

COMMISSION OF THE EUROPEAN COMMUNITIES



NATIONAL FAMILY POLICIES IN EC-COUNTRIES IN 1991

**EUROPEAN OBSERVATORY
OF NATIONAL FAMILY POLICIES**

W. DUMON

with the collaboration of T. NUELANT and experts from members States: M.Th. MEULDERS-KLEIN, J. FIERENS, V. PRUZAN, P.S. JORGENSEN, M. WINGEN, E. STUTZER, H. SYMEONIDOU, J.A.F. CORDON, J. COMMAILLE, M. VILLAC, G. KIELY, V. RICHARDSON, G.B. SGRITTA, A.L. ZANATTA, M. NEYENS, C. PRESVELOU, C. DE HOOG, A.M. BRAGA DA CRUZ, M. WICKS.



DIRECTORATE GENERAL FOR EMPLOYMENT, INDUSTRIAL RELATIONS AND SOCIAL AFFAIRS
RUE DE LA LOI 200, B-1049 BRUSSELS

**EUROPEAN OBSERVATORY ON NATIONAL FAMILY
POLICIES**

**NATIONAL FAMILY POLICIES IN EC-COUNTRIES
IN 1991**

VOLUME I

W. DUMON

in collaboration with T. NUELANT and experts from each of the member states : M.-Th. MEULDERS-KLEIN; J. FIERENS; V. PRUZAN; P.S. JORGENSEN; M. WINGEN; E. STUTZER; H. SYMEONIDOU; J.A. FERNANDEZ CORDON; J. COMMAILLE; M. VILLAC; G. KIELY; V. RICHARDSON; G.B. SGRITTA; A.L. ZANATTA; M. NEYENS; C. PRESVELOU; C. DE HOOG; A.M. BRAGA DA CRUZ; M. WICKS.

ACKNOWLEDGEMENTS

This synthesis report is based on the 1992 national reports authored by the members of the European Observatory on National Family Policies, who act as experts for their respective countries (1). Yet, the coordinator of the Observatory, in his capacity of author of this report, is solely responsible for any error that it might contain.

I wish to thank sincerely all members of the Observatory for their stimulating cooperation and the direction and staff of the Division V/C/1 (Social Security and Social Action Programmes) of the Directorate General I (Employment, Industrial Relations and Social Affairs) of the Commission of the European Communities for their dedicated monitoring of the work of the Observatory.

Wilfried DUMON

(1) The members of the Observatory are listed pp. i-iii.

EUROPEAN OBSERVATORY ON NATIONAL FAMILY

POLICIES 1991

RESPONSIBLE OFFICIALS

at the Commission of the European Communities

Odile QUINTIN

Michèle TEIRLINCK

NATIONAL CORRESPONDENTS

Belgique - België

Marie-Thérèse MEULDERS, Director, Centre de Droit de la Famille, Université Catholique de Louvain,
Jacques FIERENS, Assistant, Centre de Droit de la Famille, Université Catholique de Louvain.

Danmark

Vita PRUZAN, Head of Research Unit, Socialforskningsinstituttet, København,
Per SCHULTZ-JORGENSEN, The Royal Danish School of Educational Studies, København.

Deutschland

Max WINGEN, President, Statistischen Landesamt Baden-Württemberg a.D., Honorarprofessor für Bevölkerungswissenschaft und Familienpolitik an der Universität Konstanz,
Erich STUTZER, Familienwissenschaftliche Forschungsstelle im Statistischen Landesamt Baden-Württemberg (Stuttgart).

Hellas

Haris SYMEONIDOU, Professor, Research Director, National Centre of Social Research, Athens.

España

Juan Antonio FERNANDEZ CORDON, Director, Instituto de Demografia, Consejo Superior de Investigaciones Cientificas, Madrid.

France

Jacques COMMAILLE, Research Director, C.N.R.S. (Centre d'Etude de la Vie Politique Française), Paris,
Michel VILLAC, Caisse Nationale des Allocations Familiales, Paris.

Ireland

Gabriel KIELY, Director, Family Studies Centre, Department of Social Science, University College, Dublin,
Valerie RICHARDSON, Family Studies Centre, Department of Social Science, University College, Dublin.

Italia

Giovanni B. SGRITTA, Dipartimento di Scienze Demografiche, Università Degli Studi di Roma "La Sapienza", Rome,
Anna Laura ZANATTA, Dipartimento di Scienze Demografiche, Università Degli Studi di Roma "La Sapienza", Rome.

Grand-Duché de Luxembourg

Michel NEYENS, Director, Centre d'Etudes et de Recherches Familiales et Sociales, Luxembourg.

Nederland

Clio PRESVELOU, Professor, Consultante of the Department of Household and Consumer Studies, Wageningen University,
Cornelius de HOOG, Associate Professor, Department of Household and Consumer Studies, Wageningen University.

Portugal

Ana Maria BRAGA DA CRUZ, Comissão para igualdade e para os Direitos da Mulher, Porto.

United Kingdom

Malcolm WICKS, Director, Family Policy Studies Centre,
London,

Chris BUTCHER, Information Officer, Family Policy Studies
Centre, London

COORDINATION

Wilfried DUMON, Coordinator, Sociological Research Institute, K.U.Leuven,
Belgium.

Tanja NUELANT, Sociological Research Institute, K.U.Leuven, Belgium.

TABLE OF CONTENTS

CHAPTER I. A GENERAL OVERVIEW	1
Belgique-België : Declarations of intent before and after the elections	1
Danmark : Harmonizing family and work	3
Deutschland : Continued process of German unification	6
Hellas : Contradictions over family policy issues	10
España : Housing : The burning question for 1991	13
France : Political transition	15
Ireland : Abortion, contraception and divorce : Emerging issues in 1991	21
Italia : Premises and promises in 1991	24
Grand-Duché de Luxembourg : Towards a selective family policy	29
Nederland : Increasing interest in children	32
Portugal : The concept of the family under discussion	35
United Kingdom : Demographic and social change continue to force family topics on the agenda	37
CHAPTER II. THE FAMILY DIMENSION OF THE FISCAL SYSTEM	41
Families (households) versus individuals as units of taxation	41
Tax allowances for spouses	44
Tax allowances for children	48
Conclusions	53

CHAPTER III. FAMILY BENEFITS	55
1. Definition	55
I. Family allowances	55
1. Definition	55
2. General characteristics of family allowances	55
3. Amounts	58
4. The notion of "child" in the family allowance statutory provisions	60
Conclusions	61
II. Other allowances	62
1. Birth allowances	62
2. Allocation at reopening of the school year	63
3. Marriage allocation / Marriage benefit	65
III. Indirect allowances / Reduction on the public transportation systems	65
IV. Non-financial benefits	66
Conclusions	66
V. Private transfers : child support	67
Chapter IV. FAMILY AND LABOUR MARKET POLICY	71
I. Protecting pregnant women in the job market	71
1. Maternity leave	75
2. Maternity indemnity	76
II. Flexitime	78
1. Flexitime	79
2. Part-time work	81
III. Parental leave / Temporary or partial career breaks	82
IV. Child care	85
General conclusions	88

CHAPTER V. FAMILY AND CARETAKING POLICY	91
I. Re-evaluating of household work	91
1. Recompensation for household tasks	92
2. Incentives for task-re-allocation	92
II. Family and care of the elderly, handicapped and other dependent persons	94
Conclusion	96
III. Family help	96
Conclusions	98
GENERAL CONCLUSIONS	99
SPECIAL TOPIC : THE FAMILY DIMENSION OF HOUSING POLICY	103
ANNEX 1. POLITICAL STRUCTURE OF THE MEMBER STATES	149
ANNEX 2. GRID HOUSING	153

TABLE OF TABLES

Table 1.	Monthly amounts (in ECU) of family allowances in the member states (31.12.1991)	59
Table 2.	Notion of "child" in family allowance legislation (member states) (1991)	60
Table 3.	Maternity leave (in weeks) in the member states (1991)	75
Table 4.	Maternity benefits for non-salaried such as self-employed (member states) (31.12.1991)	78

TABLE OF CHARTS

Chart 1.	Family Orientation of Tax Systems in the member states (1991)	42
Chart 2.	Differentiated splitting systems in member states (1991)	45
Chart 3.	Tax reliefs for spouse/cohabitee in tax systems based on the individual as a unit (1991)	47
Chart 4.	Tax allowances for children (member states) (1991)	50
Chart 5.	Tax allowances for other family members (member states) (1991)	51
Chart 6.	Family allowances (child benefits) in the member states (1991)	56
Chart 7.	Family allowances (other than child allowances) in the member states (1991)	64
Chart 8.	Public aid in the field of "child support" in the member states (1991)	68
Chart 9.	Compliance of national regulations/legislations with the minimum provisions of the EC Directive on the protection of pregnant women	73
Chart 10.	Protection of pregnant women in the job market (member states) (1991)	74
Chart 11.	Maternity indemnity in the member states (1991)	77
Chart 12.	Positive flexibility measures (for family reasons) in the member states 1991	80

x NATIONAL FAMILY POLICIES IN EC-COUNTRIES

Chart 13.	Parental leave/Career suspension in member states (1991)	83
Chart 14.	Parental leave/Career suspension in the member states, 1991	84
Chart 15.	Child care facilities in the member states (1991)	87
Chart 16.	Compensation for child care by family members in the member states (1991)	93
Chart 17.	Monetary incentives stimulating home care in the member states (1991)	95
Chart 18.	Family help in the member states (1991)	97
Chart 19.	Financial instruments of housing in the member states (1991)	137

CHAPTER I. A GENERAL OVERVIEW

BELGIQUE - BELGIE :

DECLARATIONS OF INTENT BEFORE AND AFTER THE ELECTIONS

The period analysed here was especially marked by the governmental crisis prior to the general election of 24 November 1991 and the relatively laborious forming of a new Government. Family policy could then basically be summed up in declarations of intent made before and after the elections.

The ballot has shown that there has been an overall weakening of the coalition instituted in May 1988. Among the four parties in Government, as it was last made up, two of them, CVP and SP, have reached an all-time low. The PS and the PSC are back to their 1985 positions. The success of the *Vlaams Blok*, the extreme right-wing formation, has not failed to strike the imagination. One of the factors behind this success is ascribed to this party's stance in regard to the new legislation on abortion.

The Dehaene Government agreement, reached after the elections, has a three-fold objective :

- a) integrate Belgium into the European Monetary Union (EMU),
- b) continue developing the State's federal structure,
- c) come up with a political response to the new challenges of society and citizens' new needs. The latter are considered to be basically a guarantee of citizens' safety through an improved administration of justice, better control over immigration, a more highly developed environmental policy and the institution of societal solidarity.

The Government agreement thus shows that family concerns are only incidental to the policy planned.

2 NATIONAL FAMILY POLICIES IN EC-COUNTRIES

Called in question in various ways ever since it was being drafted, the Act of 20 February 1991, altering and complementing the provisions of the Civil Code on leases, was enacted on 28 February 1991. It has had a considerable impact on the life of many families. It entails a far-reaching reform of the laws on leases, subject to their being leases for the lessee's main place of residence. Thus, in principle, its domain is the "family residence". Leases will be of nine years' duration if the lease is verbal; if the lease is in writing, but without showing any duration, or if the lease is entered into in writing for a specific duration between three and nine years. The lessor may terminate the lease to occupy the premises. At the end of each three-year period, the lease may also be terminated by the lessor if he/she plans to have reconstruction, alteration or renovation work done on the leased premises. The lessor may also terminate the lease without having to give grounds at the end of each three-year period, by paying compensation on a sliding scale depending on how long the lease has run. The tenant may terminate the lease at any time on three months' notice, but shall also pay compensation on a sliding scale, depending on whether the notice was given in the first, the second or the third year of the lease. The parties may also enter into a lease of a duration not exceeding three years, subject to such lease being in written form.

The social-security financial crisis, which has not formed the subject of any in-depth study, has resulted in certain income guarantees being called in question in the sphere of unemployment benefits and has also brought about a split between the north and south of the country, at least according to some.

A concern to keep unemployment under control, which should still be to the forefront of the preoccupations, has been placed in the background, at least for a large proportion of the public.

The previous Government had adopted various measures on harmonising family life and professional life, a subject developed in detail in the previous report. An assessment is in progress.

Family poverty has become a concern often asserted by Belgium's political leaders. There do appear to be signs of some determination to tackle the problem overall, though the basis for action is still quantitative rather than qualitative measures, such as increasing social security allowances or minimum social aid payments, except perhaps in relation to foreclosure (1).

Immigré families and the families of applicants for political-refugee status remain in a particularly precarious situation. In their regard, there have been rumours of calling in question acquired rights as invaluable as the principle of entitlement to social aid based on human dignity, with the inherent risk of jeopardizing guarantees for everyone in this respect.

Education, particularly in the "Communauté Française", has not managed to get over a long period of crisis, not only financial but also ideological. As in other countries, historically this area has always been the subject of heated debate in political circles.

Family law is still awaiting legislative reform on divorce, announced a long time ago but never implemented. Children's rights have made major steps forward, particularly in the wake of the ratification of the Convention on Children's Rights.

The various measures influencing family policy do not always fall within any comprehensive plan and tend to be the result of separate initiatives taken by the various authorities concerned. In Belgium, it is plain that the problem of the dispersion of competence between the national, community, regional and local authorities is hampering the production of harmonized, in-depth reforms.

J. Fierens / M.Th. Meulders-Klein

- (1) Cf. Bill intended to alter Articles 1408, 1409, 1410 and 1412 of the Judicial Code, inserting an Article 1409bis in the Judicial Code (Parl. Doc., Lower House, 1989-1990, n° 1114). More particularly, this Bill complements the lists of property not subject to foreclosure under the law.

DANMARK : HARMONIZING FAMILY AND WORK

Looked upon from an independent research viewpoint one reaches the conclusion that *the family situation* in Denmark at the moment is consolidating around a balance between work and family life. That means primarily that the parents are still more affiliated to the labour market. This is visible with regard to the working hours for the parents and especially mothers.

4 NATIONAL FAMILY POLICIES IN EC-COUNTRIES

The interesting point here is whether mothers to a greater or smaller degree have part time work compared to, for instance, 10 years ago. The latest research analysis in this matter shows, that mothers with children under 6 to a still higher degree have full time work. The proportion of mothers working 36 hours or more was 29% in 1980 compared to 43% in 1990.

The decision to part time work for mothers depends on the number of children, the age of the youngest child and the work position of the mother. The role of the father as part of that decision depends on the social background.

As far as the age of the youngest child is concerned a higher number of mothers with children between 7-14 have part time work - compared to mothers with children age 0-6. A surprising result - which might be explained by the fact that the group of young mothers more often are placed in a position with the aim of establishing themselves on the labour market and in a home- and housing situation.

The influence from the man on a woman's decision for part time work is of that kind that for the group of women in career positions there is a tendency to work more the higher the income of the husband. Women in lower (career) positions are clearly influenced by the income of the husband in their decision about part time work (if they can afford it, they choose it). For the wage-earning group of women no clear link could be observed between part time work for the woman and income level for the husband.

The conclusion so far might be, that women with an educational background will be inclined to decide about part time work more from personal motives than from the context of family and husband income.

The perspective in this conclusion is, that still more women in Denmark could be considered as being in a career position and therefore choose working hours and length of working time irrespective of husbands' income and age of the child. They make up their mind on personal motives.

As far as *family policy matters* are concerned two tendencies seem to dominate the debate and the measures put into action. The one is the effort to implement a strategy for harmonizing family and working life. Of special importance here is flexitime and parents' possibility to be off duty up to a certain number of days a year to take care of sick children. The other tendency is concerning daycare arrangements. Although Denmark has a high coverage of places in daycare compared to other European countries there exist also a waiting list comprising especially children below the age of 3.

The tendency seems to be towards giving families a greater amount of individual choice in their efforts to reconcile family work and working life.

There is for example on the one hand a continuing debate on whether to raise childrens' cash benefits and thereby compensate parents for loss of income if they decide to be more together with their children at home. A small step was taken in this direction as a consequence of a general political agreement in 1991 in so far as the benefits to small children were raised significantly. The politicians undoubtedly had in mind that small children in Denmark cost a lot of day care money and perhaps the raise would ease the pressure on the public day care system.

On the other hand however parents seem generally very satisfied with the day care system - but at the same time very dissatisfied with the cost which is especially high for small children. There is no doubt that there is a consensus in most of the political parties that public and high quality day care institutions are here to stay. Another effect of the 1991 political agreement therefore was a lowering of parents' payment to institutional care and a lowering of parents' payment when siblings attend day care facilities.

This has of course not alleviated one of the greatest areas of discontent - the waiting list especially for children under the age of 3 years. This is perhaps surprising taken into consideration the high coverage in Denmark compared to all other EC countries of day care places.

Local authorities generally seem to be tackling this problem not by a simple extrapolation of existing policies i.e. establishing more day care institutions, but by restructuring institutions. The aim seems mainly to be the introduction of a greater element of timerelated payments and a greater daily flexibility. Parliament is supporting this policy.

In the spring 1992 two important pieces of legislation seem to be successfully carried through Parliament as a consequence of the general political agreement ("The Child Package") in 1991.

Parents' influence on the running of day care institutions is to be regulated by law giving parents an important influence on the everyday life of the institutions. The other piece of legislation concerns the legal status of children. Public debate had criticized insufficient legal protection - especially when children are forcibly removed from their home - and insufficient follow-up action taken in cases of child abuse. The proposed legislation suggests a stronger legal position for a child down to the age of 12 years and the obligation for the local authorities to take action to implement a detailed plan of follow-up. Debate has been heated and has especially been taken up by those who in all respects wish to defend the right of parents to keep their child at home at almost any cost. However, it seems that a political consensus is maturing so that the Bill will be carried through Parliament in the spring of 1992.

All in all one might say, that the Danish situation seems to be characterized more by a deepening of an already laid implementation strategy than by the invention of new strategies.

