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**MISSOC- Info 2*****Family-related policies and regulations*****METHODOLOGY AND STRUCTURE**

This synoptic report presents a review of family benefits provided to citizens of MISSOC Members.

The family support system is a significant policy tool that helps even out income differences over the course of the life-cycle and between income groups. It also increases opportunities for families and children as well as improving their quality of life. A variety of goals motivate the provision of family support, including the desire to alleviate poverty for families with children, to help enable both men and women to take up work, thus fostering gender equality, or to enable parents to take time off to care for their newborn infants. At a time of joblessness and dependence on unemployment benefits, a changing demographic landscape including falling fertility rates, with more cohabiting couples and in many, but not all countries, more single teenage mothers, family support policies can effectively alleviate the economic situation for those at greatest risk as well as providing people with better life opportunities. The ways of providing support for families are varied, although countries tend to follow established patterns.<sup>1</sup>

The framework for this report is derived mainly from social security law, but also takes into account some informative data coming from employment, tax and family law.

The rationale of the report is to look for additional information not only referring to traditional social protection benefits, but also to other family support mechanisms.

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<sup>1</sup> Family Support Policy in Central and Eastern Europe, A Decade and a Half of Transition, Unesco, 2003. Promoting Solidarity Between the Generations, Commission of the European Communities, Brussels 10.5.2007 COM(2007) 244 final; Modernising social protection for greater social justice and economic cohesion: taking forward the active inclusion of people furthest from the labour market, Commission of the European Communities, Brussels, 17.10.2007 COM(2007) 620 final. Council of Europe (2007) Parenting in Contemporary Europe: a positive approach, Strasbourg, Council of Europe. McGlynn C. (2006) Families and the European Union. Law, Politics, Pluralism. Cambridge, Cambridge University Press. European Foundation for the Improvement of Living and Working Conditions: Foundation Focus, Issue 4, December 2007. Towards an EU strategy on the rights of the child, Brussels, COM(2006) 367.

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By reviewing legislative measures in the different MISSOC countries, this synoptic report tries to identify particular innovations and trends corresponding to developments at the EU level<sup>2</sup>.

The report comprises four chapters:

I. Introduction

II. Financial Benefits and Assistance

III. Professional Life and Family life – Reconciliation Policies

IV. Innovations and Trends

## I. INTRODUCTION

This synopsis on family benefits in the MISSOC countries aims to take stock of and compare the different social security systems and intends to illustrate a common ground for further evolution and progress. It attempts to find similarities and differences between the MISSOC countries and to give a broad idea of how they protect and support families, mostly acting independently but in concert with the provision of the Open Method of Coordination.

Family benefits vary in their importance to household incomes and in the prevention of child poverty across Europe. The well-being of families is fundamentally important to the well-being of individuals and society, and the family is the basis for social cohesion, economic and cultural progress.

The fact that low birth rates have become a characteristic of many MISSOC Member States has given encouragement to the view that family benefits could help solve Europe's demographic concerns; the evidence of a direct relationship between social security payments (both type and value) and fertility is, however, problematic. Furthermore, in many countries the steady growth of women's participation

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<sup>2</sup> References:

- Council of Europe (1994). *Coherent and Integrated Family Policies* – Recommendation Rec (94)14 of the Committee of Ministers to Member States (November 1994), Strasbourg, Council of Europe;  
<http://www.coe.int>.

- Council of Europe (1996). *Reconciling Work and Family Life* – Recommendation Rec (96)5 of the Committee of Ministers to Member States (June 1996), Strasbourg, Council of Europe.

- Council of Europe (2001). *Reconciling Working and Family Life*, XXVIIth Session of the Conference of European Ministers Responsible for Family Affairs, Portoroz (Slovenia), Final Communiqué (June 2001), Strasbourg, Council of Europe.

- Council of Europe (2002). *Recommendations on Child Day-Care* - Recommendation Rec (2002)8 of the Committee of Ministers to Member States on Child Day-Care. Strasbourg, Council of Europe.

