the 2<sup>nd</sup> and following children from the same family receive some discounts, if attending same kindergarten).

The standards for other operating costs are less precisely defined and concern food, utilities, various services, maintenance, learning and teaching material, among others. In this case, it is not possible to define precisely what are the other elements of the 'production function' to be costed and added up to the economic price which gives more margin for variation among municipalities. In other words, one can summarize the funding scheme by saying that the economic price has two main components - human resources and other operating costs – and that the former equals 3 FTE per educational group (with group size varying according to children ages) and that the latter is more loosely defined leaving for considerable variation of cost determination among municipalities.<sup>15</sup>

The World Bank (2016) did an exercise to estimate the theoretical economic price for the City of Belgrade using these parameters. The resulting price was 15.000 dinars per child in a group 3-5,5 and around 16.000 per child in a nursery<sup>16</sup>. Alternatively, the unit cost for other programs were calculated and appeared to be considerably lower. Following the rulebook, the organization of a program that lasts up to 6 hours requires a 1,36 FTE employee and the other costs are also significantly lower (like food) since children spend less time in the PS institution. For this program, the World Bank estimated the operational unit cost to be 7,600 dinars. This

<sup>15</sup> This is not necessarily bad. In fact, it allows LSGs to adjust their programs to their own preferences and needs.

<sup>16</sup> For this calculation, the authors applied wages for preschool teachers and expert associates for three FTE employees as prescribed by the Rulebook and estimates of other costs based on the budget data for Belgrade and the number of enrolled children.

figure is 35% lower than the actual economic price in the city of Belgrade (23.000). In addition to this, it is also illustrative to compare with the unit costs for diversified programs appears to be considerably lower. According to Mladenović (2015) (quoted in World Bank, 2016) monthly total unit cost for specialized 4 hours duration programs conducted within UNICEF project “Kindergardens without borders” stems from 5.400 to 6.600 dinars per child, including facility rent and snack (excluding transportation only)<sup>17</sup>.

To sum up, the PS system is co-funded by LSG, National government and parents, and their respective contributions depend on the sublevel within the PS and family’s socio economic condition. The compulsory 4-hour PPP is supposed to be entirely funded by national government and all the sublevel below that is funded by LSG (80% but from 2017 up to 80%) and parents (20%). However, there are at least three exceptions for families’ contributions. Firstly, the 100% for children without parental care, children with disabilities, children at hospital treatment and children from household receiving financial social assistance is covered by the national government. Secondly, the children from materially deprived families are entitled for regression of the costs paid by parents covered by the LSG. Thirdly, families with more than one child pay less for additional children, if children are in the same kindergarten. A key part of this financial scheme is the economic price that each LSG establishes since the 20% family contribution is based on that figure. The Rulebook that regulates the method of calculation shows that LSGs have space for pursuing different production functions, particularly with regards to the non-teacher components. In addition to that, even in the same municipality the economic price varies depending on the type of program (12-hours, 6-hours or 4-hours). The next chapter – which looks at the *de facto* situation – will provide some actual figures for economic price by municipality.

### **Box 2. 2017 funding Novelty**

Important novelty is introduced in the Article 189 of the Law on the Foundations of Education (LFE) in 2017 related to the financing of pre-school education where it is stipulated that municipalities will cover up to 80% of the economic costs of pre-school education. This represents a step back in comparison to the current provision of guaranteed 80% coverage of the economic price per child. The proposed amendment is opening the possibility for local self-governments to decrease considerably their participation in financing of pre-school education and to increase parental contribution. This could negatively impact access and participation of children from the most deprived families and disadvantaged groups, meaning that those children will be at highest risk of being excluded. However, this is recent policy, and its implications are not assessed in this study.

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<sup>17</sup>Mladenović, B. (2015). Utvrđivanje strukture cene koštanja posebnih i specijalizovanih programa u okviru projekta „Vrtići bez granica 2 - kvalitetno inkluzivno predškolsko vaspitanje i obrazovanje u Srbiji“, Centar za interaktivnu pedagogiju)

### 3. The *de facto* situation

After an account of the *de jure* situation, this chapter makes an attempt to describe the *actual* state of preschool education in Serbia. However, it also reflects some of the difficulties encountered when trying to develop a situation analysis of the Serbian preschool system. This is due to the absence of integrated education statistics at national as well as local level (IMPRES, 2012). Statistical data and analyses differ significantly according to the data sources consulted. In this chapter, all available sources have been used in order to develop the most complete picture that is possible (UNICEF, 2012; IMPRES, 2012; SED, 2012; Baucal et al, 2016, Republic Statistical Office Database, 2016). This is complemented by the interviews and site visits conducted in December 2016. The chapter addresses the three key lenses chosen for this study: access, equity and quality respectively.

#### 3.1 Access

Table 3 was compiled using data that were kindly made available by the Republican Statistical Office (RSO). Comments follow below the table.

Table 3. Total number of children, children enrolled in preschool and enrolment rate (2011-2014)

Year	Total number of children			Total number of children enrolled in PS			Enrolment rate (%)		
	0.5-3 years old	3-5.5 years old	5.5-6.5 years old	0.5-3 years old	3-5.5 years old	5.5-6.5 years old	0.5-3 years old	3-5.5 years old	5.5-6.5 years old
2011	166.484	168.191	69.859	29.967	87.459	67.763	18%	52%	97%
2012	165.427	167.029	68.257	31.431	91.866	64.162	19%	55%	94%
2013	164.800	166.778	66.803	31.312	91.728	65.467	19%	55%	98%
2014	164.846	165.785	66.667	37.915	89.524	65.334	23%	54%	98%

Source: Own elaboration based on RSO

The main findings from table 3 are:

- The total number of PS eligible children is decreasing gradually. Serbia has an ageing population and a low fertility rate.
- The absolute number of children enrolled has increased moderately over the last four years.
- As a result of these two trends, enrolment rates for both age groups have gone up over time, but again at a relatively slow pace (about 3 percent points over four years, for both age groups).
- The level of enrolment in the nursery group is below 20%, while about half of children from 3-5,5 y/o are enrolled in kindergarten. These data do not allow to capture the trend for PPP enrolment rate which as table 4 shows in 2014 was almost universal.

However, using 2014 data at municipality level obtained from the RSO, it is possible to identify enrolment at different age group (including PPP). Table 4 provides these data, broken down by the level of development of the LSGs. The table also provides the average economic price.

The fact that economic prices are not lower in the less developed LSGs may have to do with economies of scale. This might be showing that less developed LSGs are less densely populated, have less working parents and therefore the number of children per group and per KG is lower, meaning costs per child are higher (precisely stopping children access from poorer families). Thus, governments should be mindful of the mechanism that costs of public services might be higher precisely in poorer areas, which needs to be taken into account in funding policies.