P. Schultz Jørgensen / V. Pruzan

DEUTSCHLAND : CONTINUED PROCESS OF GERMAN UNIFICATION

In early 1991, with the start of a new parliamentary term for the German *Bundestag*, important perspectives for real developments in family policy were defined in the coalition agreements and government statements. At the same time, the Ministry for the Family and Senior Citizens (*Bundesministerium für Familie und Senioren - BMFuS*) was created by dividing up the former Federal Ministry for Youth, Family, Women and Health. In this way - not least in response to demographic trends - a clear emphasis has been placed on policy with respect to old people and senior citizens, alongside family policy, thus elevating this policy area to ministerial level for the first time in the European Community. The *BMFuS* is also responsible for social welfare policy (the third major pillar of the German social security system), which affects the living conditions of, in particular, poor and socially disadvantaged families in many ways (problems of poverty in the broad sense caused by social marginalisation). Thus, nation-wide, the initial conditions have been changed at an institutional level, in conjunction with the establishment of family policy objectives for the new parliamentary term. This new arrangement has yet to be tried and tested.

The fundamental judgments handed down by the Federal Constitutional Court in the summer of 1990 were and still are of considerable significance for the development of family policy. These judgments established that the subsistence level for children should be exempted from income tax. The minimum social security requirement (income support) is used as the point of reference. These decisions of the highest German court may well serve as a model for other member states of the Community.

Against this background, the Taxation Amendment Act 1992 deserves a special mention. By raising the directly paid child benefit (for the first child) and the income tax allowances for all children (with a corresponding increase in the child benefit supplement for low-income families) this has clearly helped to ease the financial burden on families. Thus, the child-related relief for families as

required under constitutional law was perceptibly improved. On the macro-economic level, this revision of the law has meant an increase in the volume of payments by approximately 7 billion DM per year. If the objective of exempting the subsistence level for children from tax is to be implemented in the future, family income support measures will have to be increased continually to keep pace with the changing cost of living. Only time will tell the extent to which this will also lead to desirable structural changes in the existing twin-track system (of direct child benefit payments and income tax allowances for children). The Taxation Amendment Act of 1992 also extended the measures to promote private home ownership. It is intended, in particular, to help families purchase their own homes. However, the promotional measures have received considerable criticism in the debate on social and housing policy, on the grounds that it is associated with unequal preferential treatment; comparatively large incentives are effective in the higher income brackets, in the average income brackets the incentives are much more limited in effect, whilst in the lower income groups these promotional measures are practically never taken up by families with (several) children. Consequently, for reasons directly related to family policy, further consideration will have to be given to measures which promote private home ownership in a different way.

In 1991, an important step was taken concerning the development of a family policy centered on the different family cycles and on the beneficiaries. For children born after 1 January 1992, parental leave, with guaranteed employment after this period, has been extended (from two) to three years. In addition, for children born after 1 January 1993, the parental benefit period (which is income-related after the first six months) will be increased from the current 18 months to two years. With respect to placing natural children on an equal footing with those born in wedlock, it is worth emphasising that, under certain conditions, the parent without custody may also claim parental benefit. The discrepancy between the three-year parental leave and two-year period of parental benefit which remains after this improvement in the law is surmountable since the Federal States can provide a local parental benefit in the child's third year, as is the case for example in Baden-Württemberg. Naturally, in order to guarantee a reliable system of payments under family policy for the families concerned, it would be highly desirable for the conditions for receipt of national parental benefit to be as close as possible to those for the benefits paid by the Federal States, which is not the case in Baden-Württemberg.

For single parents, there have also been important changes in the system to safeguard maintenance for children where maintenance payments are not received. These changes were drawn up in 1991 and have since been adopted. The Advance Payments Maintenance Act, which takes effect from 1 January 1993, raises the age of the child up to which the state maintenance payment can be guaranteed, from 6 years at present to 12 and, in the future, payment will continue for a maximum of six years (instead of the current three years). Thus, advance maintenance payments can also be made for children after the age of six who, for example, are economically disadvantaged as a result of separation and divorce of the parents.

If a family policy is to be regarded as a social structural policy, it should also consider those basic requirements for living conditions suitable for families which fall outside the scope of state legislation. In this context, the increasingly lively debate on the options (and limits) of company policy and collectively-negotiated agreements on creating family-friendly conditions of employment is to be welcomed. Appropriate initiatives from the private sector are not only being monitored closely by the national and regional governments, but are also being encouraged and supported wherever possible. Here, the main starting points are creation of the right conditions for flexible working hours, the provision of more part-time jobs, because until now they have been too few and far between, in particular for skilled jobs as well, the development of company parent support plans (rather than support for women alone) and the promotion of creche facilities, either close to the workplace or actually within the company. Furthermore, special consideration should be given to regulations, particularly those of large companies, which, within the framework of their company social and family policy, offer young parents the opportunity to extend their parental leave with guaranteed employment afterwards beyond the legally stipulated limits - until the child reaches the age of six or seven. Until now, such regulations have met with considerable reluctance, particularly on the part of small companies. Even the proposals put forward in discussions, to remove undeniable problems where possible through inter-company cooperation schemes have, until now, met with almost no response in practice.

For many years now, the family organisations in the Federal Republic of Germany have worked side by side with the government in the development of family policy. Here, in 1991, the efforts to set up corresponding agencies in the new Federal States have been intensified where these did not exist in the former GDR. The family organisations, which have been directly supported in the new

States by the Federal government, are able to provide family advisory services, which until now have been few and far between in the new Federal States. It appears, therefore, all the more important to establish liaison offices in 17 cities for self-help groups that could act as initial points of contact for advisory services.

Finally, the initial steps to construct a territory-wide network of pregnancy advisory centres in the new Federal states is of particular significance. In the meantime, around 170 pregnancy advisory centres have been supported with financial assistance from the State. Concrete assistance to individual families, e.g. measures to improve the housing situation for such families by renovating and building accommodation suitable for children, has been provided, particularly through a "Relief Fund For Pregnant Women In Need", which was established after the unification treaty was signed. This was more or less equivalent to the national foundation "Mother and Child - Protection For The Unborn Child" which exists in the old Federal States. The intention is to replace the relief fund in 1993 by a national foundation, which will then cover Germany as a whole.

As the two parts of Germany grow together, special attention should be paid to the endeavours to improve the situation of families in the new Federal states in a targeted manner. To this end, it is necessary to critically evaluate such findings as the unusually sharp drop in the birth rate (and marriages) in the new Federal states. (There, the net birth rate has dropped to less than 0.5 and is clearly much too low). In the new Federal states family policy faces the challenge of a range of problem situations giving cause for concern. These are associated with unemployment, the particularly acute lack of accommodation, debt and unresolved property ownership disputes.

On the academic front, a report by the Academic Advisory Committee for Family Matters deserves a special mention. This puts forward "Guiding principles and recommendations on family policy in the unified Germany", in which the advisory committee comments on the development of the social security system, the establishment of more family-friendly working conditions, the provision of more creche facilities and on family planning and advisory services. This contribution to the shaping of political opinions rightly assumes that, in addition to economic and financial policy, family policy as relating to the establishment of uniform living conditions within a unified Germany should also be regarded as being of the utmost importance. The advisory committee advocates that economic policy on one side and family policy on the other side be placed on an

equal footing. The ideas put forward to develop family policy geared to the present day and specific requirements should influence both the continued process of German unification and, ultimately, the further development of social and family policy within the European Community.

M. Wingen

HELLAS : CONTRADICTIONS OVER FAMILY POLICY ISSUES

In the field of family policy, 1991 saw a sharp debate over the country's demographic problem. The question was discussed in Parliament and in the daily and periodical Press, and an all-party committee was set up to investigate the demographic problem.

The Government had already displayed its interest in, and sensitivity towards, the demographic problem in 1990, when it introduced a series of measures to support large families, and, in particular, the allowance of 34,000 drachma (= 132 ECU) for the third child (Law 1892/90). Granting of this allowance began on 1 January 1991, but since it is not index-linked it has already lost a significant proportion of its value. The year 1991 also saw the imposition of a 10% tax on such allowances (Law 1947/91), once more provoking comment in the Press on the contradictory nature of government policy : the imposition of the tax gave the impression that the Government was partially taking back a benefit for large families which had been very widely debated and whose importance had been emphasized.

It should be noted at this point that family allowances in general continue to be low. Almost all the alterations which came about in 1991 resulted (directly or indirectly) in a drop in disposable family income when seen in combination with the large increases in the prices of foodstuffs and fuel during 1991 and 1992.

The fact of the abolition in 1991 of certain rights which had been obtained by large families in connection with the education and vocational training of their children was another contradiction in the Government's pro-natalist position. Specifically, by Law 1966/91 restrictions were placed on the system whereby the children of large families received preferential treatment in transferring from one university to another.

In the field of employment, job opportunities for the children of large families were restricted in 1991 with the abolition of the extra points awarded for children in the system of objective assessment for recruitment by the State (with the exception of some low-level posts).

There has been widespread debate over the new draft tax law, which has been tabled in Parliament. The provisions of this draft law will strike a further blow at family finances, since they reduce tax relief on children. The Government has backed down in one respect, in that the system of tax reduction on the basis of family status, announced in January, has been abolished before it even came into force. Furthermore, no provision will be made in 1992 for the deduction of expenses (on the basis of official receipts) from taxable income, which when it was in force could, in the case of a taxpayer with a family of three, reach 650,000 drachma (= 2,517 ECU). The abolition of this system will hit large families harder than others, since the greater part of taxes (around 80%) consists of indirect taxation.

The new draft tax law has already come in for criticism from the General Confederation of Labour of Greece, the civil servants' trade union and the opposition parties, while the Confederation of Greek Industries has come out clearly in favour of it. Those who disagree with it point out that it favours high and middle-range incomes while throwing the burden on to lower ones, and that the unequal balance between direct and indirect taxes consistently hits wage-earners and pensioners and their families hardest.

In the field of housing, the year 1991 saw the introduction of new laws on housing loan interest rates in relation to the family and concerning rent subsidies in accordance with family status and the number of children. These provisions are important because they bring about a considerable reduction in interest rates for those with large families.

Among references to housing in the new draft tax law are the abolition of property tax as of 1.1.1993, reductions in the taxes on bequests, donations and parental gifts, and more favourable provisions for property transfer tax relief on first residences. These measures are of course favourable, but only for more prosperous families.

Under the '*convergence plan*' prepared by a special committee and containing proposals for convergence between the Greek economy and the rest of the Community, new taxes will be raised over the next five years and the real income of working people will fall at a rate of 1% per year. This will have a direct

impact on the financial position of families. It is also proposed that pensions should be frozen for the next five years. This plan is still no more than a proposal, however, and for the time being, the Government seems unlikely to adopt it.

In pensions, legislative arrangements introduced by Laws 1902/90 and 1976/91 attempted to bring about equalization of pensions conditions for men and women, by partly abolishing the current advantageous arrangements for women. As a result, the right of married women employed by the State to retire after only 15 years of service and regardless of age has been modified : now, only women who were recruited by the State before 31 December 1982 will be entitled to retire after 15 years, and on certain conditions involving marital status and the age of their children.

The financial situation of pensioners and their families is expected to decline still further in the near future. The increasing cost of living is diminishing the purchasing power of most pensioners. In 1991, with inflation at 18.9% (over the period from January to December), the purchasing power of pensioners and their families fell by 7.9%, and the projection for 1992 is for it to fall by a further 9.5%.

Furthermore, since by virtue of Law 1902/91 the pension increase paid by IKA (the Social Security Foundation) as of 1 January 1991 is equal to the percentage by which the salaries of civil servants are increased, the zero increase in the latter will mean that IKA pensions, too, stay frozen for 1992.

These developments are of particular importance for pensioners and their families when it is borne in mind that apart from cost of living increases they also have to face higher expenditure on pharmaceutical care outside hospitals. Law 1902/90 imposed on those insured with the civil servants' pension fund and others (and their family members) the obligation on the part of the recipient of treatment to pay 25% of the fixed price of the pharmaceutical preparation. In addition, treatment in the out-patients' clinics of hospitals has ceased to be free (a small charge is made), and the possibility of introducing a higher charge for patients who are admitted to hospital is being discussed.

Lastly, some changes were made in 1991 over the question of the families of foreign nationals whose residence in Greece is lawful. Law 1975/91, which determines the system by which foreign nationals may enter, leave, reside and work in Greece, the conditions for their deportation and the process for their recognition as refugees, extended to all foreign nationals the principle of the 'family entity' already applied to refugees by virtue of the Geneva Convention of

1951. Thus, if a residence permit has been granted to a foreign national, his/her children under the age of 18 years may also reside in Greece, as may his/her parents.

H. Symeonidou

ESPAÑA : HOUSING : THE BURNING QUESTION FOR 1991

While 1990 saw huge legislative modifications to the core of family policy, with alterations in the scheme of family allowance for dependant children and the introduction of a non-contributive option for retirement and permanent disability pensions, 1991 is better described as a year of consolidation, with, nevertheless, some new ideas which affect the family.

Moves to standardise the welfare system carried on through 1991, with the coming into force of the extended right to family allowance for the entire population, and the granting of non-contributive pensions for retirement or permanent disability to all persons resident in Spain. This latter innovation institutes in fact a guaranteed minimum income for all and will make it possible, for instance, to fill the various gaps in the contributive system (e.g. the case of "widows of fact") and the various individual cases which are not covered by the range of Social Security schemes.

Another huge reform is now taking place in the field of infant education, and is part of the general reform of the education system passed in 1990. Infant education is in two phases, one from 0 to 3 years, the other from 3 to 6 years. It is non-compulsory, but the law undertakes to provide all the places necessary to meet all the demands. The low level of enrolment of children under 3 in school and the huge inadequacies in the current system of child-care provision calls for a long setting-up period, four years for the second phase of the infant period and ten for the first.

The important line of actions aimed at child protections has been continued in 1991. As far as legislation is concerned, the important point is a new law, which is now under discussion at the Parliament, introducing important changes in the functioning of Children Courts (*Tribunales Tutelares de Menores*), based on protection of the child rather than on punishment, as it was before. The presenta-

tion of the project by the Government follows a previous recommendation from the Constitutional Court.

It has taken three years' work to produce the Plan for the Elderly, a vast nationwide project to be implemented during the nineties. To begin with, the Plan is a statement of the current state of knowledge on demographic ageing, the problems which affect old people and the resources available for dealing with them: the beginnings of a needs analysis. The initial aim is to improve the quality of life for the elderly, while at the same time modifying social values with a view to achieving better social integration. The measures contained within the Plan affect all spheres of action: retirement pensions, health and sickness benefit, social services, culture and free time and social integration. To take an example more closely related to the family, let us quote the development of schemes for medical care at home, structural adjustment of living accommodation, programmes for elderly people being adopted by families, further development of home help programmes, the setting up of Day Centres and the provision of short-term stays in Residential Homes, so that the families of the aged can go on holiday. It is beyond question that a coherent family policy must take the needs of the ageing population into account, for the majority of them live with their families and their problems cannot be solved without a high level of family involvement.

Abortion was high on the agenda in 1990 and has remained so in 1991. There is a debate between those in favor of allowing abortion where the socio-economic situation of the woman calls for it, in addition to the other three instances already accepted, and those who advocate a law authorizing abortion carried out during a certain period after conception (*la ley de plazos* = limited term law). Contrary to all expectation, this question was not resolved when the proposal for modifying the penal law was put forward, but the government has undertaken to set out a solution before the end of the current parliamentary session. The constitutional nature of a law based on the duration of a pregnancy is the core of this debate, and it is hard at present to foretell the outcome.

Housing has been, without question, the burning issue of 1991. The housing crisis in the big cities seems to have reached such heights that it is one of the major preoccupations of city-dwellers. The impact on the family is of particular importance insofar as the difficulty or even impossibility of finding somewhere to live especially affects young people seeking to leave home, often to start a family of their own. The consequences of this are that marriages are delayed and young

people obliged to move out of big cities, which in turn accelerates the ageing of inner city populations. The government has approved a Housing Plan, known as the Plan 460,000 because it aims to provide housing for 460,000 people within four years. The Plan contains important innovations in comparison with earlier policy and has been well received, both by those who would be housed and by the various other participants in meeting this target (developers, builders, lenders, etc.). The aid scheme linked to the Plan is essentially based on subsidising interest on loans and providing direct assistance to buy. There are special provisions for helping first-time buyers and to encourage renting property. Help will depend on income, but the range of possibilities is very broad, permitting a very high proportion of the population to take advantage of it.

It should be pointed out that the body of legislation which constitutes the new housing policy does not fully allow for diversity, as regards the apportioning of subsidies, nor for the problems created by an increase in family size, especially as occurs with the arrival of a third child, often making it necessary to move house. The priority of this policy is to solve the main problem in this sphere of Spanish society : first-time housing for the young. It may in this way be decisive in solving a problem which doubtless weighs heavily on Spanish demography : the late marrying age, which to some extent, explains why in recent years people have been having their families late in life. It is for this reason that the present housing policy may be considered in the fullest sense a policy which supports the family.

J.A. Fernández Cordón

FRANCE : POLITICAL TRANSITION

We shall confine ourselves to four aspects which bear witness both to certain new realities in French family policies and factors that may be indicative of possible new trends. These four aspects are the following : (1) political transition; (2) internationalisation; (3) child-centred family reconstitution; (4) the "economisation" of the domestic place.

1. Political transition. This heading covers what appears to us to be a period of waiting before major choices of direction are made in French family policy.

From the institutional point of view there is the symbolic value of the fact that subsequent to the events which occurred in summer 1991, orchestrated by the

children of "repatriated" parents born in Algeria, the Secretary of State for the Family was given responsibility for repatriated nationals in addition to the elderly. Similarly, the Senior Council for the Population and the Family, a body placed within the ambit of the President of the Republic and chaired by him, is about to be renewed (1).

It is within this institutional context that the debates on family policy are taking place. The National Union of Family Associations (UNAF) reacted to the level of increase in family allowances : in 1992 the increase was 2.8% instead of over 3% as demanded by UNAF. This reaction came with a demand for a guidelines law on the family ("the need to have the nation commit itself with a guidelines law") appears to coincide with prospects for preparing a framework law (some sort of exploratory mission is in progress and a group of senior public servants and experts has been formed in the last few months).

However, there remains the issue of reaching a compromise between the various positions. The Secretary of State for the Family, Senior Citizens and Repatriated Persons stressed the differences himself : "There is a long-standing debate on the purposes of family benefits. Is their purpose to be an incentive to have children, to provide aid related to children's upbringing, disregarding the family's means, or support for the most needy families ?" (2).