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Document available at:

[http://ec.europa.eu/employment\\_social/spsi/missoc\\_info\\_en.htm](http://ec.europa.eu/employment_social/spsi/missoc_info_en.htm).

in the labour market, the growing number of families where both parents work and the introduction of new work practices have shaken the traditional social security system and demand for modernisation is ever more evident.

Society has changed rapidly in recent decades and what were considered standard needs of the past are now considered to be incomplete and out of date. What is basic today was considered to be a privilege in the past. This resulted from the evolution of standards of living and the recognition of human rights as a necessity for the healthy and fair progress of modern society: this is reflected in diverse policy initiatives across the European Union. Romania, for example, gives priority in preventing domestic violence and promoting family values. Protection of children against neglect and abuse puts a huge demand on EU countries for more efficient and quick social security mechanisms.

While recognising the primacy of MISSOC countries in the field of family policy, the Lisbon Strategy does provide a relevant context with its concern to enhance the role of women within the labour market; to promote strategies in support of work-life-family balance; and to facilitate the inclusion of young people. Some common policy trends can be identified across Europe: a growing emphasis on compensation for income loss associated with family responsibility; greater reliance on practical 'help services'; initiatives to promote stable work-life reconciliation. Policy instruments are becoming more complex, with wider linkages across disciplines and services, to support families. There has been greater emphasis on the individualisation of benefits and entitlements, with associated targeting of expenditure in the hope of shaping (and changing) social and private behaviour. Finally, there is evident response to changing gender roles (both male and female) and to the changing aspirations that families have for their future and well-being.

A major initiative, launched by the European Council in spring 2007, has been the creation of the European Alliance for Families. This new organisation seeks to promote knowledge through commissioning research and exchanging models and examples of good practice. The whole initiative will report in 2010.

According to the National Correspondents' reports social protection of the family is mostly evidenced in the following measures:

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## II. FINANCIAL BENEFITS AND ASSISTANCE

All the MISSOC countries have relevant policies, which aim to support families and give additional help for the raising of children. The established social protection systems, although they differ in some details and their organizational structure, are based on the same European principles and philosophy. This is easily proved by the fact that family benefits are almost identical in Europe. Namely, all MISSOC countries have social benefits such as family allowances, child benefits, maternity leaves, birth grants, newborn allowances, etc.

Family support may be in the form of a direct cash payout, such as an allowance. This benefit is usually given to families with children up to a certain age on the rationale that raising children places an extra financial burden on the household. It is a significant policy tool that helps reducing the risk of poverty for families with children and redistributing income from childless households to those with children. Generous support for families with children is also a form of recognition of the benefits that children bring to society and the responsibility that society has towards children.

A child care benefit is provided in Austria to all mothers and fathers (including adoptive and foster parents) irrespective of whether they were in gainful employment before the birth. In Germany, a parental benefit amounting to at least 67% of previous net income, but maximum 1,800 Euro per month, is provided to parents who take a career break due to the birth of a child or reduce their working hours. If both parents do so, the receipt of parental benefit is extended from 12 to 14 months.

Family allowances may be *universal*, meaning that they are awarded simply on a per-child basis regardless of family income or contribution record. Or they may be *selective*, meaning that they are income- or means-tested and awarded only to families below a certain economic threshold. This system is described as a vertical redistribution of resources. A *selective* system provides greater benefits to certain types of families, such as single-parent families or families with disabled children. For example in Hungary the amount of the family allowance of the families at higher risk of poverty (lone parent households and families with three or more children) was raised above the average.

Benefits may also be based on a principle of *social insurance* and therefore dependent on parents' employment records and contribution rates. For example, in Germany children are insured in German statutory sickness and long-term care insurances without any contribution when one of the parents is insured there. The amount may be the same for all families (a *flat rate*), or *earnings-* or *age-related*.