Table 4. Average economic price, and enrolment ratios for different age groups according to level of Development

Level of Development	Economic price (average)	0.5– 3 years old (average)	3– 4 years old (average)	4– 5.5 years old (average)	5.5– 6.5 years old (average)
1	17.309	16,9	24,5	37,2	98,5
2	16.956	15,5	22,3	35,7	98,0
3	17.784	10,0	16,1	28,4	97,3
4	16.928	13,2	17,2	25,6	94,4
Devastated areas	14.323	7,4	11,5	19,3	98,7
Total average	<b>17.170</b>	<b>13,6</b>	<b>27,7</b>	<b>42,2</b>	<b>98,5</b>

Source: Own elaboration based on RSO (2016)

Table 4 clearly shows that PPP is almost universal. However, in the other sublevels enrolment varies according to the municipalities' level of development. The less developed the municipalities the lower the average coverage. For the whole non-compulsory age group (0,5 to 5,5 years old) level 1 municipalities register an average enrolment rate which doubles the devastated ones. The economic price in these richer areas is also higher but with little variation among level of development (only devastated municipalities show a slightly lower economic price, which does not seem to influence positively enrolment rates).

The Multiple Indicator Cluster Survey of UNICEF (hereafter referred to as MICS4) mentions a number of reasons why some children in age group bracket 3-5 years old are not enrolled. First, there is the persistence of the idea that preschool – or rather kindergarten - is primarily a service that allows parents to go to work. Hence, if one or more parents or grandparents are at home to care for the child, there is no reason for enrolling. For about two thirds of parents this attitude is the key reason to keep children at home. Second, there are practical obstacles such as a large distance to the nearest facility and/or lack of transportation. Third, there are objections related to quality. Some parents perceive facilities overcrowded. Well-educated parents, more in particular, believe that the current quality of PSE is inadequate.

**Box 3. Children may not be enrolled in ECEC for different reasons**

(a) lack of physical capacity, (b) lack of diversified offerings in preschool programmes based on the needs of families, (c) parental attitudes toward ECEC, and (d) a gap between legislation and practice in admission criteria.



a) Each municipality has a preschool institution with a large number of facilities: the network of preschool institutions consists of 162 public preschools operating in 2,427 preschool facilities, with a total of 9,264 education groups. During the last six years, the number of preschool facilities has increased by about 30%, but this still fails to satisfy the needs of children and families. Moreover, the network of preschool institutions is not evenly distributed geographically, and often there are no preschools in underdeveloped and rural areas, while the number of preschools in urban areas is insufficient. Although about 40% of public preschool facilities are located in urban areas, they enrol about 80% of all children participating in ECEC in Serbia. Research in Belgrade has shown that in 2014, around 20% of children were enrolled above the legally set standard.

In rural areas, preschools are twice as far from children's homes as in the nation as a whole (2.2 km compared to 1.1 km, respectively). The worst situation can be found in the 40 municipalities officially categorized as devastated, with a level of development below 50% of the national average. Two thirds of municipalities with very low preschool coverage belong to this group. In addition, a large number of preschool institutions are in very poor physical condition.

b) Although the new Law on Preschool Education introduces a variety of programmes for children, those programs have not yet been implemented as envisaged by the Strategy for the Development of Education in Serbia until 2020. Programs in "urban kindergartens" are mostly full-day programmes and there are no shorter programmes to suit both parents and children.

c) Another factor contributing to unsatisfactory enrolment rates in ECEC programmes are parental attitudes. More than half of parents of children aged 3–5 consider the primary role of preschool to be childcare.

d) Data on coverage unambiguously indicate that local self-governments (LSGs) and preschool institutions have not invested sufficient efforts in developing inclusive enrolment practices, and that they are not sensitive enough to children's and families' needs, especially those from vulnerable groups. Although the Law and relevant by-laws stipulate that preschool institutions are obliged to give disadvantaged children priority in enrolment, these regulations are not applied effectively. Many preschool institutions have not incorporated this obligation into their school statutes, while LSGs, having legal responsibility to cover 80% of preschool costs and 100% in cases of socially disadvantaged children, often fail to provide financial support for these measures.

Within the age group from 3 to 6,5 years old are included the children enrolled in the compulsory PPP. The latest information available shows that the enrolment rate calculated dividing the number of children enrolled in PSI by the number of eligible children for PPP is almost 100%.

Box 1 in chapter 2 describes how the economic price must be calculated by each municipality. However, if we look at the actual economic prices, there is strong variation. And unlike what would be expected, it is not the case that prices are lower in the less developed LSGs. Table 5 shows that both among the municipalities with the five highest economic prices and among those with the five lowest prices, we find municipalities with high as well a low levels of development.<sup>18</sup>

Table 5. Highest and lowest five economic prices

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<sup>18</sup> Indicators and their weights in the overall index of development of municipalities: Unemployment rate - 30%; gross municipal product per capita - 25%; Municipal revenues per capita - 10%; Level of education - 15%; Demographic decline or growth- 20%. Source: Official Gazette of RS, No 44/14, Decree on the Determination of the Methodology for Calculation of the Degree of Development of Regions and Local Government Units.

	Municipality	Level of development (from 1 to 4 and Devastated-D)	Economic price (level)
Highest 5	Stara Pazova	1	36.452
	Opovo	4	30.000
	Medvedja	D	29.876
	Kovacica	3	29.315
	Smederevska Palanka	3	27.500
Lowest 5	Blace	4	5.600
	Doljevac	4	5.321
	Bosilegrad	D	5.000
	Trgoviste	D	4.500
	Backa Palanka	1	2.633

Source: Own elaboration based on DevInfo (2016)

Table 6 presents for each of the five categories of municipalities the average economic price (keeping in mind that this average conceals large variation) as well as the preschool enrolment rate for ages 3 to 5.5 and the average number of parents who do not have to pay to fee.

Table 6. Average economic price, preschool enrolment and percentage of parents who do not pay, by municipality (2016).

Level of Development	Economic price (average)	Enrolment rate for 3 years old –4 years old (average)	Enrolment rate for 4 years old – 5 and half years old (average)	Average of % of parents that do not pay
1	17.309	24,5	37,2	20,84
2	16.956	22,3	35,7	25,02
3	17.784	16,1	28,4	31,15
4	16.928	17,2	25,6	41,54
5 (Devastated)	14.323	11,5	19,3	42,14
<b>Total general</b>	<b>17.170</b>	<b>19,7</b>	<b>31,6</b>	<b>30,47</b>

Source: Own elaboration based on DevInfo Database (2016)

Table 6 shows that while the economic price level does not vary much, the enrolment for ages 3 – 5.5 varies strongly with the level of development of the municipalities. As one would expect, there are more parents exempt from paying the fee in the municipalities with lower levels of development which increases the burden in those poorer LSGs.