Whereas "the debate on the birth rate has long since been decided upon", the Secretary of State tends rather to underscore his own conception : "I am in favour of a policy of solidarity and therefore of aid to the less privileged families", in contrast to the more family-centred tendencies preferring maintenance of a "universal" benefits system. Such positions find expression more particularly in a report from the Economic and Social Council drafted by Mr Hubert Brin which was presented on 24 September 1991. In the report, among other measures, a proposal is made to revise the method for computing family allowances and to create a "social indicator" taking account of "the average cost for maintaining and bringing up a child" as a function of his/her age, rank (e.g. a second child is relatively less costly than a first child, while a third costs much more than the other two), parental income. This report also emphasises the need to maintain the autonomy of the family sector in the social security system (the surplus in this sector is thought to be 6,000 million French francs in 1991 and almost 11,000 million in 1992). This stands in contrast to the position expressed by the Secretary of State who sees a need for solidarity between sectors.

Side by side with these practical proposals, what is most striking is that the tone of the report is in consonance with a more general outlook that might be termed non-interventionist (was not the measure proposed in this report to have studies

conducted?!). It would be more a matter of assisting families to achieve their ambitions than attempting to modify their ambitions. This is an interpretation of family policy in France which is thought to be becoming a majority position, including its justification of a policy for a third child.

Also worth noting in this debate is the use, made by the proponents of the various positions, of the term "comprehensive" (a "comprehensive family policy") which seems to be ambiguous and a source of confusion. As used by the Secretary of State, the term appears to designate a conception according to which family policy is part of a general policy of solidarity. As used by those defending family policy, the term tends rather to stress the fact that family policy is not only a benefits policy but one which relates to "every field of daily life".

Beyond its relatively context-driven aspects, this debate nonetheless falls within a clear trend towards "*socialising*" French family policy. Indeed, it is a policy which appears to be more and more of a "commonplace" in the framework of a social policy aiming for objectives appearing to be high-priority ones in respect of poverty and the restoration of the social fabric. This is certainly the appropriate interpretation of, for example, the Act of 31 December 1989 on deprivation and the settlement of difficulties related to the over-indebtedness of individuals and families, the Acts on accommodation for the needy, the implementation of an urban policy and more particularly a policy for "the social development of urban districts", confirmation of the minimum social income (RMI), together with the possibility of instituting a family scale and including a single-parent allowance (API), the increasing attention given to young people with respect to their social and vocational integration, etc. Ideological and political positions on the French family are in fact becoming more and more difficult to categorise insofar as they blend with the classical requirements of family policy (assisting families with dependent children, for example, enhancing population growth or presenting the family institution) and social requirements that it is increasingly difficult to circumvent. It is thus that measures to improve reconciling family life and vocational life, a better initial environment for young children, a possible increase in the parental education allowance (APE), with their apparent ideological and political consistency, potentially contain highly divergent intents: incentive or free choice, expanding or altering the APE to foster a return by women to greater family involvement (3) or, with reference to the unemployment problem, to remove women from the labour market and unemployment statistics, etc.

It is doubtless this telescoping of requirements which go some way to explaining the fact that taxation of family benefits, up to now the subject of impassioned debates in French society, is increasingly becoming unavoidable, be it by conviction or by virtue of a sense of realism, to a lesser or greater extent one of resignation.

2. Internationalisation. French public opinion is thought to be becoming increasingly sensitive to the power of supra-national bodies concerning what we might call "family guidance". Their resentment has certainly been exacerbated by a series of cases which were given much publicity in the media and which were at the centre of much socio-political debate. After the "Pinna" Judgment (the judgment by the European Court of Justice of 2 March 1989 ruling that France, like other EC States, had to pay European nationals residing on its territory French family benefits even if the members of the family were residing in another EC country) (4), was it the judgment that obliged France to comply with the decision of the European Court of Justice in respect of women doing night work, was it a decision by the Lyons Court of Higher Instance granting the natural father custody of a child, based on a reference to the International Convention on Children's Rights, was it a decision by the Secretary of State for the Family, Senior Citizens and Repatriated Persons to convene a group of university experts with a view to approximating French legislation to the International Convention on Children's Rights, it has taken the shape of a Bill proposing that the right of succession of children born out of wedlock be fully aligned on the rights of other children, particularly by virtue of the principle of non-discrimination on account of birth reasserted by the International Convention on Children's Rights.

3. Child-centred family reconstitution. Increasingly the only stable landmark in the family is the child, and a token of this is the increasing interest of the public authorities in children, as if any somewhat explicit resolve to structure an "individual", even different from the traditional family, would first of all be through the child. There are several Bills witnessing this tendency: the Bill on descent (registrar entry in the event of natural descent, the principle of freedom of testimony when proving natural descent judicially); a Bill on succession proposing that the rights of succession of children born out of wedlock be totally aligned on the rights of other children; Bills on bioethics instituting *inter alia* what might be termed biological rights parallel with civic and social rights.

4. *The "economisation" of the domestic place.* In France, some measures have been introduced to foster the development of "family jobs". It is worth recalling some of the most significant aspects thereof :

- fiscal measures : as from 1 January 1992, employing salary-earners at home (for household tasks, child minding, assistance to the elderly or the disabled, etc.) will entitle the employer to an income-tax rebate of 50% of the expense with a ceiling at 25,000 FF (= 3,761 ECU) par annum;
- the granting of legal status for State-recognised associations which place workers with private individuals;
- training for the salary-earners concerned;
- the simplifying of income-tax return formalities for household employers and exemptions in respect of employers' contributions.

These measures go hand in hand with a whole range of provisions already enacted or various projects also designed to contribute to the development of such "family jobs" :

- as from 1 January 1991, "family aid to employ an approved mother's assistant" replaces the special mother's assistant benefit, and the particulars of such aid have been laid down (more particularly exemption from employers' contributions initially followed by the granting of benefits in 1992);
- the Act of 10 July 1989 has been supplemented by application texts with a view to initiating employment by private individuals, in their homes, for remuneration, of elderly persons or disabled adults; aid paid to such persons in employ is also provided for in some cases by some pension funds;
- home-care benefits have been initiated by the National Employees' Old-Age Insurance Fund (CNAVTS) to meet the needs of the elderly;
- a Bill proposes improving the status of mother's assistants including an increase of remuneration and a change in the terms for approval (a simplification of procedures to provide an incentive for mother's assistants to seek approval by lowering the requirements).

The policy to create "family jobs" has, since 11 January 1992, been the subject of a national information campaign well covered in the media. Besides its potential practical effects, we believe it has a strong symbolic message. First and foremost, these measures are presented as a means to combat unemployment; family policies, therefore, like other social policies, are centred on employment as the number-one objective : creating jobs in the domestic area, bringing some activities out of the black market, doing away with the fake unemployed (the plan put forward is to create 100,000 to 150,000 part-time jobs including "whitening" black work; the project also involves increasing the number of mother's assistants).

However, we wish to submit that the measures adopted might be aimed at contributing to re-establishing the "family space" as a functional environment between the "public space" (the State, institutions) and the "market space" (undertakings). This ambition to give the family new functions is not solely economic in nature : side by side with the expression "family jobs" is to be found the expression "neighbourhood jobs" as if by re-invigorating the family space as a functional one might also contribute, though not without some confusion, to re-animating the social fabric (5).

J. Commaille*

- (1) The renewal took place after the French report have been written.
- (2) "Un entretien avec M. Laurent Cathala. 'Une politique familiale efficace doit être globale' nous déclare le Secrétaire d'Etat à la famille" ("An interview with Mr Laurent Cathala. 'Any effective family policy has to be comprehensive', asserts the Secretary of State for the Family"), *Le Monde*, 1 October 1991.
- (3) During the Health, Solidarity and Social Protection Convention held by the major opposition formations in 1991, it was proposed to transform the parental education allowance into a "free-choice allowance as from the second child", by virtue of the principle that "mothers could suspend their vocational activities for a time in order to bring up their small children" and thus they would be "given the means to be free and at the same time the mother's work in the household would gain recognition financially and socially."
- (4) A technical working group was set up to examine how to implement a compromise in this sphere.
- (5) The President of UNIOPSS, François Bloch-Lainé, sees family jobs as a possible means to "promote neighbourhood solidarity" because "neighbourhood services, while generating economic activities, can also prove to be spaces which create or re-instate social relations which cannot be reduced to mere monetary exchanges", *Actualités Sociales Hebdomadaires*, 1992 (1771).

* We have been able to take advantage of the remarks and suggestions made by Michel Villac. We are most grateful to him.

IRELAND : ABORTION, CONTRACEPTION AND DIVORCE : EMERGING ISSUES IN 1991

The year 1991 saw a continuation of the demographic trends of recent years. The average birth rate was 15.0 per 1,000 population. This is higher than 1989, when the birth rate was 14.7 but 0.1 lower than 1990. However, these rates as observed by Clancy (Clancy, 1991) are more likely a reflection of a postponement of maternity rather than a change in trends. The number of births outside marriage continued to rise to 16.6% of all births registered in 1991 (Report on Vital Statistics for 1991, Department of Health, Dublin, 1992). The marriage rate for 1991 was 4.8. This is a drop of 0.2 from 1990 and is in line with the continued decline from 7.4 in 1974 (Report on Vital Statistics for 1991, Department of Health, Dublin 1992).

The Programme for Economic and Social Progress (PESP) agreed between the Government and the Social Partners was published in January 1991. The Programme laid out a strategy to accelerate economic and social progress in the nineties. In the absence of any explicit family policy, this Programme contains significant measures that affect families. The Programme provides for major structural reform in achieving social equity, including a reform of the Social Welfare System. The 1991 Budget reflected some of these reforms. While the changes fall short of the needs of many families dependent on social security payments, the increases in payments and their rationalisation need to be seen within the context of the overall direction of the reforms and the attempt of the Government to keep the payments above the level of inflation. Ireland's expenditure on Social Welfare, as cited in the Programme, is 17% of GDP, compared with an average of 14% for OECD countries as a whole.

The economic condition of the families of the long-term unemployed and small farmers continued to be a major concern. The rate of unemployment for 1991 was 19.1 compared to 17.2 for 1990 ("Economic Series, February 1992", Central Statistics Office, Dublin 1992). The percentage of recipients of Unemployment Benefit and Assistance with child dependants was 40.9% in 1990 (latest year figures available), which represents 237,000 children ("Statistical Information on Social Welfare Service", Department of Social Welfare, Dublin 1990, p.53). The number of child dependants of recipients on Weekly Social Welfare Payments including unemployment payments in 1990 was 434,462, which represents 12.4% of the population (Statistical Information, p.7). The media, the trade unions, the Combat Poverty Agency, and the political parties continued to identify

unemployment as one of the most important factors contributing to poverty. The Government announced its intention of establishing a special task force to tackle the problem of unemployment following a meeting between Government Ministers and the Irish Congress of Trade Unions in June 1991. However, the need for a national forum on job creation continued to be advocated by pressure groups, the trade unions, and the other political parties.

The Review Group on the Treatment of Households in the Social Welfare Code published its report in 1991. The Review Group was established by the Minister for Social Welfare in 1989, following a decision of the Supreme Court that gave co-habiting couples the same status as married couples for the purpose of various social welfare payments. The changes were incorporated in the Social Welfare Act (1991). One result of these changes was that payments for co-habiting couples, who up to then were treated as single, would be equalised downwards to that of married couples. However, they became eligible for Family Income Supplement, which up to then did not apply to non-married families. In addition to the treatment of co-habiting couples, the Review Group also address the needs of other household compositions.

According to a number of public opinion polls, there was a rise in public support for the removal of the constitutional prohibition of divorce. They ranged from 64% in favour in one poll (Irish Times/MRBI Poll 22/4/91), to 85% in favour in certain circumstances (Sunday Press/Lansdowne Market Research 7/4/91). The Government promised a White Paper on Marital Breakdown by the Summer of 1991, but this White Paper has not been published yet. The most recent figures on the extent of marital breakdown are from the 1986 census of the population. However, the number of recipients of Deserted Wife's Benefit and other weekly social welfare payments to separated spouses have continued to increase, as reflected in the Statistical Information on Social Welfare Services 1990 (latest figures available).

New legislation was introduced in 1991 which extended the protection of part-time workers to those part-time workers who worked less than 18-hours per week (Worker Protection (Regular Part-time Employees) Act 1991). Additional legislation on social insurance cover for part-time workers was also enacted. An estimated extra 20,000 part-time workers would benefit from the changes which included maternity leave, protection against unfair dismissals, holidays, and redundancy payments. When introducing the legislation, the Minister for

Labour said that over 70% of the women in part-time employment were married. This legislation therefore has important implications for families.

While there was no general increase in Child Benefit, the higher rate of benefit became payable for the fourth and subsequent children. There were various increases in child dependant payments which reduced the number of different rates to three. This change is in keeping with a move to a single rate, as recommended by the Commission on Social Welfare (1986). Also, child dependant payments became payable up to age 21, if the child is in full-time education, for all long-term benefits.

The Government published a policy document on housing in 1991, entitled "A Plan for Social Housing". This is a significant policy development and was generally welcomed. Among the changes proposed, the plan aims to encourage low income households to buy their own houses through a co-ownership scheme with local authorities. The plan aims to replace the existing policy of building large-scale local authority housing estates with a socially integrated approach which includes the purchase of houses from the private sector. The plan also provides for improved grants to voluntary housing associations. The Plan for Social Housing was generally welcomed because there had been a decline in local authority house-building in recent years and a corresponding rise in the numbers on waiting lists.

The Child Care Act 1991 was passed into law during the year. This was an important piece of legislation since it is the first major change which has taken place in child care legislation since the passing of the Children's Act 1908, on which the current child care provisions are based. The new Act has resulted from many years of pressure group activity. The Act up-dates the law in relation to children at risk, giving Health Boards responsibility to promote the welfare of children who are not receiving adequate care and protection, and empowers them to provide child care and family support services. The Act redefines a child to mean a person under the age of 18, therefore extending the age by two years.

The initial impact of this legislation is marginal, however, since its implementation depends on large increases in resources which are not currently available. The Government intends to implement the Act on a phased basis over the next seven years. Unfortunately, the Government did not take the opportunity to undertake a complete revision of the administration, legislation, and services

relating to children. Responsibility for children remains divided between the Departments of Health, Education, and Justice. The juvenile justice system was not addressed in the new Act. This is one of the areas which needs attention in order that the Government can move towards ratifying the United Nations' Charter on the Rights of the Child (O'Malley, 1990).

During 1991, there were changes in legislation, the Social Welfare Code, in rates of benefits, and in other areas which directly or indirectly affected families. However, family policy in Ireland remains implicit, and any changes or developments affecting families are indirect rather than as part of specific family policy measures. Discussions in the media and statements emanating from official sources which have centred around the family have concentrated more on the moral issues which are regarded as supporting the traditional family, rather than on the development of a comprehensive family policy. It would appear that the agenda for 1992 has already been set around the issues of abortion, contraception, and divorce, all of which have begun to emerge in 1991. It is these issues which are likely to be central in any family policy in Ireland in the near future.

G. Kiely / V. Richardson

References :

- Clancy, P. Irish Nuptiality and Fertility Patterns in Transition. In Kiely, G., V. Richardson (Eds.). *Family Policy: European Perspectives*. Dublin, Family Studies Centre, 1991.
- O'Malley, T. *The United Nations Convention on the Rights of the Child - A Challenge for Ireland*. The Council for Social Welfare Conference 1990, Unpublished paper.

ITALIA : PREMISES AND PROMISES IN 1991

Despite the emphasis given to the family on the political scene, no substantial change characterized the field of family policy in 1991. This year is nevertheless important for at least two reasons. Firstly, the end of the year coincides practically with the conclusion of the X legislature; so that this overview offers somehow the opportunity to strike a balance of a five-years trend in family policies in Italy. Secondly, at the beginning of 1992 the *Second Report on Poverty in Italy* has

been published, and it gives the possibility to strike another balance, namely an evaluation of the effectiveness of existing economic aids directed to the family.

If one consider the social aspects, an imposing group of laws have been enacted during the past legislature. Among them, in chronological order, the followings may be listed: Law n.39 concerning the admittance and the permission to stay of immigrant citizens from countries outside the Community (February 28, 1990); Law n.142 on a new regulation of the autonomy of the local administrations (June 8th, 1990); Law n.172 on the discipline of the prevention, use and rehabilitation of drug addicts (June 26th, 1990); Law n.125 on the introduction of "positive actions" for the implementation of equal opportunities (April 10th, 1991); Law n.266 on the activities of the voluntary organizations (August 11th, 1991); Law n.381 on the so-called "social cooperatives", which operates in the field of professional integration of disabled persons (November 8th, 1991); and finally, Law n.104 on the assistance, social integration and rights of handicapped persons (February 5th, 1992).

To be sure, these laws do not refer directly to the family. And yet, they are in many ways related to the main functions of the family at least as regards the maintenance and care of its dependent members: mainly drug addicts and handicapped children. No doubts, therefore, that they concur to depict a sort of legal and institutional framework aimed at recognizing and reinforcing the symbolic and material value of the family as a social resource. An emblematic example is the role assigned to the family in the Law n.104/1992 on the assistance and social integration of the handicapped, wherein the family is expressly mentioned in relation to the care and the rehabilitation of the handicapped person (art.7) as well in relation to the right granted to the parents to prolong the optional leave up to a period of three years, provided that the child is not placed in an institution (art.33).

Far from being an explicit family policy, these law may be notwithstanding intended as a political and institutional sign of a growing recognition of the providing role of the family and of an emerging government support, at least with respect to some type of family relationships caring for dependent family members. In other words, they may be considered as a premise to and/or a promise of a more comprehensive and self-contained programme that has particular objectives for the family, i.e. that assumes globally and coherently the family as an object of socio-political intervention in itself.