Family allowances may also be governed by population policies; if they are *pro-natal* they award higher benefits to larger families in an attempt to boost the fertility rate. While family allowances are a sizeable part of direct support to families, it is worth remembering that other family-related assistance, such as social aid and tax deductions (i.e. indirect benefits), may enhance families' economic situation and childbearing support.

#### **- Birth grants**

An allowance for the newborn baby is available in most MISSOC countries, such as Finland, Slovakia, Liechtenstein, Slovenia, the UK, Czech Republic, Hungary and Poland, in different forms but with the same purpose, to relieve families from the costs of meeting the immediate needs of a newborn baby. The necessity of this allowance and its acceptance from new families leads the way for other countries to follow and create new expressions of this benefit. In Ireland a birth grant is also available for all multiple births while in Portugal there is provision for the payment of a prenatal grant. In Norway this birth grant (maternity grant) is only allocated to non-active mothers or mothers who do not qualify for a parental benefit.

#### **- Adoption allowance**

Another cash benefit, which does not only support families but also encourages adoption, is quite common in a large number of MISSOC countries (see Portugal, Malta, Ireland, Sweden). Besides the fact that many countries, such as Slovakia, recognize and offer equal benefits to adopted children, new forms of benefits can be met. For example in Slovenia and the Netherlands there is an adoptive parent's leave policy, so that the adoptive parents and the child can devote complete attention to each other. The new directions of social care do not consider financial measures to apply in all circumstances, but a more human and immediate face of social care seems to override. In the Czech Republic there are foster care benefits for foster parents and dependent children placed in foster care and a one-off grant.

#### **- Large families' allowance**

An effort to help meet the costs of having large families is also common in EU countries (e.g. Portugal, Poland, Slovenia, Spain, Greece, Estonia, Cyprus) in times where a small family is the rule and large families represent a very small minority. Support of large families can also be offered by benefits in kind (see below).

**- *Non financial benefits***

Non-financial benefits or benefits in kind/services are proved to be extremely efficient. In Malta and Spain, for instance, there is access to professional services for families undergoing difficulties and seeking help. It is obvious that any financial aid can work more effectively if combined with other social services. In the UK and Finland every family has easy access to expert help about family issues and medical care, counseling, information and other services for parents and young children. In Romania the Social Inclusion Project in addition to seeking improvement in general living conditions through social inclusion has a particular concern to support the victims of domestic violence.

**- *Educational support***

Education and the acquisition of life skills and competencies has become a necessary tool for the survival of individuals in the highly competitive working environment of the 21<sup>st</sup> century. MISSOC countries (e.g. Estonia, Norway) encourage young and/or single parents acquiring a higher level of education in order to get a better job position. In Luxemburg, an education allowance is granted to the parent who has the major responsibility for raising the children. Such allowance is also granted in cases where both parents work and face expenses related to day care facilities for children (both crèches and host families). In Slovakia the State provides social scholarships to university education for undergraduates coming from families with lower income and in Sweden a child supplement was introduced for parents who are attending full-time studies. Another dimension of educational support is the Educational Maintenance Allowance introduced in the UK to incentivize more 16-19 year olds from low income households to stay in education.

**- *Taxation policy***

The relevant policy varies considerably from country to country. For example in Sweden taxation policy is based on the individual's income, not on the family's composition, while in Slovakia - in calculating the income tax - a non-taxable tax allowance is applied not only in respect of the person concerned, but also in respect of the spouse. In France the tax on natural persons (income tax) does take into account their family situation, namely the number of persons considered as fiscally related (spouse, children, ascendants, etc). In the Netherlands a tax deduction was recently replaced by an allowance, since it was regressive, benefiting higher income families more than those with low incomes while in Spain fiscal arrangements establish personal and family minimum amounts which are not subject to taxation on account of the taxpayer's individual and family circumstances.

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Luxemburg introduced the “child bonus” which replaces the income tax reduction awarded to taxpayers with one or several dependent children.

