

2. GOVERNMENT FINANCIAL POLICIES TOWARDS FAMILIES

2. 1. Family/Child allowances

iii) Has there been any public debate concerning family/child allowances over the last few years and in 2006/7 in particular? What were the terms of this debate and who were the actors involved?

Austria

Not mentioned/not applicable

Azerbaijan

There has been increase in amount (from 30 manats to 50 manats) of the allowances received by parents upon birth of the child.

Belgium

Not mentioned/not applicable

Bosnia and Herzegovina

There were discussions in competent ministries and in the Public Fund for Child Protection of RS.
FBiH: Under the provisions of Article III.2.e) and Article III.3 (1) and (2) of the FBiH Constitution, the Federation Government and cantons are jointly responsible for social policy (including protection of families with children). This responsibility is carried out jointly or separately, or the cantons carry it out with coordination by the Federation Government. Under the provisions of the Law on Federation Ministries and Other Federation Authorities (Official Gazette of FBiH, 58/02), the Federation Ministry of Labour and Social Affairs performs administrative, proficient and other duties, provided for in the law and related to the duties within the jurisdiction of the Federation; among other duties, also in the field of social policy and protection of family and children.

Bulgaria

According to a sociological survey done by Apfa Research Agency in September 2007 on the order of the MLSP 84% of citizens



consider that our society is facing problems with irresponsible parent behaviour and abuse of financial support aimed at children of certain social groups. Public opinion supports the idea that parents who do not use the finances received for raising children in correspondence with their aim should be sanctioned by having their assistance suspended. According to 81% of persons surveyed the state should suspend the assistance of irresponsible parents. As an alternative of cash assistance the broad public supports the provision of vouchers for certain kinds of goods (39%) or direct support with clothes, textbooks, food (36%).

The opinion that the support of children is a responsibility of both the parents and the state is broadly shared (62%). According to 32% of those surveyed the support of children is the sole responsibility of the parents. 69% of persons asked are of firm opinion that the state must provide support to all parents rather than only those from families in poverty. The lump assistance at birth, the monthly assistance for children up to the age of 18, the free textbooks and breakfast in school should be aimed at all children. This is different for assistance for clothing, shoes and food which according to those surveyed should be given only to those in poverty.

In order to limit the acts of irresponsible parenthood and to motivate parents from certain social groups to use finances and services offered by the state as support for children on purpose, the MLSP took measures to overcome this problem. Family allowances are now transformed into social investments (assistances in goods and services) when parents do not provide care for their children. Assistance is also suspended for children who have more than five unexcused absences from schools. Within the framework of the responsible parenthood campaign of the MLSP presented the School for Parents initiative. Specialized schools shall provide parents from critical groups with the opportunity to master skills how to take care of their children by providing them with conditions for development and a good role model.

Cyprus

There have been some televised discussion programmes on families with 3, 4 or more children. Problems faced by these families, including the financial aspect, were raised in these programmes. Furthermore, NGOs representing different types of families (e.g. single parent, large families etc.) are invited to participate in the discussions of technical committees of the House of Representatives when family issues are on the agenda. At the same time, they are invited to participate in seminars pertaining to benefits, e.g. a Seminar on the Prevention of Social Exclusion of Children held on the 1st June 2007. This Seminar was organised by the Social Welfare Services of the Ministry of Labour and Social Insurance and provided opportunities for discussion between participants on the future direction of policies and programmes for the prevention of social exclusion of children. It was attended by representatives of 34 bodies (governmental services, local authorities, semi-governmental organisations, social partners, non-governmental organisations, academic institutions, professional associations, specialists).

In the run-up to the elections, which took place on the 17th and 24th February 2008, there were televised public debates on several issues pertaining to social provisions (social insurance, public assistance etc.). The manifesto of the New Government makes specific reference to modernising the systems and increasing the rates of both public assistance and social insurance, as well as strengthening and expanding provisions for the reconciliation of work and family life.

Czech Republic

Child Allowance as well as other family benefits were subject of broad policy discussions within public budgets reform in 2007. With the aim of ensuring fiscal sustainability the fiscal reform package approved by the Parliament in September 2007 brought significant changes to taxation and to the welfare system. Changes in social benefits have to provide fiscal savings and to claw back the large benefit increases that were voted in prior to the 2006 general election.