### 3.2 Equity

This section looks at equity - the extent to which different groups in Serbia have equal access to PSE. The main objective is to evaluate whether children from different backgrounds , gender, children with disabilities and regions have equal access to PS or not. This is particularly important for children from vulnerable groups who are most in need to participate in PS, the

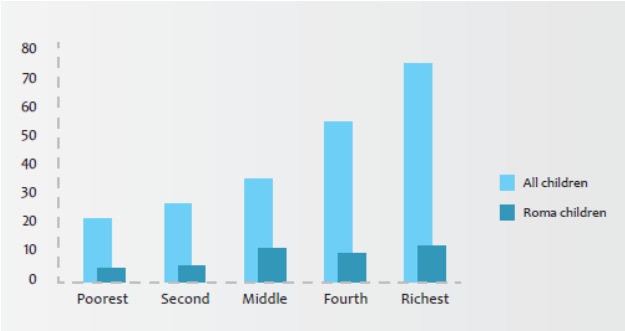
more so since the legal framework aims at enhancing their participation in PSE through the subsidization of the fee of 20% of the economic price.

A positive feature to highlight is that Serbia’s PS system provides equal access to boys and girls. This is a characteristic that comes from the Socialist heritage and has been maintained over the years. In fact, the gender parity index indicates that there is equal access throughout the whole system of basic education. That said, the empirical evidence shows that there are some structural inequities in the system and some of them are related to the children’s place of living, which is closely related to decentralization.

It is to be mentioned that there are no data yet on impact on equity of the new LFES from 2017 and the amendment of the Law on pre-school education that gives possibilities to LSGs to decrease their funding “up to 80%” and to increase parental financial participation.

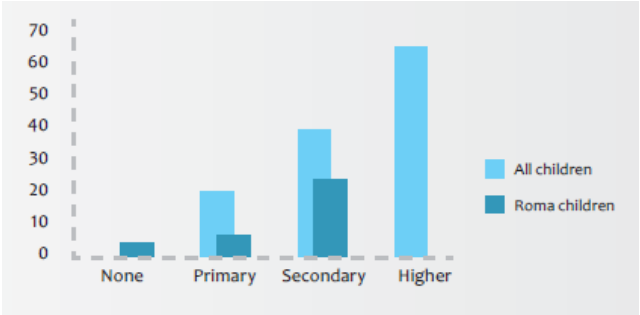
Firstly, children from Roma and families with low socioeconomic status (SES) have less access to PSE. Graph 1 shows that the richer the family is, the higher the enrolment of their children. In fact, in 2010 around 80% of children among the 20% richest are enrolled, and this figure is almost 3 times higher than the coverage among the poorest 20%. By 2014 the gap has increased even further, with only 9% of the children in the poorest quintile having access. In addition to that, access among the Roma community is extremely low, almost regardless of income level. Secondly, educational level of the mother also shows unequal access where the lower level of education of the mother, the lower enrolment rate (graph 2). Interestingly, when Roma mothers have attained secondary education this appears to have a much stronger impact on their children’s participation in preschool than does a higher income.

Graph 1. Preschool access at age 3 to 5 by wealth quintiles. All and Roma Children (2010)



Source: UNICEF (2012) Figure 5

Graph 2. Preschool access at age 3 to 5 by level of education of the mother. All and Roma Children (2010)



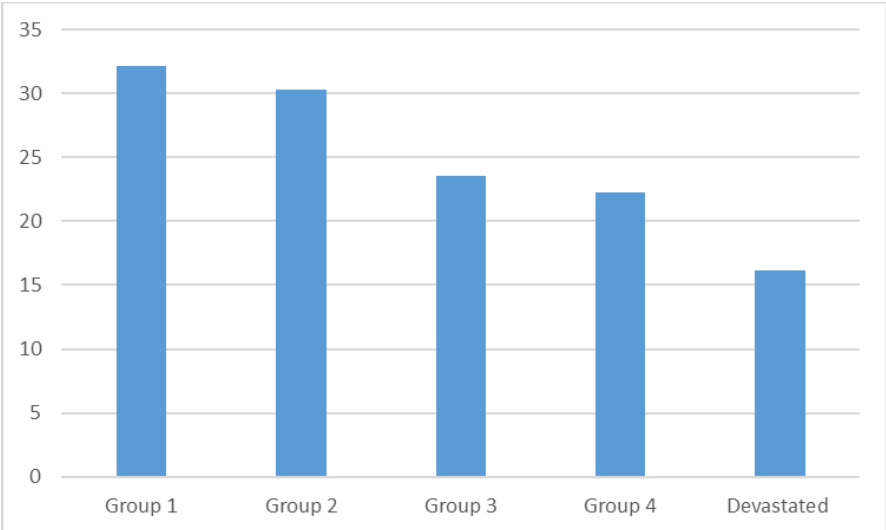
Source: UNICEF (2012) Figure 6

Pesikan and Ivic (2016) argue that the system established in the 1970s introduced PSE to assist working parents, especially mothers, to provide care for their children, thereby directly supporting the process of women’s emancipation and gender equality. The main criterion for the enrolment of a child in a PSI was that both parents were employed. As a result of this, because employed parents were more likely to have a higher level of education attainment and better job opportunities (due to social capital and social connections), children from such families had priority in enrolment in a PSI. Due to the fact that childcare in a PSI was largely subsidized by the public budget, children from privileged groups were doubly privileged.

Although the more recent legal framework described in chapter 2 was developed to give priority to children from socially marginalized families, in practice this bylaw is often not applied, thus violating the declared rights of children from vulnerable groups. Even today, employment of parents is still the dominant criterion for enrolment of children in a PSI (Pesikan and Ivic, 2016 and interviews conducted by the team in December 2016).

Finally, considering that LSGs are in charge of managing the PS system, it is particularly relevant to look at equity among municipalities. From graph 3 it can be seen that access is also unevenly distributed among municipalities. Serbia is divided into 150 municipalities and 24 cities<sup>19</sup> which are grouped by their level of development from 1 to 4. Moreover, within the lowest category of development there is a group of municipalities under the category of devastated and therefore are the least developed ones.