In the same vein, that is as premises and promises to an effective family policy, have also to be registered two Bills which have been presented to the Parliament in the last legislature and have not been examined due to its anticipated conclusion. One is the Bill n.5440 elaborated by the Christian Democratic party (*Democrazia Cristiana*) and presented to the Parliament on February 7th, 1991: "*Linee di indirizzo per una politica della famiglia*" (Guidelines to a family policy); the other is the Bill n.2671 by a group of Senators of the right wing (*Movimento Sociale Italiano*), presented to the Parliament on February 20, 1991: "*Legge-quadro sulla famiglia italiana*" (Basic law on Italian families). Both are very ambitious and are accompanied (especially the second one) by a long introduction that explains the main international resolutions concerning the family (EEC, Council of Europe, the UN Convention on the Children's Rights, etc.) and the existing structure of providence related to the family in Italy. It is out of the scope of this overview to illustrate the contents of the two Bills. Suffice here to say that they propose to regulate a large complex of issues, which include - as to the proposal of the Christian Democratic party - the social value of parenthood, the services provided to the family as a special subject of care and maintenance of dependent members (with a specific reference to the need to reform the law on the family advisory centers and the law on the kindergartens), the family housing policy, a reform of the family allowances system and of the taxation system, and finally the attribution to the Ministry of Social Affairs of the task of coordinating and promoting the initiatives in the field of family policy. As to the Bill proposed by the *Movimento Sociale Italiano*, it affirms the right to form a family, emphasizes the need to protect the dependent categories (minors, elderly, and handicapped), and aims to a general reconsideration of the relationships between professional activity and family life.

Left parties too (Socialist Party, Left Democratic Party) show more attention than in the past to family matters. However, there is an important difference between these and the before mentioned parties. For the Christian Democratic Party only family based on marriage and/or filiation can be supported and guaranteed by law. PSI (Socialist Party) and PDS (Left Democratic Party), on the contrary, considering that at the present time there is a variety of living arrangements, claim for a more general protection extended to de-facto families, one-parent families, blended families, etc. As regards the Socialist Party, of particular interest is a set of ten bills presented to the Parliament from 1987 onward. The most important are the following: the recognition of the social value of motherhood under the form of maternity allowances for all the mothers up to the third year of life of the child; extension of the parental leaves (provided for the

fathers and the mothers as well); reform of social services like the family advisory centers and the day nurseries; housing policies extended to *all* living arrangements; the legal protection of the economically weaker partner in the de-facto families; the recognition of the economic and social value of homework.

At odds with this rich and diligent catalogue of political engagements are the results of the *Second Report on Poverty in Italy*, an official report prepared by a special commission established at the Presidency of the Council of Ministries in 1990 and chaired by G. Sarpellon. The data considered in the *Report* refer to 1988 and assume the family as the main unit of analysis. The commission adopted as a measure of the relative poverty the *international standard of poverty line*, assuming that a family of two persons is to be considered poor when it has an income of less than the average per-capita monthly income; in practice, it means an income below 750,000 lira (= 422 ECU) a month. On the basis of this method, in 1988 in Italy there were 3,093,000 families in poverty. Compared with the results of the 1983 survey, which formed the statistical basis of the previous report on poverty (1985), this means that the number of families in poverty increased of 476.000 units in the last five years, passing from 13.1 percent to 15.3 percent of the Italian families. The incidence of poverty varies, of course, according to a large number of characteristics related to the size and composition of the family, the occupational condition of its members, the geographical area, etc. For example, out of the total number of families, 9.7 percent are poor in the North-Center area and 26.3 percent in the South Regions. Moreover, the economic situation of the family varies according to its size: in 1988 were poor 17.2 percent of families composed of one person, 16.4 percent of those composed of two persons, 10.9 percent of those composed of three persons, but 19.1 percent and 25.6 percent - respectively - of the families composed of five and six or more members (mainly located in the *Mezzogiorno*, where 29.2 percent of the families of five persons are poor and 36 percent of those of six or more persons). Other interesting results are related, finally, to the age of the head of the family and to his/her occupational condition. On the one hand, the older is the head of the family, the higher is the percentage of families in poverty; on the other hand, it is very interesting to note that the highest incidence of poverty affects the families whose head is employed in the labor market (42.4 percent) and slightly less those whose head is retired (39.1 percent).

If this is the panorama of the poverty, what are the reasons of its augment between 1983 and 1988? Considering that in this period the gross domestic product grew steadily (on the average 3 percent every year), why the incidence of

poverty instead of decreasing accordingly went on exactly in the opposite direction? Certainly the answers to these questions have to be looked for in policies of income redistribution pursued by the State in those years and particularly in the way in which the diverse measures of the social spending aimed at supporting the economic welfare of the family, especially the poor families. As will be recalled, the existing economic measures to aid families with children are twofold: tax reductions and family allowances constitute the key measures of any family oriented policy, in Italy as elsewhere. They do not act in the same way. However, tax reductions or tax allowances for the spouse and/or for the children operate an horizontal redistribution of wealth; that is, under the same conditions (number of dependants), they accord the same benefit to families which dispose of a different income. Family allowances, on the contrary, operate a vertical redistribution in that they tend to favor families with a lower income, due to the fact that in the Italian system these benefits are related to the total family income and to the size of the family.

An accurate analysis of the trends of the two measures in the period between 1983 and 1988 demonstrates in fact that, whereas the spending for tax reduction doubled that for family allowances increased in the five years period of only 14 percent: in practice, it has been reduced if one considers that in the same period the GNP augmented of 73 percent in monetary terms. The evidence, then, suggests that the reduction in family allowances may be one of the reasons why poverty increased in the period under consideration; as well as the same evidence helps explaining why the larger is the family the higher is the poverty rate or why in the Southern Region (where families on the average are larger) the poverty is more widespread than in the North and in the Center.

Unfortunately, promises notwithstanding, it cannot be excluded that the situation pointed out in the *Second Report on Poverty* for 1988 has remained unchanged in the subsequent years. In reality, the introduction in 1988 of a new system of family allowances - the so-called *assegno per il nucleo familiare* - has certainly brought about a change in respect to the previous situation, especially for family with many children and for families with an income comprised between 12 and 20 millions lira (= 6,757 and 11,262 ECU). Besides these advantages, however, there remain still some incongruence which pertain to the transformation of the family allowance in a mean-tested measure, to its discriminant function against the families whose income is just above the level of eligibility, and finally to the exclusion from the benefit of a series of categories in need such as the relatives

of family-heads who are disabled, social (assistance) pensioners, unemployed or self-employed.

G.B. Sgritta / A.L. Zanatta

GRAND-DUCHE DE LUXEMBOURG : TOWARDS A SELECTIVE FAMILY POLICY

For the first half of 1991, Luxemburg was president of the European Community, a task which is rather onerous for a small country. However, the year was dominated by a latent but timely debate in support of measures of family policy, in spite of the fact that the system of family benefits has not yet been adapted in substance by the current legislative body.

The most important reform within the sphere of the family in 1990 was, beyond question, the reform of direct taxation, which came into effect on January 1, 1991. While this had already been announced by the government in 1989 as a measure which would give selective relief from the tax burden with special reference to families, the technicalities of taxation were not able to apply this to such families as no longer pay tax once the limits have been removed.

Consequently, when the law was passed in 1990, the Chamber of Deputies adopted a motion inviting the government to adapt the family loan scheme in favour of families on a low income or with a large number of children. In his speech on the state of the nation, on April 18th, 1991, the Prime Minister reopened this file, pointing out that the tax reform was to be completed by an increase in family allowance, an increase which should benefit in particular low income families with dependent children.

Subsequently it would appear that a lapse of memory had occurred or social measures substituted which remove any change in the family loan scheme. The 7.5% increase in the guaranteed minimum wage as of April 1, without any economical necessity of the Government, has introduced doubts about any other family measures (1), all the more so since other important family measures were adopted which had a positive effect on the family, such as the reform in contributive pensions (law dated April 24th 1991) by changing the guaranteed minimum wage, as well as, within the framework of the budgetary law for 1992, the

reform of indirect taxation, that is, the tax on added value, which was brought forward a year as compared with the implementation of the community regulation (law dated December 20th 1991). This reform is of prime importance to the family. As a rule, it is families who are hardest hit by VAT which taxes all consumers indiscriminately regardless of whether they have a family to support or not.

To counter these criticisms, the government tried to moderate the results by a system of different rates. While the standard rate was raised from 12% to 15%, a low 6% rate is maintained, with a specially trimmed rate of 3% for housing, children's clothes and shoes and basic foodstuffs. The average rate goes up very slowly in stages from 7.5% to 7.7% in 1992, and to 8% in 1993.

The effect on the retail price index will not exceed 0.83% over 2 years.

The July reform of housing aid (date : July 17th, 1991) was heavily biased towards the family. Amongst other features, this reform introduces a blanket reduction in interest rates for loans for housing accommodation for children.

It could therefore be feared that specific family measures would be relegated to the background, or even forgotten altogether. Nothing of the kind !

On the 45th anniversary of *Action Familiale et Populaire* - the biggest family organisation, the Minister for the Family reiterated the government's determination to take the relevant steps, pointing out that as early as autumn 1991 he had submitted a package of measures of family policy to the government, which had decided to look at them again in 1992 (2).

Last December 1991, during the debate on the budget in the Chamber of Deputies, a large number of people from all parts of the political spectrum took a stand on support measures such as reform of both direct and indirect taxation in favour of the family. Several motions (four) were put forward by the opposition, but they were rejected by the majority. In addition, the 1992 budgetary law undertook to alter the scale and amount of family reductions, but without any legal obligation (3).

But the action continued.

The congress of one of the majority parties (LSAP, *Lëtzebuenger Sozialistesche Aarbechterpartei*) demanded that measures of social and family policy be adopted.

The government finally took a stand on January 8th, 1992, maintaining that its family policy would not be limited to a few support measures. It would have a framework of its own; the government was proposing to introduce a package of

family and social measures in answer to all legitimate claims before Easter 1992. Bidding had started.

They were surely crowned by a proposed law relating to setting up an allowance for family investment which was worked out by the *Confederation Generale de la Fonction Publique* on January 16th, 1992. This proposal provides for granting an allowance of 0.5 million francs (= 12,485 ECU) for the first child, 0.75 million (= 18,727 ECU) for the second and a million (= 24,970 ECU) for the third (representing a cost of over 3 billion francs a year). Although this proposal was well received, it will certainly not be accepted by the government. The other trades unions are also calling for measures to support the family [LCGB want housing allowance (LW dated 29.11.91) and OGB-L (tabled 13.12.91)].

We are therefore still waiting for concrete government proposals providing for a possible increase in the education allowance, the back-to-school allowance and the maternity allowance... in short, 1992 looks like being a good year for family policy.

In addition, 1991 was the year when a variety of proposed laws were adopted, such as revision of the organisation of secondary education, student subsidies, transformation of rehabilitation centres (Ministry of Justice) into centres for social education (Ministry for the Family) and extension of the provision of day-care centres (creches, child-care facilities, etc.).

At the end of the year, the Minister for the Family submitted a further law proposal to clarify the relationship between the state and those organisations working in the social, family and therapeutic spheres. This is an important project as regards the institutionalisation of family policy and the relevant structures. A lively and impassioned debate has begun.

M. Neyens

- (1) V. Interview with Jean-Claude Juncker, Minister of Finance and Employment, *Forum* (1991)130, p.10.
- (2) V. CSV "*Am Bleckpunkt*", 4(1991)4, p. 6, an information document issued by the Christian Social Party.
- (3) Article 125 LIR stipulates that the scales will be revised if the average weighted index of consumer prices over 6 months shows a 5% variation as against the previous 6 months. In the event the variation was only 3.2%.

NEDERLAND : INCREASING INTEREST IN CHILDREN

Family policy, like social policy, is not expected to show tremendous changes from one year to the next in countries like the Netherlands. The general framework of legal dispositions and of allowances and benefits to maintain the level of welfare are part of the agreement of the government partners whereas implementation is, in most cases and depending on the object of discussion, left either to municipal authorities or to negotiations between social partners.

This general remark does not imply, however, that policy matters related to the family have remained completely unchanged in the Netherlands in 1991. As this chapter will show, changes did occur. They are to be found in three interrelated areas. These are : first, an increasing interest in matters related to the child and the child's wellbeing; second, measures taken to better cover needs which are specific to target groups (for example, women with young children, handicapped, the elderly, etc.) and steps taken by the authorities to respond to recognized priorities like women's emancipation through equal opportunities mechanisms, integration of vulnerable groups to the community, or guaranteeing equal chances to all. The third area covers activities aimed at easing what we would term the tension between the importance attributed by the social security principle to the individual (man, woman, child) within the (nuclear) family and the general welfare policy of the State. Changes did not always flow evenly : sometimes they created new queries even contradictions as will be shown below.

Increasing interest in the child. Concern with the child (and the teenager) and with child wellbeing is a constant feature of social policy in the Netherlands. During 1991 this interest took different forms from finding practical solutions to the question of child care in crèches and daycare centres, or in the form of debating the quality of cultural aspects such as the optimalization of child nurturance and education.

From the institutional viewpoint what is new in 1991 is the initiative taken by the Minister of Health, Welfare and Cultural Affairs to request from the Netherlands Family Council (NGR) a report on Primary Life Forms and Social Policy (*Leefeenheden en Beleid*, NGR, 1992), and concrete proposals in view of the organisation in the Netherlands of the International Year of the Family in 1994. From a family policy point of view this ministerial initiative is certainly an important step. It seems, however, contradictory with an earlier decision by the same ministry to abrogate the (small) taskgroup family-policy and to establish

instead a (sub)department of general social policy. The contradiction lies in the fact that these two decisions seem to proceed from antithetical visions.

In her address to the Netherlands Family Council which presented her the requested report on Primary Life Forms and Social Policy, the Minister Mrs H. d'Ancona clearly indicated her concern for the child and the youth in all walks of life but especially in the vulnerable groups of families, the cultural minorities in particular. She also indicated that one of her priorities regarding policy implementation are projects which are directed towards the youth. She requested the NGR to come up with concrete proposals for projects that would give support to child upbringing, to the quality and the level of child care centres, and to the vulnerable groups of families of Dutch or foreign origine (H. d'Ancona, 1992).

Piecemeal social policy and its effects. In a Welfare State like the Netherlands which aims to allocate benefits according to the specific needs of people, the number of target groups diversifies. Unwedded mothers with young children, the elderly, ethnic minorities (each one with own cultural background), school-drop outs, mistreated children, youth and women, handicapped, drug users, persons with (psychological and social) adjustment problems, and low-income families with housing problems are some of the target groups with specific needs and problems. It is therefore logical that social policy is not holistic (Presvelou, 1978), or all-embracing (de Hoog, 1992) because the pluriformity of family arrangements and experiences makes the implementation of measures to strengthen one type of family an undesired goal.

At the institutional level of the ministries, in public opinion, the mass media, in the daily reality of policy makers and also in the programmes of the political parties the family is becoming less important. But for children and their parents the family becomes of growing importance. The tension between the image of the family and reality in the Netherlands is at present vividly felt (de Hoog, 1989; van de Akker, e.a., 1992).

Unresolved tension between the individual as subject of social policy and a general welfare policy of the State. All entitlements of social benefits in the Netherlands are based on needs of individuals deriving from (family or non family) situation they live in. The question is how long can the State continue to cover growing, or new needs and, at the same time, balance public expenses for social security without compromising the financial assets of the welfare programme for all and equal opportunities to all, in the future.

This concern and the debates it raised in 1991 are reflected in some writings published in early 1992 (Kronjee, 1992; Cantillon, 1992). In summary the argu-

ments are, on one hand, that unpaid domestic work should be recognized and open rights to retirement and other social security benefits (Cantillon, 1992). On the other hand, a Minister of Family Policy whose role would be a.o. to propose and oversee a policy directed towards the solutions of the problems that an aging population and investing in the youth will make even more acute in the near future, could be considered (Kronjee, 1992).

Individualization of costs and benefits of social security becomes a heavy burden for the government. New social costs are added to the already existing ones (the inner-city migration and the economic and social costs it entails for families and their children in a case in point), and the principles upon which Welfare benefits rested till now in the Netherlands will have to be refocused.

C. Presvelou / C. de Hoog

References :

- Cantillon, B. Nieuwe behoeften naar zekerheid : gezin, arbeid en sociale zekerheid (New demands for security : the family, labour and social security). *Beleid en Maatschappij*, 19(1992)1, 2-15.
- d'Ancona, H., 1992, *Toespraak door de minister van Welzijn, Volksgezondheid en Cultuur, bij het in ontvangst nemen van het rapport "Leefvormen en Beleid" van de NGR op woensdag 18 maart 1992*. (Paper presented by the Minister of Health, Social Welfare and Cultural Affairs, 18 March 1992, at the presentation of the report "Life forms and Policies"), Rijswijk, s.n., 1992, 5 pp.
- de Hoog, C., Het gezin : ontwikkeling en actualiteit (The family : development and topicality), *Gezin*, 1(1989)3, 128-148.
- de Hoog, C., Gezinsbeleid in Nederland (Family Policy in the Netherlands), *Huishoudstudies*, 1(1991)1, 3-4.
- de Hoog, C., *Het gezin in de twintigste eeuw* (The nuclear family in the twentieth century). Wageningen, Vakgroep Huishoudstudies, 1992, 15 pp.
- Kronjee, G., De dubbele werkelijkheid van het gezin (The double reality of the family), *Gezin*, 4(1992)3-4, 154-169.
- NGR, *Leefvormen en beleid* (Life forms and Policies). Den Haag, NGR, 1992.
- Presvelou, C., The impact of ideology on family policy : A discussion on 1978 holistic and pluralistic approaches. In : de Bie, P., C. Presvelou (Eds.), *The scientific bases of family policy*. Leuven, ICOFA, 69-75.
- van den Akker, P., P. Cuyvers, C. de Hoog, Gezin en overheid : de mythe van de individualisering (The nuclear family and the State : the myth of the individualization), *Gezin*, 4(1992)3-4, 141-156.

PORTUGAL : THE CONCEPT OF THE FAMILY UNDER DISCUSSION

The socio-political context. The Programme of the XIIIth Constitutional Government (October 1991) places family policies in the chapter entitled "Strengthening Solidarity, Improving the Quality of Life". There, the following outline strategies are defined :

- creating conditions making it possible to reconcile family life and job, particularly regarding support for children during the first years of their lives and recognising the socio-economic value of work in the family, its role in respect of education and solidarity;
- protecting motherhood and fatherhood as inalienable human values;
- improving working conditions better suited to pregnant women, the purpose being to have the child develop normally and to protect the mother's health;
- supporting and stimulating the family associative movement;
- developing actions to increase the awareness of family values and motivation in respect thereof, with a view to celebrating the International Year of the Family in 1994.