Denmark

Not mentioned/not applicable

Estonia

No public debate

Finland

There has been a public debate whether the family benefits, i.e. child allowance, should follow the general trends in the standard of living (index-linked). Also there has been a debate whether the amount of the child allowance should be equal regardless of the ordinal number of the child.

France

The possible abolition of universal eligibility for family allowances is being debated, in which case ceilings would apply to them according to household income. Payment as from the first child is also debated.

Germany

Child allowance: raising the amount, political parties
Parental allowance (Elterngeld): changing of conditions of entitlement, amount income related, political parties

Greece

There has been no public debate or dialogue concerning family/child allowances over the last years.

Iceland

The fact that the income testing threshold of child benefits has not followed wage increases has prompted some discussion. The levels of benefits have also been discussed, as these have not followed increases in either wages or prices (Eydal and Ólafsson, 2008). A report by the prime-minister's office on child-poverty also examined the living standards of families with children. The report showed the 6.6% of children lived in poverty (Prime Minister's Office, 2006). The discussion has mainly taken place in parliament. In addition the labour movement has regularly raised issues such as the importance of all parents being entitled to child support and the reduction of income testing.

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Ireland

Relatively high rates of child poverty despite the growth in the economy and fall in unemployment prompted debate as to the need for more targeted child income supports and the need for greater activation of those families dependent on welfare, with employment viewed as a route out of poverty.

Actors involved: Ministers and government officials, opposition politicians, non-governmental organisations.

Italy

The National Conference on Family took place in May 2007 with the participation of more than 3,000 representatives of Government, civil society, trade unions, third sector and voluntary organizations. Participants were divided in 10 working groups, among which the session Family and economic resources, which focused on the fact that the income and purchasing power of families influence their access to primary consumption goods and to community and welfare services. It is equally sure that the economic vulnerability of a lot of families, which in many cases reaches the poverty line, is due to short-term, unstable employment and to housing problems. The session focused on the issues of fiscal fairness, the need to consolidate the reform of child benefits, the link between poverty and family and the reasonable costs of services, considering for each of these topics the structure of the family unit, the number of children, their age and possible conditions of disability.

The following is a short account of the other working sessions:

FAMILY AND RIGHTS This session debated the relationship between individual rights and family rights, in the light of the positive provisions included in the Constitution. The discussion also focused on the need to acknowledge the subjectivity of families, on how to promote participation and on how to recognize the value and contribution of family associations.

FAMILY AND INTERCULTURAL SOCIETY Starting from the cultural changes underway, this session focused on how the challenges of an increasingly multiethnic and multireligious society influence transformations in the family. Participants also analyzed the relationship between the media and families, with a specific focus on minors and the increasing role of new communication technologies.

FAMILY AND GENERATIONS This session dealt with the demographic issue, the cultural changes and their impact on the structure of families.

FAMILY AND EDUCATIONAL RESPONSIBILITIES The working group discussed the educational role of families. Despite representing a public and invaluable asset, families are still not regularly consulted by the Italian educational institutions and, as a consequence, they are not able to fully voice their responsibilities and expectations. This session examined the need to provide training and education to parenting, as well as the problems and opportunities in the relationship between families and schools – also in the light of the need for families to socialize and for adults to be adequately trained.

FAMILY AND WORK This session focused on how to form and maintain a family in the present-day flexible market. In fact, work organization and the job market have a significant impact on families. The reconciliation of work and family life is one of the most relevant issues not only for social policies, but also for economic policies. The participation of women in the job market is still too limited, due to the persistence of obstacles to access to the market and to professional advancement. Families, and women in particular, often have to deal with conflicting professional tasks and family responsibilities.

FAMILY AND WELFARE The discussion focused on the fact that family policies do not represent a separate sector, they do not entirely correspond to welfare policies and they should not be confused with the fight against poverty, but they must be integrated into and interact with other policies concerning a variety of aspects: work, social security, taxes, health, school, housing, assistance, transports, culture.

This session also analyzed how to best meet the demands and needs of families with respect to services to children and families in general. In particular, participants discussed the essential levels of services for families and the redefinition of the indicator on the economic situation of families.