Graph 3. Estimated preschool enrolment (age 3 to 5.5) in municipalities by level of development (2016)



Note: These rates have been estimated in the following way:  $2/5 = \text{enrolment rate 3-to 4 years old} + 3/5 * \text{enrolment rate 4 to 5.5 years old}$  since the enrolment rate for the same age group is not available.  
 Source: Own elaboration based on DevInfo Database (2016)

To sum up, inequities were identified in Serbia’s preschool system. Many children who are much in need and even prioritized by the current legal framework remain excluded from the system until they reach the eligible age to enter PPP. This is a cause for great concern given that ECEC has an important compensatory role to play in the lives of children who grow up in an environment of material and psycho-social deprivation. In addition, the economic benefits are higher for children with low socio-economic status than for those at the higher end of the

<sup>19</sup> According to the Law on territorial organization of the Republic of Serbia there are 150 municipalities and 24 cities (23 + City of Belgrade), including Kosovo. [http://www.paragraf.rs/propisi/zakon\\_o\\_teritorijalnoj\\_organizaciji\\_republike\\_srbije.html](http://www.paragraf.rs/propisi/zakon_o_teritorijalnoj_organizaciji_republike_srbije.html)

Serbia is divided into 29 districts

spectrum. Equally important - though it has not been possible in this study to analyze this fully - is the access of refugees children and those with disabilities; this would be desirable to study in the future.

### 3.3 Quality

This section looks at quality through three different lenses: (i) group size and pupil-teacher ratio (PTR) as proxy measures of (the investment in) quality; (ii) pedagogy; (iii) the introduction of innovative initiatives, and (iv) external evaluations of the PSE system in Serbia.

#### The size of educational groups and PTR

The rationale for examining the size of educational groups as a proxy for quality is that learning and development are suboptimal if there are too many children in a group. Article 30 of the LPE provides the normative number of children per group according to age (table 8). In addition to this, there is a rulebook that establishes criteria and conditions to allow the number of children in preschool groups to be up to 20% higher or lower than the norm given in the LPE; this provides some flexibility in terms of group size.

Table 7. Normative group size by age group

Age bracket	Group size (standard)
From 0,5 to 1 years old	7
From 1-2 years old	12
From 2-3 years' old	16
From 3-4 years' old	20
From 4 – 5,5 years' old	24
From 5,5 – 6,5 years old (PPP)	26

Source: Own elaboration based on LPE

Taking into consideration the LPE's norms about group size, table 8 – which provides the *actual* group size in 2011-2014 - shows that educational groups with children 0.5-3 years old tend to be slightly bigger than the norm (average number of children per group is higher than highest norm – 16 children per group for children 2-3 years old) while groups with children 3-6.5 years old are very likely smaller than the norm (since the average number of children per group is equal to the lowest norm in this age group – 20 children per group for 3-4 years old children). These average figures hide some situations that deserve consideration. First, at least 5 children are needed to authorize the creation of a new four-hour PPP group, which is often the case in rural sub-areas. For that reason, a frequency distribution would reflect with more precision the actual situation. Second, it is not visible that in many cases two or 1.5 groups share a space of 1 group.

WB analysis for two age cohorts (0.5-3 and 3-6.5 years old) suggests that number of children 0.5-3 years old per educational group had been increased in the same period from 14.8 to 16.7 while number of children 3-6.5 years old per educational group had been decreased from 24.3 to 20.6. Taking into consideration that Law on preschool education (article 30) prescribes specific number of children in different age groups it can be concluded that educational groups with children 0.5-3 years old are very likely bigger than it is prescribed (since the average number of children per group is higher than highest norm – 16 children per group for children 2-3 years old) while groups with children 3-6.5 years old are very likely smaller than it is prescribed (since the average number of children per group is equal to the lowest norm in this age group – 20 children per group for 3-4 years old children).<sup>20</sup>

Overall, the situation seems to be satisfactory. However, in urban areas and in regions that lack sufficient capacities there are more children in educational groups than legally recommended (IMPRES, 2013).

Table 8. Actual educational group size (2011-2014)

Year	Educational group size	
	0.5-3 years old	3-6.5 years old
2011	16	22
2012	16	21
2013	17	21
2014	17	21

Source: Own elaboration based on RSO

Closely related to this is the Pupil Teacher Ratio (PTR)<sup>21</sup>. Table 9 presents the evolution of this indicator over 4 years and jointly with the education group size the situation seems to be satisfactory since the PTR is less than 10 for the children under 3 years of age and around 12 for the older groups. Both figures are in accordance with international standards.

Table 9. Pupil teacher ratio according to age group (2011-2014)

Year	Nurses/ nursery teachers 0.5-3 years old	PS teachers 3-6.5 years old
	2011	7,9
2012	8,0	12,9
2013	8,1	12,7
2014	8,1	12,3

Note: These ratios **do not** include other expert and other staff

Source: RSO various years

However, it is to be mention that the whole day program lasts 11 hours per day, that the norm of the direct work of the pre-school teacher in the group with children is 6 hours a day. This means that every teacher is alone for the number of hours per day with twice as many children

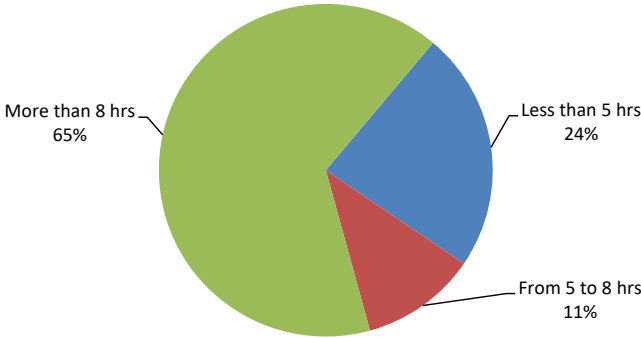
<sup>20</sup> ECEC in Serbia, Situational Analysis and Recommendations, WB 2016.

<sup>21</sup> Since there can be more than one teacher per group, the PTR is not the same as the group size.

as shown. In addition, since LSG often does not pay (provide replacement) for the teacher who is on sick leave for up to a month, the problem is solved by grouping different groups in far larger groups.

Another source of variation is the type of program. The latest information available (2009/10) showed that about two thirds of the children are enrolled full day programs, whilst 11% are in programs of 5-8 hours per day and 24% in programs of less than 5 hours per day (see graph 4). It should be noted, however, that the relation between quality and the number of hours per day is not straightforward. Evidence suggests that shorter programs can be as good as – or even better than – full-day programs in terms of development outcomes, depending on their quality and organization.<sup>22</sup>

Graph 4. Number of children by duration of pre-school programs in PSI (2009/2010) as percentage of total.