**- Gender equality**

Although many women have increasingly resisted the restrictions of traditional roles and have dynamically entered the labour market, a large number of couples prefer for women to be occupied at home and for men to concentrate on income earning. Countries, such as Malta and Sweden, encourage gender equality by strengthening mother’s integration into the labour market and by encouraging fathers to spend more time care giving at home. This approach is rapidly finding new ground in many countries.

**- Special reductions**

Reductions related to family burdens may also differ considerably. Slovenia, UK, Estonia, Finland, and Bulgaria have regulated a reduction of transportation, while Hungary has established the same advantage, but only for disabled children. In Slovenia parents receive a part of their children’s textbooks free of charge, while in Hungary parents with three or more children, and parents with disabled children receive a reduction for books.

**- Food vouchers and/or free school meals**

In some countries (e.g. Slovenia and Bulgaria) there are regulations regarding food vouchers, where in others (e.g. Ireland) further steps are taken by funding school meals for disadvantaged school children directly to participating schools and local and voluntary community groups. In Hungary families with three or more children or with disabled children get free school meals. In the UK local authorities have the freedom to offer all pupils free meals, regardless of family income and in Finland all children get daily a free warm meal at school. Nevertheless, in the majority of the MISSOC countries there is apparently not a general provision for food vouchers or free school meals.

### III. PROFESSIONAL AND FAMILY LIFE – RECONCILIATION POLICIES

Family support has several important goals, including helping families to reconcile work and family life, notably by helping women who wish to participate in the labour market by providing a suitable alternative to parental care. We distinguish between several approaches and experiences concerning

the reconciliation policies for professional and family life. All EU countries have provisions for maternity and parental leave.

#### ***- Parental leave***

An early result from the process of European social dialogue was the introduction of a parental leave entitlement and now accommodated in the Commission's 'Roadmap for equality between men and women 2006-2010' and the European Pact for Gender Equality approved by the Member States at the European Council in 23-24 March 2006. In some MISSOC countries, such as Germany, Iceland, Estonia, Cyprus, Liechtenstein, Slovakia, Ireland, Czech Republic, the Netherlands and Poland, both parents are entitled to parental leave in order to take care of, and raise, children. In some cases, such as Germany, there is a close relationship between parental leave (Elternzeit) and receipt of a linked allowance (Elterngeld). This is an expression of the general interest for the promotion of the gender equality and of course of the closer relation between parents and children. There are different reasons for parental leave such as sickness (Finland), education, accompanying the spouse abroad on government sponsored courses (Malta) or for pre-natal examinations and childbirth preparation (Spain) and even for adoption (Bulgaria, the Netherlands). However, in Switzerland, the law does not provide for parental leave.

#### ***- Day care services***

Some MISSOC member states have a long experience of day-care programs as a solution for rebalancing working and family life. Finland, for example, has a tradition to support families with children and since the 1970's children's day-care has been developed gradually. Most MISSOC countries, like Estonia and Sweden nowadays involve active social policy measures and provide basic day care social services (e.g. nurseries, kindergartens etc) while local authorities in Denmark provide families with flexible programs of childcare facilities according to parents' needs. In the Netherlands, parents who work and bring their child to day care services can apply for a day care allowance.

#### ***- Prohibitions- protection for pregnant women & mothers***

Labour law in most MISSOC countries offers special protection for mothers and pregnant women. Usually, it is legally prohibited for them to be required to perform any heavy and health-damaging work during pregnancy and breastfeeding. Moreover, there is a legal protection against overtime and night work for the same target group (Slovenia, Bulgaria). Slovakia goes a step further and provides an "equalisation benefit" paid in the event of a pregnant woman or a mother of a child having been

obliged to take another job by reason of greater risk involved. In all MISSOC countries an employee who is pregnant may not be dismissed on grounds of pregnancy. Such a dismissal can be judged as employer's rights abuse. In addition to this, in Latvia a woman who avails of pregnancy leave shall have ensured her previous work with not less favorable conditions.

#### ***- Breast feeding allowance***

This allowance is provided in some MISSOC countries (Latvia, Bulgaria, and Spain). In addition, as in Poland for example, breaks for feeding a child are usually considered as working time without any deduction from remuneration. The relationship between these allowances and the availability of maternity and/or parental leave is often complex and will reflect national traditions and priorities.