THE WELCOMING FAMILY The working group focused on the value of family reception, in particular on the difficulties encountered by families during adoption and on the relations between families and magistrates, services and associations. The session also dealt with the problems linked to foster care and domestic and intercountry adoption, with the aim to improve and integrate them, as well as to prepare for intercountry foster care.

FAMILY AND VULNERABLE INDIVIDUALS The increase in the number of individuals who are not self-sufficient – the elderly, but also children and disabled adults – is a pressing issue which rests primarily on families. This means that they have to provide constant assistance to such individuals and bear significant costs and difficulties, especially when the family has to raise children and look after elderly parents at the same time. An equally dramatic situation is the one of families that have to care for members with mental disorders. The objective of the session was to identify a more appropriate network of services, starting from the creation

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(with the Finance Act 2007) of a Fund to help dependent people and from the analysis of the most effective measures of family support.
FAMILY, VIOLENCE AND REPARATION This session focused not only on the extent and different types of domestic violence, but also on how to prevent it and redress the situation within families.

Latvia

During the year 2007 one other issue had been actualised within the family policy agenda – the new system of Childcare benefit (introduced on 1 January 2005 double level (earnings related and flat-rated levels) system) did not correspond to the essence of state social benefits – to provide universal state support in the form of cash payments for persons in situations when additional expenditure is needed or when these persons are incapable of obtaining any income – and has a negative impact on the state social benefit system. As a result on 1 January 2008 the new social insurance benefit – parent's benefit, which has replaced earning related Childcare benefit for socially insured persons who are raising children under 1 year of age, was introduced. The amount of benefit is 70% of the average gross wages upon which contributions have been paid during 12 months, but not less than LVL 63 per month. In contradistinction to Childcare benefit for socially insured persons who are raising children under 1 year of age, which was paid in maximum amount of 392 LVL per month, the maximum amount of parent's benefit is not restricted. In turn socially uninsured persons who are raising children under 1 year of age continue to receive flat rated Childcare benefit.

Lithuania

Not mentioned/not applicable

Luxembourg

Indexation suspendue et demande de rétablissement.

Monaco

Non

Netherlands

Day-care:
There has been a public and political debate for a number of years now on whether the parental contribution to child day-care should be income-dependent or not. A related issue is whether it should remain possible for parents to choose between public and private day-care. A third issue is whether the distinction between public and private day-care should be made at all, since working parents whose children use public day-care services receive financial support for this from the government, whereas no such benefits are made available to those who use private day-care services (Nji).
Child allowances per se:

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The Child Supplement Act (KIT) was introduced because some low-income families did not receive the tax credit that was intended for all families with children. The Act, which was initially a private member's bill, resolved this (Ministry of Social Affairs & Employment, 2008).

Norway

After the great debate in 1997 and 1998 about the cash benefit versus subsidised child care, the family allowances have not been in the centre of the debates on family policy. Child care – or rather the shortages of child care – and children's right to both parents have been the main questions in the public debate. The topic of taxation of the child allowance – to give it a more social profile – comes up from time to time. Figures show that the redistribution effects of the allowance are pretty strong as it is.

In June 2006 the Norwegian Cabinet appointed a Commission to provide an overview over differences between women's and men's pay and consider measures to reduce pay differences. In 2008 the members of the Commission presented six specific proposals. The most controversial was a measure to ensure that mothers and fathers divide parental leave more equitably between themselves. The proposal would mean that one third of the parental leave period would be reserved for the father and one third for the mother. The reason behind the proposal was a study showing that children have a negative impact on pay due to mothers' long absence from work and the reduction in personal capital that results from such absence. Today the parents may divide the period of paid leave as they like between themselves, but most mothers take their full quota of the parental leave period and are absent from work for one year for each child. The proposal did however create a lively public debate, involving both mothers and fathers. Some mothers look upon the parental leave as their "right" and do not want share this right with the father. While at the same time, modern fathers want to take a more active part in the caring of their own children.

Poland

There was a public debate concerning the benefits for lone parents in a situation where the alimony granted by the court are not paid. Such benefit, introduced in 1974 (benefit from the alimony fund), was liquidated in 2004, then – after protests of organisations of lone parents - introduced again in 2005 and significantly reformed since 2008. In years 2005-2007 in Parliament legislative works were held over the restoration of alimony fund. The new act had been passed in September 2007 and will come into force in October 2008.