Note: There are also 413 children in 5 days programs with overnight.  
 Source: Own elaboration based on IMRPES (2012) Table 5

**Pedagogy**

Throughout the CEE/CIS region there is a consensus that the pedagogies used in pre-transition times are insufficiently child-centered and insufficiently flexible to reach out to minority groups. A lot of progress has then been made to innovate curricula, develop new materials, and adapt pre- and in-service training accordingly. In Serbia, this has led to a contrast between the new and innovative A-approach and the more traditional B-approach<sup>23</sup>. It is at the discretion of kindergartens to choose which approach to implement. A lot of effort has been made to sensitize management and staff of PSIs on the importance of the A-approach. However, even where kindergartens genuinely prefer the A-approach, they often cannot implement it since the B-approach is still the standard in the four-year pre-service courses for preschool teachers. The new teachers who graduate from these courses would need to be retrained thoroughly upon entry in service if they are to work with the A-approach. This would be inefficient, if affordable

<sup>22</sup> The EPPE study came to the conclusion that half a day programs of at least 15 hours a week (around 500 hours a year during 3 years) have the same positive effect then full day programs (Melhuish, 2013). Still, too short programmes do not have significant child outcomes.

<sup>23</sup> The report will describe in more detail the pedagogical strategies

at all. Moreover, there are much more materials (textbooks, guidebooks and such) available for Model B than for Model A.

Thus, a powerful policy to stimulate Model A would require change within pre-service training – including financial support to achieve it – as well as the production of materials for Model A. PSIs and LSGs are not in the position to enforce this shift; the national government (more in particular the Ministry of Education) would be in a much better position to do this. However, our in-country research findings indicated that at the Ministerial level there is lesser impetus to promote the A-approach in comparison to the initiative from PSIs and LSGs. Ideally there would be a pathway or channel to send signals from PSIs via LSGs with regards to this pedagogical preference. However, informants indicated that these communication channels are not fully established or functional. Therefore, the LSGs have the formal decision space to choose their pedagogical approach, but they lack the capacity, procedures and power to turn their choice into reality.

These suggestions could be incorporated in the development and implementation of the new curriculum. Upon publication of this report, the piloting of the new curricula is under way and it will be ready for roll out in 2018 supported by the imminent loan from the World Bank. In preparation for the implementation, the Kaleidoskop programme has been tested in several places.

New Curriculum Framework “Years of Ascent” was jointly developed by ECEC researchers, policy makers and practitioners. New curriculum framework is formulated for ECEC of children from the age of 6 months to the age of 6.5 years. It provides a common foundation for curriculum development in nursery, preschool and preparatory preschool program and therefore it promotes coherent approach to learning and development of young children from their enrolment to ECEC until they enter elementary school. New Framework contains a conception of ECEC based on integrated care and education in early years, aims oriented toward support to child’s wellbeing, key competences of lifelong learning, principles of integrated play-based learning, emerging curriculum principles and teacher strategies in curriculum development in joint participation with children and families.

### **Innovative initiatives**

Based on interviews and three site visits at municipal level as well as desk research, the implementation of the new policy framework has been slow. Although further research is needed there is suggestive evidence that programmatic diversification is not a reality in all LSGs while many disadvantaged children remain excluded, and the teacher-centered pedagogical model B is still dominant. Yet there are important positive exceptions, and this seems to be related to a number of innovative initiatives of which table 10 provides an overview. The problem is that these initiatives cover but a small percentage of the population. The imminent World Bank loan might boost innovation in an additional number of municipalities, but a nationwide coverage of these innovations would require a powerful policy of mainstreaming the best-practices. This includes development of strategy and operational plan for the new curriculum implementation in feasible phases with clearly defined roles, responsibilities of all



relevant actors including all relevant teacher's guidebooks and materials. Only central government can take this initiative, implying a shift from a passive towards a more pro-active role in PSE.

Table 10. Overview of innovative initiatives in Serbian preschool education

Initiative	Institutions involved	Objectives	Main characteristics
IMPRES project (February 2011 - April 2014)	MOE and EU in cooperation with UNICEF	The project results were expected to improve access to ECEC for vulnerable children, promote their non-segregated inclusion in the education system and encourage their continued schooling while decreasing their dropout rates in further levels of education	De-centralization was the core issue to the legislation and relating to the provision of pre-school learning opportunities, project was focused on the institutional and human capacity building at local levels. A bottom-up implementation involving 15 municipalities. The project approach has accounted for the diversity of preschools in order to enable stakeholders to find local solutions for local issues (improved management at local levels, increased access to ECEC for vulnerable children and increased quality and diversity of programs).
Kindergartens without borders 1 (October 2011 – December 2013)	UNICEF and the MoESTD, in cooperation with CIP and IPA	The overall objective in both phases was to provide better access to quality pre-school education for children aged 3-5.5 with the focus on the most vulnerable.	It was implemented in 16 municipalities with almost the lowest pre-school attendance rate Spaces and facilities were adapted. For enrolment were prioritized children from rural areas who have never attended pre-school education before, as well as children from vulnerable population. In order to respond to the needs, short half-day programs were developed in collaboration with parents. A set of promotion activities as well as public events (round tables, tribunes, workshops, science fair and festivals for and with children and parents) were undertaken to raise parental awareness on importance and benefits of ECEC and to strengthen them to demand quality ECEC programs and services
Kindergartens without borders 2 (March 2014 – March 2016)			It was developed a suitable methodology for diversification of the quality inclusive programs, using resources developed in phase 1 and IMPRES project. “Kaleidoskop” was implemented at 10 Pre-school institutions. Special targets in the phase two were: mapping of children outside of pre-school education; expansion of capacities in 10 LSGs; further strengthening of LSGs and ECEC centers to plan and implement local policies on ECEC (through the capacity building of LSGs and management of ECEC centers, teachers etc.); pre-school teacher training; to develop network of mentors and to provide support for further development of quality and inclusive short programs
“Schools of Life - together for childhood” (September 2013 – ongoing)	Novak Đokovic Foundation, CIP, LSG and ECEC Centers	to increase coverage of children who were not included in any form of ECEC, especially those in underdeveloped municipalities	The project foresees the reconstruction of the existing object in which the program is, as well as accredited trainings for employees of LSG are conducted, in cooperation with LSG. Trainings are focused on raising awareness about the importance of the preschool education and on improving preschool teachers’ competencies in child oriented educational work as well, on organization and realization of specific and specialized programs which follow interests and

			needs of the children aged 3 and older. (8 municipalities).
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Source: Own elaboration based on Baucal et al (2016) Chapter 9.