In current socio-political circles, the word development is used particularly in respect to economic growth. Too often it is forgotten that development, beyond promoting economic growth with a view to bringing people out of the depths of poverty which offend the dignity of individuals and families, should be broadened to include the social, cultural and moral dimensions. Also, the social and ecological costs of development are disregarded.

It is worth recalling too that there are imbalances caused by development : the new forms of poverty, particularly affecting the elderly, the unemployed, the disabled, the groups which are socially less well integrated for ethnic, social or cultural reasons.

The family and population trends. Between the years 1960 and 1990, Portugal has witnessed a swing from a model based on high fertility to a model which fails to reach the level required for generation replacement. This situation is entirely new and reflects and entails far-reaching mutations.

The fertility index for women of child-bearing age (aged 15 to 49 years) began to drop in the seventies and the trend was further emphasised in the eighties. During the eighties, it was clear that people were opting for fewer children and children later.

In the wake of this process, disquieting declines were to be seen. In 1989, the average birth rate was 1.112 children per woman. In the last nine years, there

has been a drop of 32%, and the first and second children represent 83.3% of total births.

What is characteristic of the present model is that the life span is greater, child-bearing is lower and the population is aging. In 1991, the elderly represented 13.1% of the population.

In 1989, in the various regions of the country and in the various social groups, the trends drew closer together and the figures were to drop. In inferring that society has not yet adapted to the new circumstances, much play is made on population, technical, socio-cultural and economic factors.

The population factors show that the death rate among children has dropped, people are marrying later, the time elapsing between births is increasing and the number of marriages is on the wane.

The technical factors are related to developments in the area of contraception, bringing about a dichotomy between sexuality and parenthood. Scientific contraception is chiefly in the hands of women, for in the majority of cases women are both the decision-makers and the users.

There are a host of socio-cultural and economic factors : cultural images and values, changes in the condition of women, women's work (1) and the resulting change in the relationship between production and reproduction, a comparison between the costs and benefits of child bearing.

In Portugal, public opinion is wondering whether the present-day family will be able to provide its children with the proper educational responses. In this respect, it is worth looking at :

- the nuclear structure of the family - fragile and vulnerable;
- children extremely closed-in and the subject of disproportionate dreams (2);
- town planning - the huge distances, the dearth of common spaces, the shortage of housing, an aggressive social environment.

Regarding fertility, Portugal comes one from last in Europe. At the same time, Portugal is in second place for women at work (3) (this is an age-old tradition in a country where the men are seamen and emigres); Portugal shows the lowest percentage in Europe for half-time work and the greatest volume of work time.

Under the law, there is a difference between family and marriage (Art. 36 n° 1 of the Civil Code). In the eyes of the law, family and marriage are different realities and the constitutional protection of the family concerns not only the conjugal family, but also the natural family, resulting from the biological factor of conception, and the adoptive family.

There are authors (Pereira, Micael in *Seminário Mitos e Maternidade*) who claim that what is up for discussion is the very concept of the family. Everything is being staked on the couple; the family is being reduced to the couple and the

family *latu sensu* is being disregarded (this would constitute an impoverishment of Portuguese cultural traditions). The broader family has always functioned as a factor supporting parenthood and the precarious bonds of wedlock.

A.M. Braga Da Cruz

- (1) The fact of women working outside the household is not deemed to be a very decisive factor in the number of children in the family (*Eurobarometer*, August 1990).
- (2) Portugal is one of the countries where there is above-average uncertainty for Europe in respect of the economic situation which is of paramount importance when it comes to selecting a number of children to have (*Eurobarometer*, August 1990), which is understandable in the light *per capita* income (\$US 5,988 in 1990), and poverty affecting 1/3 of Portuguese families.
- (3) In 1990, the rate of employ was 42.6% for women and 57.7% for men.

References :

Associação para o Planeamento da Família (1991). *Seminário Mitos e Maternidade* in Planeamento Familiar -Mulheres, Julho a Dezembro 1991 n°52, 53.

**UNITED KINGDOM : DEMOGRAPHIC AND SOCIAL CHANGE CONTINUE
TO FORCE FAMILY TOPICS ON THE AGENDA**

On February 4th 1991 David Martin MP introduced a motion in the House of Commons "... recognising the fundamental importance of the wellbeing of the family as a basis for a stable, responsible and free society" and recommending support by way of "... extending choice in employment, education, health, housing, pensions and personal social services, while pursuing sound economic policies which raise living standards, encourage and provide reliable and effective public services".

Although the U.K. does not have a Minister for the Family, or any explicit Family Policy, this debate was further evidence of the increasing emphasis put on family concerns by the Government, the Opposition parties, the voluntary sector, the media and the public at large. As David Martin said "Aspects of family policy intrude into almost every Department of Government". Consequently, the

debate covered topics as diverse as divorce law, women in employment, social security, homelessness, child care and domestic violence.

Outside Parliament these topics, and others, continued to fill newspaper articles, academic reports and pressure group leaflets. Yet 1991 saw very little new legislation relevant to family policy. For all the discussion, no significant policy initiatives were seen in the areas of childcare, divorce, employment law or social security.

The reason for this may have been the impending General Election, eventually called for April 1992 but expected throughout 1991. Lord Mackay, the Lord Chancellor, for one, declared that he would not put forward his plans for divorce law reform before an election and it may be the case that similar reticence affected other policy makers.

On the other hand, the possibility of an Election spurred debate on some matters to an unprecedented level. Childcare, for example, was often discussed in terms of what the Chancellor of the Exchequer might do in terms of tax relief in a pre-election Budget.

In the meantime, demographic and social change also continued to force family topics onto the agenda. The relatively high divorce rate instigated talk of law reform; the increasing number of women entering the workforce compelled employers, if not policy makers, to consider childcare facilities and flexible working; the high rate of teenage pregnancy led to consideration of the place of sex education in the National Curriculum.

To add to this, the important policy changes of previous years began to have their impact.

The Children Act 1989 came into force in October, heralding major changes in the treatment of children before the law and in the charge of the social services. A new structure of family courts will be established under the Act and local authorities will face new obligations to support families under stress. The concept of "custody" after divorce is replaced by new principles taking into account the needs and wishes of the child. These measures were all widely welcomed, tempered only by the possibility that local authorities may lack the resources to put them into practice effectively.

The Child Support Act became law, ushered in by its counterpart the Maintenance Enforcement Act, to ensure that the upkeep of a child became of equal importance to the "absent" parent as well as the guardian. Critics claimed, however, that this measure would do more harm than good for lone parents as it risked putting them in contact with harmful ex-partners and threatened to reduce their benefits if they did not co-operate with the Child Support Agency responsible for locating the absent parent.

The community care plans continued to raise the issue of care for the elderly, even though their implementation has been effectively delayed until 1993.

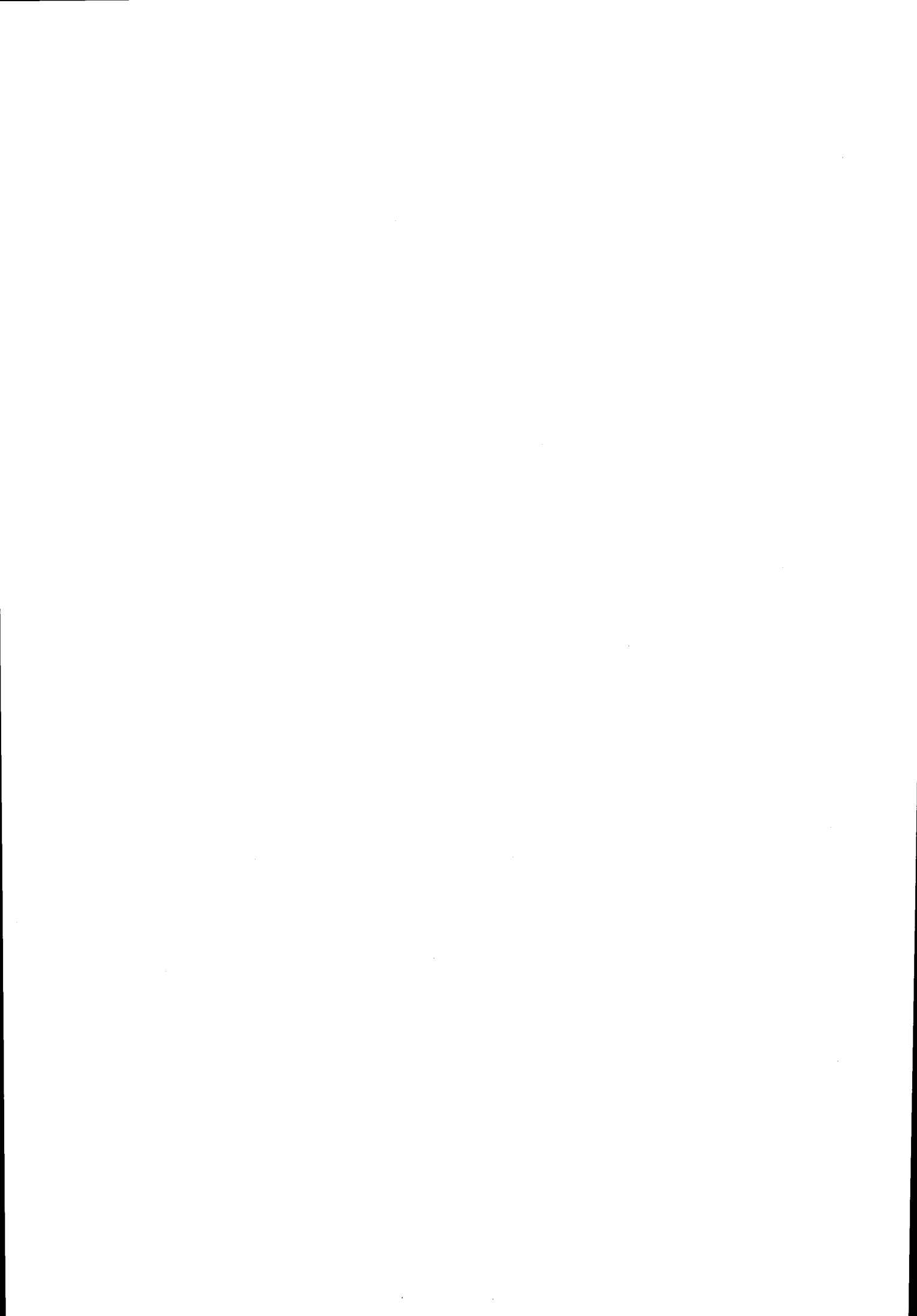
There were, also, the few important new developments. A case before the European Court of Justice in 1990 (*Barber vs The Guardian Royal Exchange Group*) forced the Government to consider the possibilities (and costs) of equalising pension ages in occupational and state schemes. At the Maastricht summit in December they were under considerable pressure to ensure that equalisation of pensions did not have, what were deemed to be, dire consequences for U.K. industry.

Similar considerations came into play as they considered maternity rights. The EC recommendation that women should be given the right to fourteen weeks maternity leave on full pay with no qualifying conditions, was rejected by the U.K. alone. (Note : The Directive of the Council of the European Communities has been adopted in October 1992.)

In family law, the outdated principle of a husband not being criminally liable for the rape of his wife was finally overturned by a House of Lords ruling. On the subject of domestic violence, on the other hand, two controversial murder cases raised doubts over sentencing procedures.

Family issues have continued to play their part in the run up to the 1992 General Election and they will inevitably continue to influence the legislation of the next Parliament. The manifestos of all three major parties put the social and economic well-being of families high on the agenda. It remains to be seen how this will, in fact, translate into policy in the year ahead.

M. Wicks



CHAPTER II. THE FAMILY DIMENSION OF THE FISCAL SYSTEM*

The 1990 Report emphasized the importance of the tax reduction as an element of family policy in the member states (1). It focused on the important changes having taken place in the late eighties, early nineties. In this year's report attention will be drawn to the differentiation characterizing the actual situation.

Families (households) versus individuals as units of taxation

As indicated in Chart 1 of the 1990 Report and as has been elaborated on further by Glaude (Dumon, 1991 : 70; Glaude, 1991 : 57), a differentiation can be made as to the unit of taxation, either the individual person or the family. This basic distinction actually reflects the double face of the taxation. If the individual is taken as the basic unit, emphasis is given to the *producer* of income. If the family/household is taken as unit, emphasis is given to the unit of *consumption*. As indicated already in the 1990 Report, the family dimension of the tax system originated from and is based on a type of family organisation with sharp division of labour in which the husband/father assumed the instrumental role (i.e. providing for *his* wife and *his* children). The changes observed in the 1990 report in many instances actually reflected the changing situation currently occurring in family organisation. Yet, the current situation in the tax relief systems in the member states need further analysis.

* Restricted to direct fiscal measures.

(1) Dumon, W., National Family Policies in EC-countries in 1990, Brussels, Commission of the European Communities, DGV-C-1, 1991, 55-76.

Chart 1. Family Orientation of Tax Systems in the member states (1991)

	Changes in 1991* ■ = major; + = some; O = none				
	1991 : Changes in amounts of tax relief : ■ = above inflation; + = indexed; O = not indexed				
		Spouse	Children	Base for taxes : I = individual; Y = joint; P = change from Y to I	Date of legislation
Belgique-België	O	O	+	I/Y	1988 / 1989
Danmark	O	O	n.a.	I	1991
Deutschland	O	O	O	I/Y	Three phase reform, completed in 1990
Hellas	O	O	O	I	1987/1988, 1990/1991
España	■	+	+	I/Y	1991
France	O	+	+	Y	1945 (Basis Act)
Ireland	O	O	n.a.	I/Y	Finance Act 1991
Italia	O	+	+	I	1986
Luxembourg	O ¹	+	+	Y	1990
Nederland	O	O	n.a.	I ²	1990
Portugal	O	n.a.	O	Y ³	1989
United Kingdom	■	O	n.a.	P	Implementation 1990-1991

* Except for changes in amounts.

¹ Art. 125 LIR stipulates that the scales will be revised if the average weighted index of consumer prices over 6 months shows a 5% variation as against the previous 6 months.

² Individual, but according to type of household (one-parent families form a separate category).

³ According to household type.

n.a. = not applicable.

In most of the member states the individual income earner constitutes the basic unit for taxation. The recent changes (Spain 1991-92, Luxemburg 1990, United Kingdom 1989, Belgium 1988-89) all went in the same direction : from joined to individual taxation. This is to the effect that discrimination between unmarried cohabitation and a spousal unit is eliminated. Moreover it actually reflects that *both* spouses/partners are identified as potential income-earners. Yet, as indicated in Chart 3, the event of one of the partners not earning any or earning less than the other partner, is taken into consideration by providing for a tax allowance for the spouse/partner or by making provisions to the effect that the own tax allowance can be diverted to the spouse/cohabitee.

In the system of individual taxation, three sub-groups can be identified. First, simple individual taxation as is the case in Denmark, Greece, Italy and the United Kingdom. A second group consists of member states in which the system is more complicated, either by allowing for choice (individual/joined taxation), or by combining elements of the two systems (joined/individual) : Belgium, Germany, Spain*, Ireland and Portugal can be categorized in this group. Thirdly, the Netherlands, the Dutch model does constitute a special case, by taking the individual in her/his family or household situation as the base for taxation.

The joined system (indicated in Chart 1 by Y) also consists of two sub-groups. First, Germany, France and Luxemburg with a clear splitting system as far as spouses are concerned. Second, Belgium, with a mixed system. In contrast with the individual taxation in which each of the spouses is regarded as an income-earner and as a tax-payer in his/her own right, the splitting system constitutes more complex a mechanism. The system of "family quotient" is typical for France only, the "conjugal quotient" for Luxemburg.

It is obvious that the system of splitting is beneficial for one-earner families and the system of individual taxation for two-earner families. Even in families with huge, discrepancy between income of spouses, the splitting system is far more advantageous than the individual taxation. Due to the same element, the steep progressiveness of taxation according to level of income, the splitting system as a mechanism favours high income groups. Therefore in all countries practicing the splitting system with the exception of Germany, ceilings are applied. In contrast

* In Spain there is no "splitting" system, but different taxation scales are applied to declarations which cumulate the family income.

to the system of individual taxation, where in many instances spousal and cohabitational relations are equated, the splitting system only applies to marital relationships.

Tax allowances for spouses

Allowances for spouses are, by definition, the most extensive in the so-called splitting system, provided that the earnings of the partners tend to be differentiated. If they earn the same amount, this system does not yield any benefit. The latter is also the case if the system is ceiled at a level below the smaller earnings multiplied by two. However, also in the other system, in which the individual earnings are taken as the unit of taxation (rather than the household) some forms of tax allowances for the spouse and/or cohabitee are provided for in all member states.

a) Splitting or near-splitting systems

Splitting systems are defined as any system in which the income of the spouses is first accumulated and then, for taxation, is being divided into parts. Two sub-systems can be identified. A first in which the parts are related to all members in the family, labeled here as "family quotient". The second system in which only the spouses are being taken into consideration, labeled here as "conjugal quotient". All member states, in which the family is the unit of taxation, do apply some sort of splitting i.e. Belgium, Germany, France, Luxemburg and Portugal. However, the systems vary considerably as is indicated in Chart 2.

The French system constitutes a unique system in that it introduces the notion of family parts, i.e. it goes beyond the notion of the income earners or potential income earners (spouses) but, on the contrary, focuses on the units of consumption. Some authors such as Glaude (Glaude, 1991 : 52) question the adequacy of the system since it tends to overcompensate, however the ceilings applied make it more adequate.