Portugal

Over the last few years the public debate on family benefits has been linked both to the issue of poverty, in particular child poverty and the need to increase support for poor /more vulnerable families with children, and to the debate on the decline in birth rates and the need for pro-natalist policy measures.

The debate on pro-natalist measures emerged more strongly after the liberalization of abortion (a second referendum led to the approval in 2007 of a new law introducing abortion on demand during the first ten weeks of pregnancy) and in the context of new drop in birth rates between 2003 and 2006 (down to 1.36 in 2006, the lowest fertility rate ever). All the main actors – political parties (but especially the centre right-wing parties who were against the law on abortion), trade unions, family associations and even the President (who recently called for the need to invert this downward trend) – have been involved in the debate. In 2006/2007 the government presented a programme on the promotion of fertility (it has included measures related to cash benefits – the prenatal family benefit, the increase in amounts for families with two or more children below age 3 - as well as other measures related to the leave system and to the expansion of early childcare facilities). However, the connection between the new measures of financial support for families and their impact on fertility rates is being questioned by public opinion. According to a national survey published by the daily paper *Correio da Manhã* (03-12-2007), 51% of the Portuguese electorate does not think that the new measures can convince families to have more children, while 38% think the measures will have some impact.

The debate on the need to reinforce financial support for poor and vulnerable families with children is a longstanding debate in Portuguese society. However, the economic crisis over the last five years, with rising levels of unemployment and stagnation in families' standards of living, has put this issue even higher on the policy agenda during the last few years. The recent changes in family benefits have been specifically designed to provide more financial support for the more vulnerable families, even if some measures also aim to promote the birth of a second or a third child (in this case by extending the increase in family benefits until the child's third birthday). The definition of this age limit (age 3) has been a matter for discussion, with some actors pointing out that expenses related to education and child maintenance are higher after age 3. Some of the strongest critical appraisals of family benefits have come from family associations, namely the "APFN" - the Portuguese Family Association for Large Families - and "Mono", the association of lone parent families. The former has emphasized the need for more support for fertility and particularly for large families. Although the APFN approved of the government's introduction of a pre-natal allowance, it also claims that benefit amounts are overall still too low; on the other hand, it was strongly against the 20 per cent increase in benefits for lone parents, arguing that lone parent families are families "that are not formally constituted". In its turn, Mono has advocated an increase of 50 per cent in family benefits for lone parents (instead of the 20 per cent established by the government); the association has stressed the fact that lone parent households (with dependent children) have the highest risk of poverty (41% are poor), followed by households of elderly people living alone (40%) and families of two adults with one or more dependent children (38%).

Russian Federation

The amount of the monthly child allowance is an acute problem in the public debates. The subjects of the Russian Federation are entitled to determine that amount on their territory. The State Duma (the Russian parliament) received numerous propositions from deputies of the both chambers of the parliament, from regional parliaments and administrations with proposals to increase the amount of the monthly child allowance, to finance it from the federal budget, to unify the amount and conditions of the allowance, to guarantee the financial resources for it on the federal government level. Since the amount of the child care allowance has been increased the main public debates concentrate about the prolongation of that allowance to grant children to the age of 2 or even to 3 years. The reasons for such reform could be the shortage of kindergartens, and the fact that the allowance is the only income source for families with unemployed parents.

Serbia

In the beginning of 2008, the Government adopted the strategy of encouraging birth, under which the question of child and parental allowance was considered. Child benefit has continued to be one of the measures of social policy representing a form of support for families in materially disadvantaged position. Participants were specialists from the area of demography, representatives of the ministries and the public debate was carried out. The strategy implies bringing law changes which would cause the increase of the amount of the parental allowance and its single payment.

Slovenia

On 1.1. 2008 the Republic of Slovenia adopted the Act on changes and amendments to the Parental Protection and Family Benefits Act. With the Act child benefits were increased for 8.4%.

In April 2008 the new Regulation on social security rights for parental protection and family benefits came into force. Mothers and fathers will have easier access to parental social security rights (they will fill one form instead of seven).