### Quality Assessment Mechanisms

An assessment of the quality of Serbian PSE would not be complete without some words about the system that the country has in place to evaluate that quality. In Serbia, external evaluation is the key term in this regard. It implies that PSIs themselves operate their own internal systems to monitor, ensure and enhance quality, and this is then guided by an external system of oversight. This system is operated by a number of officials at regional level who are tasked to visit PSIs regularly and assess quality.

Standards are adopted by the National Education Council and applied to all ECEC institutions (both public and private). Standards are focused on seven areas: 1) ECEC program, annual and developmental plan; 2) pedagogical practice; 3) child’s development and learning achievements; 4) support to children and families; 5) ethos (culture of ECEC institution); 6) organization and management of ECEC centre; 7) resources. Standards are operationalized through indicators. In each of seven areas there are number of developed standards and structural and process quality indicators – in total 29 standards and more than 130 indicators.

Structural quality indicators are used to assess level of health and hygienic conditions, safety conditions, available and adequately equipped facilities, available and adequate learning and play materials, staffing levels and their professional qualifications, whether the work in an institution is performed in compliance with relevant regulations, etc. Some important structural quality indicators are not included such as, for example indicators on quality of working conditions (number of children, ratio).

Process quality indicators are used to assess creation of supportive learning environment, curriculum planning, pedagogical interactions, daily schedule, social relations and group dynamic, provision of support to parents, collaboration between staff, management, etc.

Different opinions about the work of these regional officials were registered. The main focus of most evaluators is general education (primary and secondary). With regards to PSE, some of the officials seem more knowledgeable than others. What is found consistently, however, is that evaluators report back to the PSIs exclusively. This fits well in a philosophy of formative evaluation, aiming at improving education rather than holding schools and PSIs accountable. However, if a PSI would consistently perform poorly, the mechanisms for regulating their operation are not clearly established. Moreover, if evaluators would notice a general trend or phenomenon in PSE – one might think of the slow spread of the innovative A-approach to pedagogy – they should have the possibility to send signals to policy makers. This possibility seems absent - what happens in the PSI stays in the PSI. There is no established support mechanism for quality improvement of PSIs at the national level.

It is imperative to make better use of the information about the quality of PSE generated by both the PSIs and the external evaluators. Serbia has an excellent institute to perform an analytical role in this regard: the Institute for the Evaluation of Education Quality. And if there would still be concerns about the public disclosure of the information, it could be agreed that this institute would report only general findings to inform policy, and not specific findings that

relate to individual PSIs. It is to be mentioned that there is on-going national debate about the mechanism of implementation of external evaluation performed by the Institute. Namely, pre-school educators believe that this system should take much more into consideration specificities of pre-school education and that this system should be different than the system used for primary and secondary schools (which is the case now). In addition, results of the first round of external evaluation of PSIs are showing very good quality of pre-school institutions in Serbia. Nevertheless, experts in the field are calling for redefinition of the system used and much more qualified staff in regional departments of the Ministry to perform external evaluation.

## 4. Key Findings with Recommendations

Serbia's long and rich tradition in preschool education (PSE) and in early childhood development (ECD) policies is extensive. This has generated great expertise amongst policy makers and pride within the policy-making community. It is ironic that Serbia is now seeking to achieve EU benchmarks, while many western countries might be inspired by the comprehensive curriculum in the Serbian kindergartens and the excellent arrangement for parental leave, to mention just two ECD programs. And decades before the global discussion about integrated ECD started, Serbia had professionals in health, education and social welfare cooperating locally under one roof. Yet, the Serbian preschool system is facing challenges, most notably when it comes to inclusion, pedagogical innovation and funding. Strengthening governance arrangements is one of the necessary steps that must be made in order to make progress, as the following key findings will illustrate.

### **Programmatic diversification**

The 2010 Law on Preschool Education brought an important change to the function of PSE. Formerly, PSE was primarily seen as a service that allowed parents to work while professionals cared for their children. The new vision is that PSE is also crucial for the early development of children, and that *all* children must therefore have access, not just those with working parents. This new vision calls for programmatic diversification such as: (1) introduction of shorter programs that are more focused on child development, (2) provision of PSE in diverse settings whether museums, libraries, open spaces or cultural centers, as long as it remains based on the new curricular framework (Kaleidoscope), and (3) an expansion of services aiming to enroll every child regardless of socio-economic and ethnic background. An important point of attention in this new vision is that stigmatization should be avoided; short programs should not be associated with vulnerability. In 2012, a UNICEF study showed how this could be realized. However, the team found that stakeholders at all levels have varying understanding of the respective PS programs that can be offered and of how this can be realized in terms of pedagogy, admission policy, and finance. Of the three municipalities that the team visited, one was entirely dedicated to – and very successful in – reaching out to vulnerable children; another was focusing on providing high quality services to mainly the traditional target group; and the third was not even aware of the legal possibility to provide anything other than the traditional full-day program. Six years after the new Law on Preschool Education it must be concluded that its dissemination has been very slow and tends to remain limited to municipalities that participated in a limited number of innovative projects.

In principle, this stagnation could be addressed by means of external evaluation and/or inspection. Evaluators and/or inspectors could then signal this to national policy makers, leading to renewed and enhanced efforts to communicate the new vision to LSGs and PSIs. However, this requires an active leadership role on the part of central government and a redefinition of the relation between national and local level. A motto could be that autonomy is something that LSGs must *earn*. In other words, those LSGs that meet certain policy objectives

(e.g. inclusion and pedagogical innovation) would earn a relatively wide decision space, while those that lag behind would be under stricter scrutiny until they improve their performance.

## **Inclusion**

An important step has already been made by central government. This concerns the decision to compensate the fee (20% of the economic price) for children without parental care, children with disabilities and children at hospital treatment. However, this also raises the financial burden for the LSGs because of the rule that the remaining 80% of the economic price is covered by this level of government for children from materially deprived families. In practice, many vulnerable children remain excluded for reasons varying from: (i) a lack of money (parents' contributions are sometimes higher than the 20% regulated by the Law); (ii) parents' lack of knowledge and skills to go through the complicated application procedure; (iii) insufficient parental understanding of the importance of PSE; (iv) insufficient supply of programs that meet the needs of vulnerable children without stigmatizing them and (v) indirect and hidden costs such as those of transportation, clothing and hygiene. The evidence shows that within municipalities there are excluded groups: lower enrolment levels are found among Roma children, children with unemployed parents, children in the lower wealth quintiles and children of mothers with lower levels of education. This suggests that national legislation is not effectively enforced.

Again, this calls for monitoring on a regular and broad basis (not just by incidental, sample-based surveys) and for a national government that intervenes where necessary and grants autonomy where possible.