#### ***- Single parents***

Single parents benefit from income support (Ireland, France, and Poland) and in the UK from jobseekers' allowance. In some countries (Norway) a big variety of single parent benefits is provided, such as economical, educational, children-related, etc. In Denmark, for instance, the colleges for young single mothers, who wish to study or continue their education, offer support tools, professional assistance and accommodation. A special alimony fund benefit is provided in Poland primarily to unmarried single parents when the enforcement of alimony dues awarded by the court is ineffective. In Cyprus unmarried women are entitled to a special maternity grant, in case they are not eligible for a regular maternity grant under the Social Insurance Scheme.

#### ***- Paternity benefit***

It is quite interesting that legislation in almost all MISSOC countries regulates "paternity benefits" (Latvia, France, Finland, Belgium, Lithuania, Ireland, Luxembourg, Czech Republic, Sweden, Greece, Estonia, Hungary, Netherlands, Iceland and Germany). As a paternity benefit we mainly understand the paternity paid leave, which differs from country to country not only regarding the entitlement criteria, but also regarding the number of the eligible paid days. Of course, the applicant for paternity leave must have or expect to have responsibility for the child's upbringing.

#### ***- Housing benefit***

Helping poor families with their monthly rent was always a State concern in the MISSOC countries. Different kinds of benefits are provided for family housing, like rent rebates or rent allowances. Besides the common "*housing benefit*", where public assistance for low-income households to meet

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their housing costs is available (Czech Republic, Norway, Finland, Germany, Ireland, Sweden, United Kingdom, the Netherlands), there are several forms of housing benefits, such as getting ownership, renting support, or even restoration costs coverage (Spain, Greece).

**- Career break**

A frequent solution for reconciling working and family life is to offer a career break. In Belgium, for example, the career break has a maximum duration of 5 years for the employees in the private sector and 6 years in the public sector. The working time reductions for employees aged 50 or over can apply until their retirement.

**- Leave for family members of disabled persons**

A special leave with maximum duration of two years is provided in Italy for family members of disabled persons. During this leave, the beneficiary is entitled to a cash benefit corresponding to his/her last salary.

**- Caring for a relative**

In Germany, people in professional occupation are entitled to use the care period, i.e. a total or partial work leave, for up to six months for the long-term care of a close relative. This entitlement exists vis-à-vis employers with more than 15 regular employees.

A special entitlement to a reduction or change in working hours or a career break due to caring for a dying relative for a maximum of 3 months is provided in Austria.

#### IV. INNOVATIONS AND TRENDS

Families, in the diverse forms, are seen to be important and fundamental building blocks for supportive communities and strong economies in all MISSOC countries. In support of this recognition, there is strong commitment to the prudent formulation of common principles at the EU level, linking where necessary to the key priorities set by Member States for tackling poverty and social exclusion, but in a way which embodies and reinforces the Open Method of Coordination and shows appropriate respect for both the principle and practice of subsidiarity.

The family support systems in the EU countries underwent many changes during the last decade and a half. Social reforms were necessarily the result of a compromise based on the institutional legacy of the old regimes, the advice of international institutions and the need for legitimacy and support from the middle class.

In certain States, less emphasis than expected has been placed on certain policies enabling women to combine maternal and professional roles. The policy emphasis remains often on the contribution to be made by cash benefits, with the expansion of parental leave schemes reflecting heightened support for the housewife and in some instances, the father. Thanks to parental leave schemes, the reconciliation of family and work is better viable for many women; the possibility for longer leaves allows for a flexible handling of different ways of life.

National family policies increasingly address the need to strengthen relationships between generations as well as relationships within families. Underlying all is an enhanced concern with promoting a better quality of life for all and creating opportunities for families to fulfil their hopes and aspirations. The Lisbon Strategy provides a shared policy context but the main responsibilities remain with Member States.

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