The other countries, limiting the splitting to the spouses, actually do not so much focus on the consumption but on the supply side. The household production, the informal work, receives an income deferred from the earnings of the other spouse. Whether or not intentional, splitting systems give negative incentives for employment of wives/mothers. The individual taxation and, more particular,

Chart 2. Differentiated splitting systems in member states

	System	Quotient	Ceiling	Indexed*	
				1991	1992
Belgique-België	mixed system	conjugal quotient	30% ceiled at 270.000 BEF	O	O
Deutschland	dual system	conjugal quotient	no ceiling	O	O
France	generic	family quotient spouses 1 share children ½ share or 1 share	at least 50% ceiled at 12,550 FF	+	+3% = inflation forecast
G.D. Luxembourg	generic	conjugal quotient	50% not ceiled	n.a.	n.a.
Portugal	dual system	conjugal quotient applicable to households (individuals having differentiated rates)	50% 46% in case one of the spouses earns 95% or more of the income	O	O

* 1991 is fiscal year 1991 (income 1990)
 1992 is fiscal year 1992 (income 1991)
 O = not indexed; + = indexed.

decumulation - i.e. changing from joined to individual taxation - gives incentives to entering (or stay in) the labour market for all family members.

b) Tax allowances for spouses in systems in which taxation is based on the individual as unit

In all systems in which the individual is the unit of taxation, some provisions are to the effect that there is some tax relief for the spouse. Three strategies can be identified. A first strategy consists of *opting out* of the individual tax system and putting oneself in a joined system with differential lower rates. This is the case in Spain and Ireland. In a second procedure *fixed amounts* (either amounts of tax free income or tax reduction) are set. They can consist of personal allowances one can transfer to the spouse or cohabitee, as is the case in Denmark, Ireland*, the Netherlands and the United Kingdom, respectively of fixed sums (either income allowance or tax allowance) set for the spouse, as is the case in Greece, Italy and the United Kingdom. The United Kingdom represents the only country in which both of these measures can be combined. A third procedure actually only is additional to any of the measures in the second system. Certain expenses (by the spouse and/or others) can be deducted from income. Health care, education and household expenditures (inclusive professional training) are here at stake. It applies to Greece, Ireland, Italy and the Netherlands.

The disappearance of the simple joined tax-system in the member states, documented in the 1990 report (Dumon, 1991 : 69) and its gradual replacement by increasingly individually paid tax-system (see Chart 1) reflects the changing family organisation in which both spouses are expected to be at least potential income earners. The legitimisation for the introduction of the individual system as the base for taxation in many member states, often refers to the fact that it grants women the opportunity to handle their own tax affairs and thus stimulates the self reliance and independance of women. In this respect, as already stated above, the individual systems stimulate the participation of women in the labour force. The second element at stake here is not so much family organisation related but refers to family structure. Individual taxation is geared to the effect that discrimination as to taxation of earned income between marriage and cohabitation be avoided.

* Except transfer to cohabitees.

Chart 3. Tax reliefs for spouse/cohabitee in tax systems based on the individual as a unit

	System		Amount	*	Indexed **		Other tax deductions	
					1991	1992		
Belgique-België	mixed system	income on which spouses are taxed separately is ceiled (ceiled decumulation)	amount	n.a.	O	O	n.a.	n.a.
Danmark	generic	personal tax reduction can be transferred between spouses	variable	no	O	O	n.a.	n.a.
Hellas	generic	tax allowance for non-working spouse	160,000 drachmes	no	O	O	tax free sum of up to 390,000 drachmas for documented household expenses	n.a.
España	optional	no provisions	nihil	n.a.	n.a.	n.a.	tax deductions for health care insurance	n.a.
	joined (restricted)	differentiated (lower) rates	variable according to income	n.a.	O	O		
Ireland	optional	no provisions	nihil	n.a.	n.a.	n.a.	health care insurance	n.a.
	joined	differentiated (lower) rates	variable according to income	n.a.	O	O		
Italia	generic	tax allowance for the dependent spouse = gross amount \geq 4 million lira	719,336 lira	no	nominal raise = index	nominal raise = index	tax deduction for health expenditures (specialized medical treatment) and education	n.a.
Nederland	individual according to household situation	tax free allowance can be transferred to spouse (cohabitee)	Hfl 5,225	yes	nominal raise = index	nominal raise = index	tax deductions for health expenditures/disability (if not refunded by insurance) (amounts variable according to income) Hfl 2,485 - 10,353 - schooling and professional training	alimony to former spouse
Portugal	dual system	individual (if married = joined)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
United Kingdom	generic	income allowance can be transferred to spouse + married couples' allowance	£ 3,005	no	O	O	n.a.	n.a.
			£ 1,720	no	O (1)	O (1)		

* Similar tax reduction for cohabitees

** 1991 is fiscal year 1991 (income 1990); 1992 is fiscal year 1992 (income 1991).

O = not indexed; + = indexed; n.a. = not applicable.

(1) Except for pensioners (increased in line with inflation)

In five out of the twelve countries, there is some type of splitting. The splitting systems are to the effect that they tend to give disincentives for the spouses to both enter the labour market. In one country, France, some authors (Glaude, 1991) take it for granted that the splitting system is based on natalistic grounds. This might be implicitly so for some others, but, anyhow, in countries in which the system was maintained and even consolidated in new reforms (e.g. Luxembourg), provisions were made to ease the negative effect of entering the job market, for instance by introducing an extra professional tax allowance.

If two differentiated tax-systems can be identified operating simultaneously in the member states, a) individualized tax, b) forms of splitting systems, yet, with the exception of France, in no other member state the principles of these systems are implemented to full extent. Both systems have provisions actually introducing elements of the other system. As to the individual tax-systems, they all, without any exception, have some provisions granting some tax relief to spouses/cohabitantes. As to splitting systems, all gradually have built in ceilings or have low ceilings, respectively have introduced incentives geared at counteracting the unbalance in favour of one-earner families.

Tax allowances for children

a) General tax relief

Compared with tax relief for spouses, the provisions regarding children are less complicated, yet not simple at all. Three systems can be identified: a) The absence of any tax relief. Four of the member states, i.e. Denmark, Ireland, the Netherlands* and the United Kingdom, do not provide tax relief for children. b) In one country, i.e. France, children count as parts (for a full or a part of an equivalent) in the "splitting" system (family quotient). Actually, the first and the second child count for half a part, the third and subsequent children for a full part. c) In all other member states, seven out of twelve, some other form of tax relief, either through tax allowances or tax free income allowances, is currently in existence.

* With one exception: one-parent families have in the Netherlands an additional taxfree allowance when all entitlement to deduction are added up to Dfl 13,585.

In contrast to tax allowances for spouses/cohabitees, tax allowances for children only can be assessed if child benefits, such as family allowances are taken into consideration. Moreover, in many member states, historically and currently, tax benefits and child allowances are to some extent or have been interchangeable (Germany, the Netherlands, Luxemburg). As a consequence of the availability of alternative strategies, tax allowances for children tend to be much lower than the amounts accorded for spouses.

b) Tax free income equal to documented expenses

Next to amounts to be deducted, either from taxable income or from tax itself, many member states do allow for tax free income if one can document specified costs made on behalf of children. One special element is paramount, i.e. costs for child care. This trend is reinforced by the newcomers in the system of documented expenses, such as Belgium and Spain. One feature all member states applying this system, have in common is that the documented expenses are ceiled and liable to additional monetary restrictions. E.g. only a certain percentage of the costs can be deducted (as is the case in Belgium and France), only costs above a certain amount can be taken into account (as is the case in the Netherlands); the deduction is income-related (as is the case in Spain). As a rule, provisions on documented expenses are supplementary to other forms of tax relief for children, both in splitting systems (France) and in other systems of undocumented tax relief. However, it does occur as the exclusive form of (rather restricted) tax deduction for children in one country : the Netherlands.

c) Tax relief for disabled children

In some member states special arrangements are applicable for disabled children. Two strategies can be identified : a) the amounts are higher, e.g. doubled; b) restrictive rules, e.g. for documented expenses, tend to be broadened. Both strategies often are applied simultaneously.

Chart 4. Tax allowances for children (1991)

	General tax relief	Amount	Indexed*		Other tax deductions		
			1991	1992			
Belgique-België	tax exempt income progressive according to number of dependant children	35,000 BF 1st child 55,000 BF 2nd child 122,000 BF 3rd child 125,000 BF 4th and subsequent	automatically indexed		Child care child ≤ 3 year 80% ceiled at 345 BF child/day	n.a.	n.a.
Deutschland	'Kinderfreibeträge'	4,104 DM a child	3,024 DM	more than indexed	educational costs: 1,800 DM - 2,400 DM - 4,200 DM; family help: 12,000 DM	n.a.	one-parent families (5,816 DM)
Hellas	tax exempt sums progressive according to number of dependant children	180,000 drachmas 1st & 2nd child 280,000 drachmas 3rd child 400,000 drachmas 4th child 480,000 drachmas 5th & each subsequent child	nominal raise	nominal raise	child care; education; other household expenses (clothing etc.): 130,000 drachmas a child	n.a.	special exempt sums for handicapped children (470,000 drachmas) and children in military service (normal sum + 65,000) one-parent families
España	tax deductions	dependant child: 20,000 pesetas	0	0	ceiling for entitlement = 2 million pesetas (separate income tax) 3 million pesetas (joined return) ceiling for child care deductions: 25,000 pesetas	n.a.	supplement for disabled child: 50,000 pesetas
France	family quotient	n.a.	nominal amount in line with inflation		child care child ≤ 6 year 25% ceiled at 15,000 FF child/ year	n.a.	one-parent families
Ireland	n.a.	n.a.	n.a.	n.a.	money covenanted to a person over 18 years old	n.a.	one-parent families, widowed people with dependant child
Italia	tax exempt sums	83,107 lira both parents are entitled to the exempt	48,000 lira	more than indexed	education expenditures		one-parent families double amount minus the amount for one child
Luxembourg	tax deductions tax exemption sums	67,200 FLux per child modest families 225,000 FLux	automatically indexed nominal raise		all costs relating to maintenance and education for children living away from home, up to a ceiling of 135,400 FLux	n.a.	one-parent families
Nederland	n.a.	n.a.	n.a.	n.a.	n.a.	subsistence costs of children under 27 years if not receiving child allowance. Plus 27 in other cases (only above minimal subsistence costs of Hfl 56 a week)	one-parent families
Portugal	tax deductions	14,000 \$ (escudos)	0	0	n.a.	n.a.	n.a.

n.a. = not applicable

* 1991 is fiscal year 1991 (income 1990); 1992 is fiscal year 1992 (income 1991).

+ = indexed; 0 = not indexed

Chart 5. Tax allowances for other family members (1991).

	Family members	Amount
Belgique-België	n.a.	n.a.
Danmark	n.a.	n.a.
Deutschland	n.a.	n.a.
Hellas	n.a.	n.a.
España	- dependant ascendant - supplement for ≥ 75 years - supplement for disabled dependant ascendant	15,000 pesetas + 15,000 pesetas + 50,000 pesetas
France	n.a.	n.a.
Ireland	n.a.	n.a.
Italy	n.a.	n.a.
Luxembourg	n.a.	n.a.
Nederland	- grandchildren and great grandchildren - parents (also stepparents or foster parents) - grandparents - brothers and sisters and their wives and husbands - half brothers and half sisters and their wives/husbands	variable
Portugal	n.a.	n.a.
United Kingdom	n.a.	n.a.

n.a. = not applicable

d) Tax relief for special family types (one-parent families)

A last feature to be taken into account relates to the family structure. More particularly one-parent families tend to be granted special i.e. a more advantageous conditions. One could wonder whether this is actually child or parent related, or whether the measures are geared to the benefit of both. In one case, the Netherlands, the measures do suggest to be geared at the parent, since they give an incentive to lone parents with children below the age of six, to enter or stay in the labour market.

e) Tax allowances for other family members

In some countries, next to spouses and children, tax allowances are granted for other relatives. It concerns either flat amounts (as is the case in Spain) or documented, and thus restricted, expenses (as is the case in the Netherlands).

Conclusions

Trends in tax relief for spouses, as well as for children, both do reflect changes in family structure and family organisation. However, as to tax relief for spouses, there are some divergencies to be observed, i.e. that in the recent years both the splitting system, as well as the individualisation tendency, have gained importance at the detriment of the simple joined declaration and taxation, which have disappeared in 1990. As to tax relief for children, the tax relief for documented expenses (more particularly as related to child care) is relatively gaining significance, although the relief for undocumented costs remains the most important in terms of frequency of occurrence, as in monetary terms.

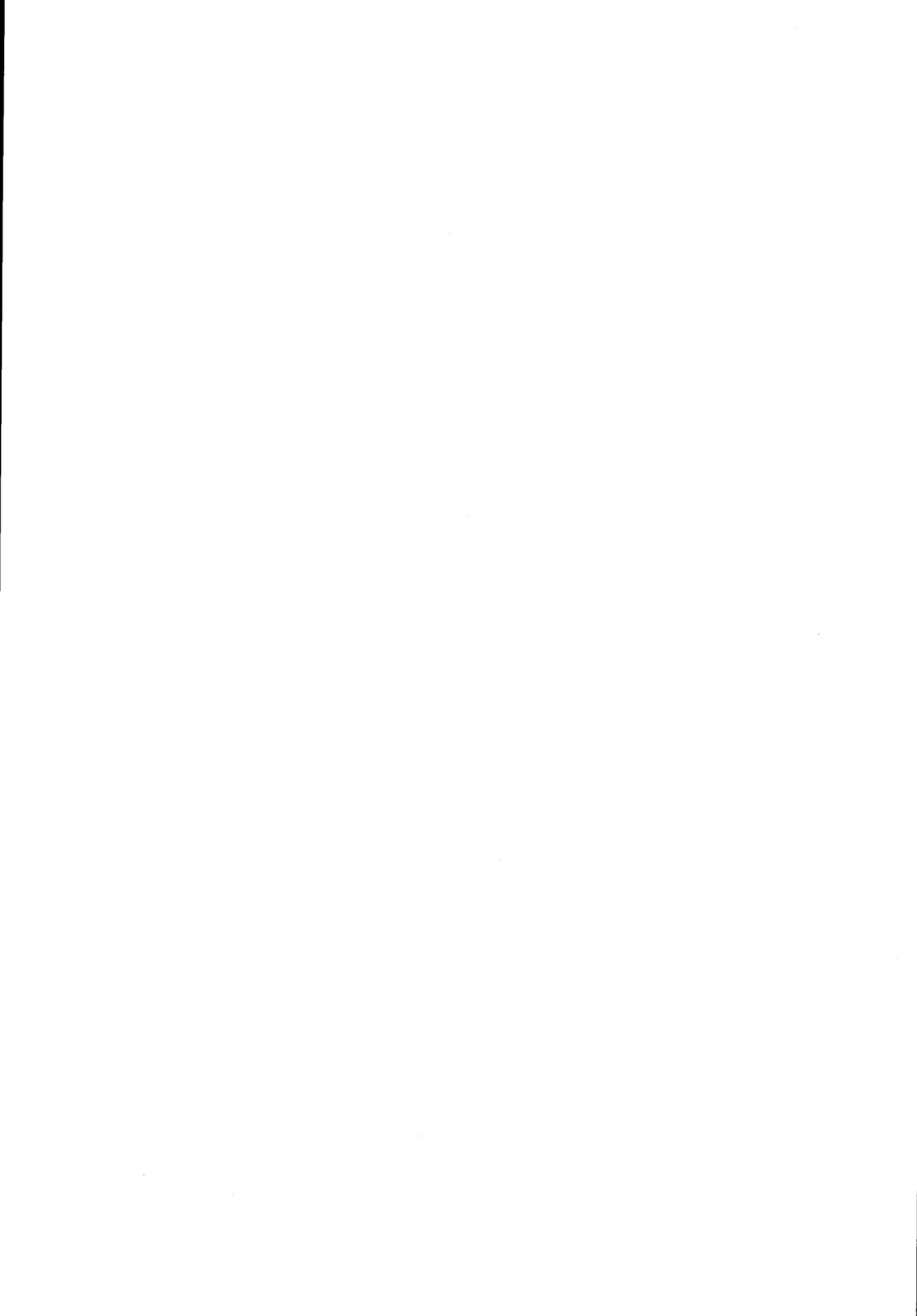
Changes in family (structure and organisation) can be identified as one of the factors having given impetus to changes in the family dimension of the tax-system. As Commaille has indicated, this process in turn has been instrumental in identifying the domestic area as a segment of the labour market. Already previously the emergence of family professionals has been suggested. The new feature developing is that the changes in family, amplified by provisions in the taxation system, lead to a growing number of persons being employed in domestic service.

Given the relatively profound changes in taxation systems in many member states in the late eighties early nineties, the period under observation, 1991, actually

can be characterized as the temporary finalisation of these reforms. Consequently no great new changes were to be reported that not already were announced in last year's report (Dumon, 1991 : 69-70). Although in none of the member states great new initiatives have been identified, the current developments, both in family life and in the labour market, do suggest that it is feasible and even not unlikely, that new developments and even innovations might occur in the family dimension of the taxation systems; if not in the actual measures, it might be expected that this issue might become prominent in the socio-political debate of the middle of the nineties.

References :

- Dumon, W., *National Family Policies in EC-countries in 1990*, Brussels, Commission of the European Communities, DGV-C-1, 1991, 269 pp.
- Glaude, M., L'originalité du système du quotient familial (Particularities of the family quotient), *Economie et Statistique*, (1991)248, 51-67.



CHAPTER III. FAMILY BENEFITS

1. Definition

The expression "family benefits" means any benefits in kind or in cash granted to offset family maintenance costs (Council of Europe, 1972 : 4). In French they are often referred to as "les prestations familiales". The most important measure is the child or family allowance. Other benefits include birth allowances, allocations at reopening of the school year and marriage benefits representing the material benefits, which are completed by indirect allowances such as a reduction on the public transportation systems, and by non-financial benefits such as exemption from military service and preference in job allocation.

I. FAMILY ALLOWANCES

1. Definition

The term "family allowances" means periodical cash benefits granted according to the number and age of children (Council of Europe, 1972 : 4).

2. General characteristics of family allowances

1) Universality

As shown in Chart 6, family allowances do occur in one form or another in all member states. In eleven out of the twelve cases it concerns specific child allowances; in one member state, Italy, it concerns members of the household.