## **Equity**

Not only families have difficulty navigating the preschool system and its complex financial arrangements – the same goes for many municipalities. For example, many LSGs are struggling to mobilize sufficient financial resources for PSE. Local tax revenue, transfers from national government and fees do not always add up to what is needed to expand and improve provision. However, it appeared that there are informal channels to obtain additional funding from the central level by means of *projects*. Different projects were innovative and mostly directed to those municipalities with the capacity to successfully write project proposals, implement novelties, e.g. “easy adopters”. There is a big number of municipalities that was not included into projects and it was not receiving funds from the national level for pre-school infrastructure and for different pedagogical innovations. This mechanism tends to exacerbate existing disparities: an LSG with many unemployed inhabitants was facing brain drain (talented people leave for a better life elsewhere) reducing the LSG's capacity to obtain funding. Indeed, the data show that preschool access is unevenly distributed among municipalities.

Within municipalities, disparities also persist. While for many families a fee of 20% of the economic price is a true burden (and as noted above: low income families often have insufficient knowledge of their rights and limited competences to obtain what they are entitled to) it is a small burden for some others. Obviously, a fee 20% of the economic price implies that government makes a significant contribution of 80% to the costs of daycare for working parents,

some of whom might be able to pay much more. This injustice is exacerbated by the substantial cross-subsidy provided in some places to families to enroll children in private kindergartens.<sup>24</sup>

An alternative solution could be the introduction of a sliding scale for the fee, distinguishing multiple income levels and charging differentiated fees. Alternatively, it could be considered to keep the current dichotomy (paying or being exempt) but raise the fee to a somewhat higher level while increasing the group that is entitled to free access and simplifying the application procedure. Another possibility, observed in Moldova, is that while PSE continues to be financed from the governmental transfers, a certain share of these transfers be earmarked for PSE. If that share is sufficient, it can guarantee the equitable provision of PSE.

### **Data on Preschool Education and its Funding**

Both at national and local level, data systems are not fully transparent and sometimes contradicting. At local level, for example, employees of LSGs and PSIs can always tell the absolute number of children who are enrolled but are often unable to say what percentage of all children this concerns (the enrolment rate). Calculating this important indicator would only require dividing the absolute number of enrolled children by the total number of children in the relevant age group. But this does not seem to be on the minds of local policy makers and PS management: all municipalities have access to the latest data from vital statistics and DevInfo, but municipalities are either not aware of this or not interested in using these data. Sometimes privacy arguments are used to explain why excluded children are not identified and actively approached, but one LSG proved that this does not need to be an obstacle.

The absence, inadequacy, and/or lack of transparency of fiscal data on budget revenues and expenditures in Serbia presents a major obstacle for both scientific and expert analyses of local public finance and control of the system by interested public authorities and, generally speaking, by the public and taxpayers. This is particularly problematic for a study of this nature since it is not possible to compare LSGs expenditures on PSE and correlate that data with indicators of access and equity.

It is strongly recommended to embark on a project to collect, consolidate and publish data on PSE at national level. The fact that PSE is the purview of the municipalities should not be an argument for central government to refrain from an active role in data-collection. In fact, this active role is a condition for monitoring whether or not key policy objectives are being met. An important step in the right direction is that the MoESTD, supported by UNICEF, is developing a preschool module within the Education Management Information System (EMIS). This will include modules on preschool institutions and employees; collection of data on individual children depends on the adoption of the revised umbrella law on education. This revision would imply the introduction of a unique education number for every child through all levels of education.

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<sup>24</sup> In some LSG where the public PSI are completely full, parents are sending their children to private kindergartens and apply for public funds to get the 80% of the economic price that they would get if their children were going to a public indergartens. Thus, current system expansions is mainly driven by private sector with public contributions but this is usually pushed by relatively wealthier families.

## Finance

Central government funding of PSE is limited to (i) the compulsory pre-primary program (PPP) for children aged 5.5 – 6.5; (ii) the 20% fee compensation for children without parental care and children with disabilities; (iii) the general transfer from central to local level. Since it is up to the LSG to decide which share of the latter it wants to dedicate to PSE, it would not be entirely correct to say that PSE is underfunded; strictly speaking, any LSG can always decide to allocate more money from the general budget to PSE. But this will go at the cost of other local spending (e.g. infrastructure) and in practice there is a broad consensus that (i) LSGs with poor economic prospects have great difficulty funding PSE even in the current situation, and (ii) that universal access might be unaffordable even for the more prosperous LSGs. Indeed, according to Kmezić et al (2016) there is an absence in Serbia of both horizontal cooperation between various central authorities and vertical intergovernmental cooperation in the process of delegating new and changing existing functions and revenue sources for financing local government. The process of functional and fiscal decentralization in Serbia is characterized by a non-systematic approach, given that the central government adopts and introduces measures and policies in an ad hoc manner, without ex ante or ex post financial analyses, without adequate financial data, and without consulting local governments.

Although our study cannot support the relatively strong statement of Kmezić et al (claiming an *absence* of various forms of cooperation), it did find that there are important differences between LSGs in terms of the economic price and level of development. And since the fee depends on the economic price (20%), fees, too, differ significantly. The result are important disparities within and between municipalities.

Important novelty is introduced in the Law on the Foundations of Education (LFE) in 2017 related to the financing of pre-school education where it is stipulated that municipalities will cover up to 80% of the economic costs of pre-school education. This represents a step back in comparison to the current provision of guaranteed 80% coverage of the economic price per child. The proposed amendment is opening the possibility for local self-governments to decrease considerably their participation in financing of pre-school education and to increase parental contribution. This could negatively impact access and participation of children from the most deprived families and disadvantaged groups, meaning that those children will be at highest risk of being excluded. However, this is recent policy, and its implications are not assessed in this Study.

The challenge for the central government is to ensure the implementation of national priorities *despite* local autonomy. In other words: while local autonomy is a given fact and deserves to be respected because of its important potential advantages, central government does remain responsible for national priorities. And this tension requires ongoing dialogue between central and local level rather than distance between the two. This dialogue may result in forceful measures to guarantee access for the most vulnerable children, e.g. by earmarking the funding for PSE.



The recent policy to provide access to private PSIs by means of a substantial subsidy is costly compared to the alternative of increasing enrolment by means of short programs<sup>25</sup>. Throughout the CEECIS region it is found that the cost-price of short programs is four to five times lower than the cost-price of full-day kindergarten. Our judgment is that it is a cross-subsidy, benefiting employed and probably higher income parents above disadvantaged families. The shift that was made in the 2010 Law on Preschool Education (from childcare for some to child development for all) seems to be forgotten.