Sweden

- The possibility of sharing the child allowance has been much debated (in the media but also in the Riksdag, by individuals, political parties, agencies and political interest organisations). After the option to share these allowances was introduced, the debate has nevertheless continued because many parents have difficulty in agreeing on shared allowances. When children live alternately with both parents, many parents think that there should be automatic sharing of the allowance since if the child lives alternately with each of the parents, it may be expected that the parents share the costs of the child and that each parent pays for what the child needs during the period when the child is living with them. This debate can briefly be described as a matter of the recipient of the child allowance being unwilling to lose half the amount, while the other parent who has the child living with them half the time wants to have half the allowance since that parent considers that he/she takes responsibility for half of the costs of the child. What the right to receive different types of financial family support should be linked to is also generally discussed, not just in relation to the child allowance. This discussion is often ultimately about the purpose of the various types of support; why support is given and whether it is directed at a specific person in the household or costs that a specific person in the household causes, such as additional costs of children (access trips, the costs of children's leisure activities and hobbies), disabilities, requirements for the size of housing, equipment, etc.).
- With regard to the child allowance, there have also, over the years, been discussions on whether the construction of the child allowance should be changed so that it becomes means/income-tested. There has been criticism of the appropriateness of paying out child allowance to families that do not need it.
- A further issue that is much debated (both in the media and in the Riksdag) in connection with the forthcoming introduction of the municipal child-raising allowance is what is to be regarded as best for the child when it is under three – staying at a preschool when both parents work, or staying at home with one of the parents, who, with the policy of the new Government, will be able to receive a child-raising allowance and thus postpone the child's preschool start.
- Another issue that has been discussed politically is the direction of family policy – and whether it should be a means of providing support or of exercising control. Compare the discussion above under section 1.2, regarding the direction and objectives of family policy.

Switzerland

A l'exception des allocations familiales dans l'agriculture qui font l'objet d'une loi fédérale, le domaine des allocations familiales est de la compétence des cantons, d'où la coexistence de 26 législations cantonales différentes qui déterminent chacune le genre et le montant des allocations versées, le cercle des bénéficiaires et l'organisation du régime des allocations familiales. Il en résulte un système très disparate et insuffisamment coordonné. Afin de corriger ces carences, le Parlement a adopté le 24 mars 2006 la loi fédérale sur les allocations familiales (LAFam, <http://www.admin.ch/ch/f/ff/2006/3389.pdf>) qui harmonise au plan national un certain nombre de dispositions. Les cantons demeurent compétents pour toutes les questions qui ne sont pas réglées par la LAFam. La LAFam harmonise notamment les conditions d'octroi des allocations familiales, le cercle des enfants y donnant droit, l'âge limite ainsi que les règles applicables lorsque plusieurs personnes peuvent faire valoir un droit à des allocations pour le même enfant. Elle ne concerne toutefois que les travailleurs salariés et les personnes sans activité lucrative. Les travailleurs indépendants ne figurent pas parmi les ayants droit au sens de la LAFam, mais les cantons peuvent leur accorder des allocations familiales. La LAFam prévoit une allocation pour enfant octroyée dès la naissance jusqu'au 16e anniversaire de l'enfant, égale à 200 CHF par mois au moins et une allocation de formation professionnelle de 250 CHF par mois au moins, octroyée dès 16 ans jusqu'à la fin de la formation de l'enfant, mais au plus tard jusqu'à ce que celui-ci ait atteint l'âge de 25 ans. Seules des allocations entières sont versées, le taux d'occupation ne joue plus de rôle. Les cantons peuvent accorder des prestations plus élevées et prévoir des allocations de naissance ou d'adoption. D'autres prestations doivent être financées en dehors du régime des allocations familiales. Les allocations familiales dans l'agriculture demeurent régies par la loi fédérale sur les allocations familiales dans l'agriculture (LFA), excepté quelques adaptations.

La LAFam a fait l'objet d'un référendum et elle a été acceptée par le peuple à une large majorité (68%) le 26 novembre 2006. Elle entrera en vigueur en 2009, pour laisser le temps aux cantons d'adapter leur régime d'allocations familiales à la réglementation fédérale.

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Turkey

Not mentioned/not applicable

Ukraine

Not mentioned/not applicable

United Kingdom

The Conservative party in opposition has proposed transferable tax allowances for married couples, to benefit couples where one stays at home and the other is in paid employment. The Government opposes these.