Chart 6. Family Allowances (child benefits) in the member states (1991)

	Changes (1991)* ■ = major; + = some; O = none									
	Allowances are : ■ = Universal; * = means tested; ☒ = varying according to income									
	Allowances are : ■ = indexed automatically; + = yearly decision; O = not indexed									
	Allowances are : ■ = tax free; O = taxed									
	Amounts are progressive according to age of child : ■ = yes; O = no; † = negative									
	Amounts linked to family size : ■ = positive; + = incompletely; O = none; † = negative									
	Payments : W = weekly; M = monthly; Q = quarterly; Y = yearly									
	Systems : D = Differentiated; U = Unique									
	Source of payment : S = Social Security; T = Taxes									
	Date of legislation/implementation									
Belgique-België	+	■	■	■	■	■	M	D	S/T	1930 (first law) / 1939
Danmark	+	■	+	■	†	O	Q	U	T	1987 / 1991
Deutschland	O	■ / *	O	■	O	■	M	U	T	1990
Hellas	■	☒	■	O	O	■	Y/M	U	S	1990 / 1991
España	■	*	+	■	O	O	Q	U	S	1990 / 1991
France	O	■	+	■	■	■	M	U	S	1990
Ireland	+	■	+	■	O	+	M	U	T	1974 / 1991
Italia	O	*	+	■	O	O	M	D	S	1984, 1986, 1988
Luxembourg	+	■	■	■	■	■	M	U	S/T	1985 / 1991
Nederland	O	■	+**	■	O	■	Q	U	T	1939 (first law) / 1962
Portugal	O	■	■	■	O	+	M	U	S	1990
United Kingdom	O	■	+	■	■	†	W	U	S	1990

* Changes in amounts disregarded.

** Half year decision

2) Entitlement

As already has been stated in last year's report (Dumon, 1991) child allowances originally were not geared at the deserving poor, but were considered as a part of the wages: indirect salary. As a result, in many member states, child allowances are differentiated according to the professional status of the parents, usually the father of the child, mothers taking a vicarious position. This wage linkage is in many countries still reflected in the fact that child allowances are part of the social security system. Social security systems in turn tend to be differentiated for employed persons and self-employed, the free professions being included in the latter group. In some instances state employees, military and some others might be covered by specific systems. Member states having introduced child allowances relatively late, such as Denmark, or had their social system totally reformed after World War II, tend to draw child allowances from taxes.

3) Coverage

In almost all countries, nine out of twelve, as a principle all children are entitled to child benefits. As a consequence, in those states in which family allowance is strongly related to the social security system of the parents, it has been necessary to draw on other sources than social security, in order to secure that all children be covered. Usually tax money is used for it and residual systems are added to the already existing systems. Belgium represents a typical case. From a sociological point of view, one hardly can find any country in which all children actually are covered. There are groups such as refugees etc. who tend to slip through the net on a temporary or permanent basis. In two member states, Spain and Italy, child benefits are means-tested. In one country, Germany, there is a basic amount for all and supplements for lower income groups; in one other country, Greece, family allowances vary according to income.

4) Administration

Due to the relatively long history of child benefits, the early thirties being a crucial period, the procedure of administrating the child benefits tend to be rather differentiated in the member states. The older systems can be characterized by some form of subcontracting, i.e. the private sector or semi-private sector is entrusted with the handling of the benefits to the families. Belgium and France are here typical examples. In member states having

introduced child allowance rather recently public agencies tend to be in charge. In some member states one has to apply for child benefit, in others it is granted almost automatically. The latter categorization does not coincide but does crosscut the dichotomy : universal/means-tested.

3. Amounts

The amounts a child/family receives are quite differentiated across the Community. As table 1 suggests, the span even tends to increase over time. In all member states, with the exception of some allowances in Greece, family allowances are tax free. In most of the member states the amounts are related to the size of the family. In half of the member states this is expressed by increasing amounts according to rank. In one country, the United Kingdom, a reversed tendency is to be observed : the relation is negative; the amounts are degressive. In four of the member states a child is a child, amounts are not rank related, i.e. Denmark, Spain, Italy and Portugal. Rank play a predominant role in France, to the effect that the first child is excluded. In quite a few member states the amounts are related to the age of a child (five out of twelve). Since older children do consume more than younger ones, child benefits tend to be progressive, as is the case in Belgium, France, Luxemburg and the United Kingdom. In contrast, in Denmark they are degressive.

Next to age and rank physical or mental disability of the child is taken into account. Moreover the type of family structure and/or functioning, more particularly conditions leading to increased risk for economic well-being, often constitute elements allowing for increased child benefits. Typical cases are : orphanage, children of lone parents, children of unemployed and/or retired parents and children of disabled parents.

As a general rule provisions are built in to the effect that child allowances are inflation proof. Two strategies can be identified. A first is to link the amounts automatically to the index of consumer prices or to the evolution of the income. Five member states follow that pattern. Another five yearly make a decision to adjust the amounts in line with inflation. In one country, Germany, child allowances were not raised in 1991.

Table 1. Monthly amounts (in ECU)* of family allowances in the member states (31.12.1991)**

	1st child	2nd child	3rd child	4th child
Belgique - België	54.9/8.1(1)	113.2	169.6	169.6
Danmark	75.7	75.7	75.7	75.7
Deutschland (2)	35.9	66.6	112.7	122.9
Hellas (3)	8.5/3.9	8.5/9.6	19.1/18.1	25.3/3.2
España (4)	26.0	26.0	26.0	26.0
France	0.0	92.5	118.4	118.4
Ireland	20.3	20.3	20.3	22.9
Italia (5)	0/12.9	58.4/12.9	103.8/12.9	149.2/12.9
Luxembourg (6)	49.6	101.7	181.6	149.0
Nederland (6)	30.7	42.8	42.8	53.6
Portugal	11.4	11.4	11.4	11.4
United Kingdom	11.6	9.4	9.4	9.4

* Conversion of national currencies into ECU (31.12.1992).

** Without supplements (or diminutions in Denmark) according to age.

- (1) The amounts are shown whether the benefitting parent is a wage-earner / self-employed.
- (2) Basic amount as of 01.01.1992.
- (3) The amounts are shown whether the benefitting partner works in the public or semi-public/private sector. For the public sector the amounts shown are for the income grade 13 (= 40,000 drachmas). For the 'semi'-public/private sector, the allowances shown are the highest amounts (for the lowest income group). The allowance for the third child (until the child becomes 3 years old) and the allowance for large families are not taken into account.
- (4) Means-tested.
- (5) The amounts are referring to the "*assegno per il nucleo familiare*" granted only to wage earners, varying according to family income and referring to the number of members (not only children) in the family. The amounts shown are referring to the two-parent families without handicapped members.
- (6) For Luxembourg and for the Netherlands the amounts of family allowances have been rescaled in order to have amounts for *one child* of a specified "rank" instead of amounts for a group of children. (In these two countries indeed, a first child receives more if he/she is followed by a second child, and even more if there is a third child, and so on.) These supplements have been allocated to the child who entitles to the right.

4. The notion of "child" in the family allowance statutory provisions

Three elements are taken into account in order to determine age limits. A first is the mere age ranging from 14 years (in Portugal) up to 18 years. The latter constitutes the mode. Indeed, in six out of the twelve countries, 18 years is the limit. This limit can be extended in almost all member states, with the exception of Denmark and Spain, for educational purposes. Higher education extends the limits in Ireland up to 18, in Germany and Luxemburg up to 27, the other member states taking an intermediate position with 25 as mode. Vocational training is more restrictive. It only applies in four countries. The age brackets tend to be identical with other forms of higher education, except for Belgium where the limit is lower. Helping in the home is equated with higher education only in two countries, i.e. Belgium and the Netherlands. The third element is disability. Half of the member states apply no age limit for disabled children. Another four apply extended age limits, ranging from 18 (Ireland) up to 24 (Portugal). Two countries do not make any exception for disabled children, i.e. Denmark and the Netherlands.

Table 2. Notion of "child" in family allowance legislation (member states / 1991).

Age limits	General	Vocational training	Higher education	Helping in the home	Disabled child
Belgique - België	18	21	25	25	21
Danmark	18	a.n.e.	a.n.e.	a.n.e.	a.n.e.
Deutschland	16	27	27	a.n.e.	no limit
Hellas	18	a.n.e.	24	a.n.e.	no limit
España	18	a.n.e.	a.n.e.	a.n.e.	no limit
France	18	20	20	a.n.e.	20
Ireland	16	a.n.e.	18	a.n.e.	18
Italia	18	a.n.e.	26	a.n.e.	no limit
Luxembourg	18	27	27	a.n.e.	no limit
Nederland	17	a.n.e.	25	25	a.n.e.
Portugal	14	a.n.e.	24	a.n.e.	24
United Kingdom	16	a.n.e.	19	a.n.e.	no limit

a.n.e. = allowance not existing.

Conclusions

As a rule the fiscal system is characterized as a system contributing to vertical redistribution of income. In contrast, the family allowances traditionally have been legitimized as a form of horizontal redistribution of income. Yet, in recent years, and due to the so-called crisis of the welfare state, family allowances have become an issue in the socio-political debate. The question often is stated in terms of availability of resources versus differentiated needs. The tendency to be observed in the member states is inconclusive. Some relatively newcomers to the system grant benefits to all (e.g. Denmark); in contrast, in Spain, the allowances are means-tested and the reform in Germany introduced dual rates.

A second criticism is far more fundamental. The changing family organisation and structure are to the effect that the mere administrative procedures accountable for the handling of the operations, tends to become less adequate. High rates of divorce, reconstituted families, one-parent families, unmarried cohabitation etc., are less compatible with the older systems in which child allowance was linked with the socio-economic position of the father.

Some authors however, such as Cantillon (Cantillon, 1991 : 152), go even further and claim that child allowance as such was geared at a typical model of family organisation with the husband/father occupying the providing role, the wife/mother taking care of the children. She takes the position that new situations require new policies. The latter argument refers to the position of the parents and is given support by the development of new policies such as reconciliation between work and family (dealt with in subsequent chapter).

Yet, there are two additional perspectives at stake in the debate. A first is the demographic issue, often implicitly, sometimes explicitly presented. This debate is becoming increasingly complex, due to the ecological factor which puts the demographic problem of the so-called greying and degreening process into new perspectives which are not yet fully explored. The growing recognition of children as persons in their own right constitutes a second factor. As already been suggested in the 1990 report, one can observe a shifting from parents to child as the focus of reference in child allowances (Dumon, 1991 : 97). Commaille has coined the term "*réfamilialisation pédocentrique*", the child-centeredness becoming a main feature of family policy. In the current socio-political debate the revendication for a child allowance to be equal for all children, regardless of age or rank, gives support to this trend.

II. OTHER ALLOWANCES

Next to child allowances, three other monetary benefits can be identified : a) birth allowances; b) allocations at the reopening of the school year and c) marriage allocation or marriage benefit. The former refer to children, the latter to the spouse.

1. Birth allowances

In Belgium, France, Luxemburg and Portugal, birth allowances exist. These allowances are not income tested and although they are quite differentiated, they tend to be inflation proof. The amounts are paid by the national authorities and can be supplemented, at least in one country, i.e. Belgium, by grants from the local authorities. The latter grants neither are means tested.

In the former German Democratic Republic a birth allowance of some 1,000 DM was granted, provided the mother had regularly attended the consultation sessions for pregnant women. Currently (in the period under observation, 1991) in reunified Germany the debate is on the introduction of a DM 1,000 (= 512 ECU) family award for each child birth. In line with the existing practice in other member states, this award is not to be income related. The debate is to be situated in the context of the reform of termination of pregnancy (§ 218, section B). In Spain, the existing allowance, being very small in amount (3,000 pesetas) (= 22 ECU), was paid central administration officials for the last time. The payment is to be discontinued in 1992. Yet, birth allowances are to be found among the social benefits provided for in some collective agreements. In the United Kingdom and Ireland families on low income are entitled to some amount; in the United Kingdom the benefit amounts to £ 100 (= 125 ECU); as to Ireland, any woman entitled to a medical card can claim a maternity cash grant of £ 8 (= 11 ECU) after the birth of a baby. This is paid by the local health board.

Changes in 1991.

In contrast with child allowances, which were and still are legitimized on grounds of social justice, a form of horizontal redistribution, birth allowances are to be qualified as measures of a natalistic oriented policy. The German debate brings new elements into bearing. The change is to the effect that the premium is not advocated as a means to result in *additional* children as an outcome but as a

measure to avoid the voluntary termination of *existing* pregnancies. In both instances the incentive consists of a lump sum being granted.

Two systems can be identified : lump sums granted which are not means tested and income sealed benefits. The former tend to be substantial and to grow in line with or above inflation; the latter tend to be either rather or even mere symbolic and, due to inflation tend to lose significance.

Even in countries in which birth allowances tend to represent significant amounts, there is hardly any evidence of impact on the birth rate. Yet they make for comfort or, respectively ease hardship, at times in which families are confronted with additional expenditures.

2. Allocation at reopening of the school year

In Luxemburg, a supplement to the family allowances is paid once a year, in the month of August, for all school-age children. The amount is differentiated according to the age of the child and number of children in the family. Like the family allowance, this supplement is indexed.

Also in France such an allowance exists, yet it is income related and the ceiling is raised by number of children in the family. The benefit amounts to about 20% of the basic monthly family allowance. In France, like in Luxemburg, the amounts are adjusted according to level of inflation. In Ireland a certain type of such allocation can be identified under the style of "back to school clothing and footwear allowance". This allowance is means tested and administrated by the Department of Social Welfare.

Changes in 1991.

In the period under consideration, 1991, hardly any change is to be observed. This benefit only exists in three of the member states. Except for Luxemburg the amounts are rather small or even mere symbolic.

Chart 7. Family Allowances (other than child allowances) in the member states (1991)

	Birth allowances : ■ = benefit exists; O = benefit does not exist; * = means tested					
	Start school year : ■ = benefit exists; O = benefit does not exist; * = means tested					Job allocation
	Marriage benefit : ■ = benefit exists; O = benefit does not exist				Reduction on public transportation : ■ = yes; O = no	
				Exemption of military service : ■ = yes; O = no		
Belgique-België	■	O	O	■	■	O
Danmark	O	O	O	O	O	O
Deutschland	(1)	O	O	■	O	O
Hellas	O	O	■	■	■	O
España	O	O	O	■	■	O
France	■	■	O	■	O	■ (2)
Ireland	*	*	O	■	d.n.a.	O
Italia	O	O	O	■	■	■
Luxembourg	■	■	■	■	d.n.a.	O
Nederland	O	O	O	O	■	O
Portugal	■	O	■	O	■	O
United Kingdom	*	O	O	O	d.n.a.	O

d.n.a. = does not apply (military services not compulsory).

(1) Debate on the introduction of a family award for each child birth in reunified Germany.

(2) Only regarding the assignments of staff employed in the public sector.

3. Marriage allocation / Marriage benefit

In two member states, Greece and Portugal, a *marriage benefit* is paid. It is a lump sum granted at the wedding.

In Greece the marriage benefit is granted to the bride-to-be, in Portugal to each of the spouses. In Greece the amount is differentiated according to the size of the family of origin. In Portugal the grant is explicitly to be requested. The lump sum amounts to 107,737 drachma (= 417 ECU), respectively 132,000 drachma (= 511 ECU) in Greece, and to £ 15,870 (escudos) (= 91 ECU) in Portugal.

In Greece and Luxemburg* some type of *marriage allowance* is accorded, representing an additional sum to monthly wage because one is married and not single. Actually marriage allowance represents the mirror image of child allowance. In both countries this practice is to be found in the public sector. In Greece it amounts to 10% of the basic salary, in Luxemburg it varies between 7.2% and 8.1%. In Greece some type of marriage allowance can be found in the private sector too as part of some collective agreement. In Luxemburg this is not the case.

III. INDIRECT ALLOWANCES / REDUCTION ON THE PUBLIC TRANSPORTATION SYSTEMS

In the vast majority of the member states (8 out of 12) families receive preferential treatment in monetary terms on the public transportation system. In Belgium, Germany, Greece, Spain, France, Ireland, Italy, Luxemburg, *individual* members of *large* families are granted a reduction of 50% as a rule. Large families usually are defined as having at least three children. As to tariff structure, three developments can be observed. a) The family discount in existence for a long time, is being supplemented and to some extent replaced by new schemes geared at horizontal categories such as the young (youth), the elderly, students etc., rather than to individuals belonging to large families; b) The entitlement which was granted for free is being supplemented and gradually replaced by commercial oriented systems, i.e. reduction cards to be paid for. The evidence on the occurrence of this system suggests a tendency to growing

* In Luxemburg this allowance is also accorded to single persons if they have dependent children.

divergence. In 1992 the so-called "family travel card" disappeared in the Netherlands. In contrast, in Germany, a promotion campaign for such cards was launched. c) The individual reduction is gradually supplemented and, to some extent, being replaced by forms of group travel in which not the family relationships but the number of persons traveling *together* is used as criterion.

IV. NON-FINANCIAL BENEFITS

In quite a few member states some form of preferential treatment for families, other than direct financial rewards, can be identified.

Exemption from military service is the most common. Preferential treatment in job allocation is another, though hardly to be found.

Six out of the nine member states applying drafting systems do make provisions for exemption on the ground of family reasons. The two positions, spousal and filial are here at stake. However, the importance of this measure tends to lose some of its significance on two accounts. a) The duration of the military service tends to be shortened and even to become zero in some countries. b) Secondly, the number of draftees tends to be reduced, as is the case in Ireland, and/or to be replaced by other forms of alternative service.

Preference in *job allocation* is only to be found in two countries, i.e. France and Italy. In both countries, the field of application is situated in the *public sector* and regards the marital status. As far as the family situation, including charge of children, is concerned, this only plays some role in one country, Italy. Here, in the private sector, the family situation is taken into account among other criteria, in the compilation of the waiting list for unemployed persons.

Conclusions

Out of all measures identified the child allowances are the only ones which tend to gain in importance in contrast with all others, which tend to lose in importance, except for birth allowances. The child allowances tend to gain on three levels: a) in sheer monetary value; b) substituting to some extent tax reforms and being considered as remedial for biased features in tax systems;

c) the child allowance is one of the few measures strategic in the tendency to child centered family policy. The latter characteristic puts child benefits above the controversy: horizontal versus vertical redistribution, putting the child as subject and object of the allowance instead of its parents. In this respect the function of child allowance tends to be changed from a material support for the family, to a political instrument ensuring the actualisation of the emerging tendency to consider a child as a person in its own right.