Finally, the various projects mentioned in table 10 are funded exclusively by the donor community. Despite the important role they have played and are playing in innovating the preschool system, they are not genuinely part of the regular financing of that system.

Our main recommendation in this regard is simply to take into consideration that local autonomy does not directly imply self-financing. There are examples of countries that safeguard access to public services by means of per capita transfers, while granting far-fetched autonomy to LSGs and/or service providers in adapting these services to their local context.

### **Participation in decision making**

The examples above illustrate an important finding concerning the core subject of this study: generally speaking there has been insufficient participation of LSGs in the development of laws and regulations. And once established, new laws and regulations have been insufficiently communicated to LSGs. A good step forward is the interactive way in which a new preschool curriculum is currently being developed (Box 1). Further steps in that direction could involve the Standing Committee of Towns and Municipalities as well as the Ministry of Local Self Government. This organization could be allowed and empowered to play a more prominent role in horizontal and vertical coordination as it already provides the necessary infrastructure.

### **Overall final remarks**

The current legal framework is the result of many years of policy making processes. From interviews, while aiming to be consultative, it seems that the policy making process has been merely top down where laws and bylaws were developed by central government who held consultation meetings with a variety of stakeholders but ultimately set the preschool system rules and goals and handed in implementation responsibilities to LSGs giving only partial funding. LSGs, through consultations during policy development, had a formal participation channel in this decision-making process. This does not necessarily mean that their word has not been heard from alternative and informal channels such as local politicians contacts but this was ad hoc and dependent on the LSGs personal networks and as such, data suggests LSGs did not have a formal say. Moreover, LSG position may vary according to their level of development or other features and therefore it would be difficult to assign the one single word or position.

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<sup>25</sup> Studies in various countries in the CEECIS region found that the cost-price of the full-day program in kindergartens is between four and five times higher than the cost-price of a program of maximum half a day without the provision of meals and without dormitories.

	De jure	De facto
Decision space or autonomy	<p>Formally, the PS legal framework provides a high degree of autonomy to LSG. While only being consulted during policy development, LSGs are fully responsible for decision making required for managing and implementing PSI networks. Even at the classroom (group) level, preschools teachers can choose their pedagogical model and there are many decisions at the local level, including determining how to ensure local revenue for implementing PSE, that can be made without any consultation to the central government.</p> <p><b>LSG have HIGH DECISION SPACE AND AUTONOMY on how to provide PS, calculate economic price, but at the same time challenging goals to be met in terms of access and equity with no funding assured.</b></p>	<p>The high autonomy provided to LSG has been observed. All LSG officials interviewed referred to their autonomy. However, in some places due to limited contact/guidance from central authorities as well as lack of local capacities and accountability mechanisms this results in low enrolment rates and unequal coverage.</p> <p><b>HIGH</b></p>
Accountability	<p>The legal framework does contain various accountability mechanisms in relation to quality assurance and external evaluation. However, there are no formal collective fora where the LSG could coordinate, vertically with the central government, and horizontally among themselves other relevant issues such as funding, program diversification, teacher training, curriculum selection/implementation, etc.</p> <p><b>LOW</b></p>	<p>This seems to be one of the weakest elements of the system. The central government has set the goals and standards but does not hold the LSG accountable. Equally, the LSG which are more in need are not able to make requests to the central government for extra assistance. In relation to the funding the lack of financial statistics at central and local level impedes the development of an evidence and needs based system of transfers between Central government and LSG. Finally, although there are mechanisms to report underperforming institutions they do not seem to be working in practice yet. E.g. external evaluation was introduced in PSE in 2012, but the actual implementation began in 2014 and does not yet seem to be in full force.</p> <p><b>LOW</b></p>
Capacities at national and local level		<p>At central level, PS seems to have low priority within the MOESTD. Some national level staff in leadership positions in the MOESTD receive capacity development funds/opportunities, though these opportunities are not necessarily available for technical/implementation staff at the central or local levels. In fact, the number of human resources allocated to the area is reduced and there are few national initiatives. At LSG level the situation varies according to the municipality.</p> <p><b>LOW (Central) Variable (LSG)</b></p>

In Serbia PSE is highly decentralized. Data suggests LSGs limited involvement in policy formulation, though the resulting legal framework provides a high decision space to LSG but is coupled with weak accountability mechanisms in part due to the lack of institutional capacity at Central government level. As a result of this, the actual situation on the ground varies according to the Municipality. It seems that the improvement of the system as a whole would need initiatives that treat municipalities differently by prioritizing those that are more in need and designing an incentive scheme that fosters transparency and better performance via additional funding attached to greater efforts and results achievements.

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## List of interviewees

List of people and institutions interviewed from the 12<sup>th</sup> to 16<sup>th</sup> December 2016

Day - time	Institution	Name
Mon - 0900	UNICEF	Aleksandra Jovic
Mon - 1030	Standing Conf. of Towns Cities	Jasmina Tanasic – social affairs
Mon - 1145	Association of Parents	Marija Koncar
Mon - 1230	Teacher Training Faculty	Milica Čebić
Mon -1430	Ministry of Health	Meho Mahmutović Milica Pejovic
Mon - 1600	UNICEF	Tanja Rankovic
Tue - 0900	World Bank Preschool loan	Marijana Jasarevic
Tue - 1100	Ministry of Education: Social Inclusion and Inspection	Gordana Cvetković, Biljana Kojović, Bogoljub Lazarevic, Ljerka Đorđević
Tue - 1400	Institute for Pedagogy University of Belgrade	Lidija Miškeljin
Tue -1600	Center for Interactive Pedagogy  Novak Fondacija	Dragana Koruga  Gorana Dzudza Jakovljevic
Wed - 1000	National agency for quality standards, accreditation& assurance	Vesna Kartal
Wed - 1130	Trešnjober – Private preschool institution  MBA-dame	Ljiljana Prokovic, director
Wed – 1400	Center for Social Policies	Gordana Matkovic
Wed - 1530	Republic Statistical Office	Nadezda Bogdanovic, Suncica Sestic
Thu - 1100	Officials at local council Sm. Palanka	
Thu - 1300	Public PSI in Sm. Palanka	
Thu – 10.00	Cacak municipality	Team from the LSG in charge of social services and education. Susana Simeunovic (Paedagogist) Director of the preschool institution and a team of 7 people
Fri – 0900	SIPRU	Biljana Mladenovic, Dragana Malidzan Vinkic
Fri - 1130	Ex- State Secretary in the Ministry of of Education	Tinde Kovacs Cerovic
Fri - 1300	Cukarica PSI	Principal of the PSI City council representative Psychologist x 2 PS Teacher x 5 Social worker Pedagogist