Other measures related to children retain some value. In contrast, no family benefits (tax allowances by definition excluded) related to the marital or spousal system gained any importance. On the contrary, measures expressed in monetary terms lose some of their value. Those expressed in non-monetary terms tend to lose some of their symbolic significance. Hardly any is gaining in ubiquity.

As already suggested in last year's report, the relative stagnation, respectively the atrophy of public policy as to family benefits, creates a vacuum which tends to be filled by the semi-official and the private sector. A good example is being offered by pre-nuptial saving systems yielding high interests; by new arrangements in public transportation systems, state owned or privatized alike; by premiums and special arrangements offered by mere commercial firms such as banks at the birth of a child etc. The research evidence available on these matters is scarce though suggests a tendency towards social unequal redistribution, the middle classes tending to take greater advantage of the opportunities offered, sometimes referred to as the Matthew-effect. This process marks the sharp difference between family policy measures originating from the private sector, versus those engineered by the public sector.

Chart 8. Public aid in the field of "child support" in the member states (1991)

	Changes in 1991 : ■ = major; + = some; O = none				
		Advanced payments guaranteed : ■ = yes; O = no			
			Advanced payment is restricted : ■ = yes; O = no		
				Advanced payment is recovered from debtor : ■ = yes; O = no	
				Date of legislation	
Belgique-België	+	■ (1)	■	■	08.05.1989
Danmark	O	■	■	■	04.06.1986
Deutschland	■	■	■	■	20.12.1991
Hellas	O	O	n.a.	n.a.	n.a.
España	O	O	n.a.	n.a.	n.a.
France	O	■	■	■	22.12.1984
Ireland	O	■	O	■	Social Welfare Act 1989 / 1992
Italia	O	O (2)	n.a.	n.a.	n.a.
Luxembourg	O	■	■	■	26.07.1980
Nederland	O	■	O	■	
Portugal	O	O (2)	n.a.	n.a.	n.a.
United Kingdom	■	■	O	■	Child Support Act 1991

n.a. = not applicable.

(1) means-tested.

(2) right to exact the sums due from the employer of the debtor.

V. PRIVATE TRANSFERS : CHILD SUPPORT

Due to changing family structure, more particularly the growing or anyhow high incidence of divorce rates, resulting in high number of one-parent families, at least as an interim situation, and the emergence of reconstituted families as a common phenomenon, has made the parental responsibility for children from former marriages an issue. *Child support* in American language, *child maintenance* in British terminology, increasingly has become a matter of public concern. The implementation of private arrangements and court decisions increasingly is being reinforced and even to some extent guaranteed by the public (executive) authority in the member states.

In eight of the twelve member states a public system of advanced payment of child support is developed. However, in the Netherlands the Minister of Justice is proposing to abolish this form of service to families, to reduce costs. Advanced payments can be restricted in three ways: (i) the amount of the advance can be limited; (ii) the right to entitlement to advanced sums can be means-tested; (iii) the right to entitlements is provided only for children under a maximum age. The first restriction is applied in Denmark and France, the second in Luxemburg. In Belgium the first and second restrictions are applied together. In Germany, it are the first and third restrictions that are applied. In the four other member states, Ireland, Luxemburg, the Netherlands and United Kingdom no restrictions are applied. The amounts paid in advance by the State are recovered from the alimony debtor in every member state.

In two other member states, Italy and Portugal, another legal guarantee is developed, i.e. the right to exact the sums due from the employer of the obliged spouse. The most important way to get this guarantee is a request to the court. The judge can order the obligee's employer to make a deduction at source out of salary. In Italy the judge's order is only necessary in case of separation, not in case of divorce.

References :

Cantillon, B., Toespraak ter gelegenheid van de 60ste verjaardag van de kinderbijslagregeling voor werknemers in België (Address delivered on the occasion of the 60th anniversary of the child benefit system for wage-earners in Belgium), *Belgisch Tijdschrift voor Sociale Zekerheid*, (1991)3-4, 151-156.

Council of Europe, *European Convention on Social Security and Supplementary Agreement for the Application of the European Convention on Social Security*, Strasbourg, Council of Europe, 1972.

CHAPTER IV. FAMILY AND LABOUR MARKET POLICY

Due to the changes in family organisation, more particularly occurring in the division of labour between spouses and due to the trend towards economic independence of wives/mothers, the issue of harmonisation of family and employment has become one of the core matters of family policy. In this respect an important and innovative feature is the emergence in the US, Australia and Europe, of corporate interest (i.e. of industrial and non-industrial business) in family life as expressed by developing corporate family policies.

I. PROTECTING PREGNANT WOMEN IN THE JOB MARKET

On October 19th 1992 the Council of EC-Ministers adopted a directive on "the protection of pregnant women at work, and those who have recently given birth or are breast-feeding their child" (1). This directive contains a number of minimum provisions, leaving it to the member states to adopt more favorable arrangements with a non-regression clause, to the effect that the level of protection currently en vogue, must not be reduced.

There are five provisions involved :

- 1) the employer is required to assess in advance any risks to the women concerned and, if such assessment reveals a safety or health hazard, working conditions or working hours are to be adjusted accordingly, or the persons concerned are to be removed to other work or given time off with, in the latter case, maintenance of employment rights and payment of an adequate allowance to compensate for any loss of pay;

(1) Council Directive 92/85/EEC of 19 October 1992 (Official Journal of the European Community, N° 1, 348/1-8, dd. 28.11.92).

- 2) pregnant workers will be entitled to undergo pre-natal medical examinations in accordance with national legislation or practice during working hours without loss of pay;
- 3) pregnant women may not be dismissed for reasons connected with their condition;
- 4) *obligatory* maternity leave of two weeks before, after or straddling the presumed date of delivery; in line with national legislation and practice, the *actual* duration of maternity leave is set at a minimum of 14 uninterrupted weeks; the employment rights of women taking maternity leave are to be maintained;
- 5) maternity benefits granted may not be less than those received by a worker stopping work for reasons connected with his or her health. The qualifying period for maternity benefits may not exceed one year.

Confronting the current regulations (as of 31.12.1991) with these minimum provisions, reveals that six out of the twelve member states are in total compliance with the regulations, four have to adjust to one of the provisions and two have to make more important changes.

As indicated in Chart 9, job protection and prohibition of dismissal for reasons connected with pregnancy is assured by each member state. However, in this respect there are still some problems. For instance in 1991, in the Netherlands, there was some debate about whether or not a woman during a job interview is obliged to reveal that she is pregnant.

The inclusion of pre-natal medical examinations during working-time is yet to be applied in three member states : Belgium, Greece and France. The compulsory period of maternity leave is to be extended in Portugal and the United Kingdom. It is the latter country in which women, actually families, including husbands/fathers, and children, will actually benefit most from the new directive since maternity leave now becomes generalized and the period for qualifying is reduced to one year. Ireland has to make provisions regarding working conditions.

In general and more particularly as to job protection and duration of maternity leave, the majority of the member states have far more generous provisions than the ones stipulated above. Moreover, as shown in Table 3 and Chart 10, some additional benefits were granted in 1991.

Chart 9. Compliance of national regulations/legislations with the minimum provisions of the EC Directive on the protection of pregnant women

	Kind of work : ■ = yes, O = no				
	Medical examinations : ■ = yes, O = no				Qualifying period : ■ = yes, O = no
	Prohibition of dismissal : ■ = yes, O = no			Duration of maternity leave : ■ = yes, O = no	
Belgique-België	■	O	■	■	■
Danmark	■	■	■	■	■
Deutschland	■	■	■	■	■
Hellas	■	O	■	■	■
España	■	■	■	■	■
France	■	O	■	■	■
Ireland	O	O	■	■	■
Italia	■	■	■	■	■
Luxembourg	O	■	■	■	■
Nederland	■	■	■	■	■
Portugal	■	■	■	O	■
United Kingdom	■	■	■	O	O

Chart 10. Protection of pregnant women in the job market (member states) (1991)

	Changes (1991) ■ = major; + = some; O = none. By L = legislation; C = court decisions; N = negotiations						
	Limitations and restrictions as to kind of work allowed: ■ = yes; O = no					Date of legislation/implementation	
	Job protection till n months after delivery				Maternity leave compulsory provisions: ■■■ = pre; ■■■■ = post; ■■■■ = pre- and post-delivery		
				Breastfeeding provisions: ■ = yes; O = no			
Belgique-België	O	■	1*	■■■	O		29.12.1990
Danmark	O	■	6	■■■	O	1989, amendments 1990	
Deutschland	+ L	■	36**	■■■	■	18.04.1968, 30.06.1989	
Hellas	O	■	12	■■■	■	1989	
España (1989)	O	■	12	■■■	■	03.03.1989	
France	+ L	■	3	■■■	■	1966, 1991	
Ireland	+ L	O	3½	■■■	O	1977, 1981, 1991	
Italia	+ C	■	12	■■■	■	30.12.1971, 09.12.1977, 11.12.1990	
Luxembourg	O	■	2	■■■	■	1928, 1980, 1988, 1989	
Nederland	O	■	3	■■■	■	1919, 1986(ARBO)	
Portugal	O	■	3	■■■	■	1985	
United Kingdom	O	■	7	***	O	1975, 1978	

* After maternity leave.

** Implementation 01.01.1992.

*** Depends on length of service with the employer.

1. Maternity leave

As shown in Table 3, the job protection in most countries tends to exceed the period of compulsory maternity leave. Moreover, as indicated above, in Germany it is being extended and the period even being doubled, actually from 18 months up to 36 months (educational leave). This provision is being implemented from January 1st 1992 on.

Table 3. Maternity leave (in weeks) in the member states (1991).

	Pre-delivery	Post-delivery	Total
Belgique-België	1 up to 7	14 down to 8	15
Danmark	4	24	28
Deutschland	6	8	14
Hellas			
- public sector	8,5	8,5	17
- private sector	7,5	7,5	15
España	0 up to 10	16 down to 6	16
France	2 up to 10	14 down to 6	16
Ireland	4 up to 10	10 down to 4	14
Italia	8 (2 months)	12 (3 months)	20 (5 months)
Luxembourg	8	8*	16
Nederland	4 up to 8	12 down to 8	16
Portugal	0 up to 4½	13 down to 8½ **	13
United Kingdom***	(11)	(29)	(40)

* Can be extended to 12 weeks (8 + 4) in case of premature delivery, multiple delivery or breast feeding.

** 60 days.

*** not generalized.

In 1991, except for the United Kingdom, applying eligibility rules for *maternity leave*, all other member states have statutory rights re maternity leave. However, the span of the maternity leave ranged widely from 13 weeks in Portugal up to 28 weeks in Denmark, the modus being 16 weeks. In some countries, there is no obligation to take any leave before child birth. However, in some member states, the extension of maternity leave is linked to compulsory leave in the prenatal period. Next to maternity leave some form of paternity leave is emerging and recently becoming more widespread (changes in Spain 1989; Denmark 1991). In 1991 the Danish regulations were becoming more flexible to the effect that the

father is entitled to utilize his maternity leave (two weeks) any time he wants, during the first 14 weeks after child birth.

2. Maternity Indemnity

As indicated in Chart 11, all member states except the United Kingdom, do conform with the EC directives concerning "maternity benefits"; actually a more accurate term would be "maternity indemnity". It should be noted that in the United Kingdom, there is not yet a statutory obligatory maternity leave. However, the provisions do apply to workers, to the effect that in some countries some categories of women, such as self-employed, non-employed and some residual categories, are not covered by that type of social protection.

As to maternity indemnity for workers, three categories can be identified. A first grants full compensation for the period of obligatory maternity leave. This is the case in Germany, the Netherlands, Luxemburg and, as a rule, also in France; in some other member states it applies to the public sector only, such as in Denmark and Portugal. In a second category the provisions are to the effect that a certain percentage of the average wage is granted, ranging from 90% in Denmark, over 75% in Spain to 50% in Portugal. In some other countries, such as Belgium, the amounts are phased; i.e. the first part of the period with higher amounts, decreasing in later phases. In this category, the amounts paid through social security tend to be sealed, but can leave some room to be supplemented by the employer and even come to full compensation in some cases (Denmark, Ireland, Italy). The third category consists of one country only, Greece, in which working women covered by social security do receive the amounts of sick insurance indemnity and those who are working but not covered by social security, do receive a lump sum (40,000 Drs = 155 ECU). Since obligatory maternity leave does not apply, the United Kingdom constitutes a special case: workers entitled to the benefit receive 90% of wages for 6 weeks and for the next 12 weeks a flat amount (£ 44.5/week = 56 ECU/week).

Quite a few member states extend maternity benefits, including other groups than workers, to the effect that they tend to cover most pregnant women. This is the case for Belgium, Denmark, Germany, Italy, Luxemburg and also in the United Kingdom some self-employed do receive this form of social protection. The standard procedure is that lump sums are being provided. The amounts however are quite differentiated and hard to compare. Yet, some indication is being provided in Table 4.

Chart 11. Maternity indemnity in the member states (1991) (■ = change in 1991)

	Workers : ■ = full compensation; ▣ = +50%; ☒ = 50% or sick insurance; ☒ = other.				
	Full compensation in public sector : ■ = yes; O = no				
	Provisions for non-salaried such as self-employed a.o. : ■ = yes; O = no			Paid extended periods : ■ = all categories; ▣ = workers only; O = no provisions	
	Incentives for role sharing : ■ = yes; O = no				
Belgique-België	▣	O	■	O	■
Danmark	▣	■	■	O	■
Deutschland	■	■	■	■	O
Hellas	☒	O	O	O	O
España	▣	■	O	O	■
France	■	O	O	O	O
Ireland	▣	O	O	O	O
Italia	▣	O	■	▣	■
Luxembourg	■	■	■	O	■
Nederland	■	■	O	O	■
Portugal	☒	■	O	O	■
United Kingdom	☒	O	■	O	■

Table 4. Maternity benefits for non-salaried such as self-employed (31.12.1991).

	Amount in national currency	Conversion into ECU*	Amounts/ week into ECU*
Belgique-België	lump sum of 31,212 FB	lump sum of 779.4 ECU	± 52.0
Danmark	max. 2,457 Dkr/week	max. 326.1 ECU/week	326.1
Deutschland	lump sum of max. 400 DM	lump sum of max. 205,0 ECU	± 14.6
Italia**	31,896 lira/day	18.0 ECU/day	± 90.0
Luxembourg	3,879 F.Lux/week	96.9 ECU/week	96.9
United Kingdom	42.25 £/week	52.9 ECU/week	52.9
Hellas/España/France/Ireland/Nederland/Portugal : no maternity benefits for non-salaried.			

* Conversion of national currencies into ECU (31.12.1992).

** The amount shown is the mean of 34,048 lira for craftswomen; 29,824 lira for tradeswomen; 31,816 lira for farmers.

In two member states, i.e. Germany and Italy, paid maternity leave can be extended, however, usually at some lower rate than the actual obligatory period. In 8 out of 12 member states, some provisions are made that can be qualified as giving incentives for role sharing (e.g. entitlement to two weeks maternity leave for the father in Denmark, last four weeks of maternity can be taken up by the father in Spain, ...).

II. FLEXITIME

The relationship between family and work, put in terms of balancing work and family, has constituted one of the core issues in family policy since the late eighties. This found its expression on national level as well as on Community level as expressed in conferences, debates and publications (Commission of the European Communities and Belgian Ministry of Labour and Employment, 1992). The so-called corporate family policy was identified as one of the key

elements in overcoming incompatibilities between work and family. One of the main strategies developed to cope with this problem undoubtedly is flexitime. Paradoxically the strategy of flexitime also originated from almost opposite concerns, resulting in deregulating and, according to some, destructuring of the labour market. As a result, in most of the member states also in 1991, one can observe a debate pro and contra flexitime, putting into question whether flexitime is to be characterized as pro or anti familialistic. Yet, as illustrated in last year's report (Dumon, 1991 : 137-149), in many member states, family friendly measures have been introduced.

Flexibility in work situation involves quite a spectrum of measures. Some of them family related such as changing of job allocation or work conditions such as illustrated in the preceding paragraph on the element of work conditions and job protection. The debate however is very much centered on one particular aspect : time or, more accurately, timing. Three elements are here at stake : a) flexitime, i.e. the ability to make some choice as to timing; b) the ability to reduce working hours and c) the ability to take a leave of absence for family reasons.

1. Flexitime

As to flexitime, three strategies can be identified. First, some degree of *freedom in scheduling* working time. As chart 12 indicates, except for the United Kingdom, in all other member states, more particularly in the late eighties, early nineties, such arrangements were either introduced or expanded and are virtually generally available. However, as a rule, this flexitime arrangements are not family specific but far more general to the effect that with some exceptions, such as Denmark, family reasons are not even mentioned. Yet, implicitly this type of measures has great family impact. In this respect the German example of the metallurgy sector can be quoted where overtime-hours, extra hours, can be put into a time-savings-account and used at liberty for many purposes, among others family related events.

A second strategy concerning of *reducing* working time, in terms of hours a day, can be observed in two countries : Greece and Spain. It should be noticed that the public sector tends to be more lenient in this respect than the private sector. E.g. in Greece, in the private sector, working hours can be reduced by one hour a day for the first year after child birth; in the public sector however more hours for a longer period (2 hours a day/first 2 years plus 1 hour a day/further 2 years). Reduced working time (1 hour a day) can be taken for an unlimited period in

Chart 12. Positive flexibility measures (for family reasons) in the member states (1991) (■ = changes in 1991).

	Scheduling working hours : ■ = yes; ▣ = yes but not family specific; O = no.			
		Reduced working hours (hours/day) for family reasons : ■ = yes; O = no		
			Ability to be absent : ■ = yes; O = no	
			Specified free days* : ■ = changes, expansion; O = no change	
Belgique-België	▣	O	■	■
Danmark	■	O	O	O
Deutschland	▣	O	■	O
Hellas	▣	■	■	O
España	O	■	O	O
France	▣	O	O	O
Ireland	▣	O	O	O
Italia	▣	O	O	O
Luxembourg	▣**	O	O	O
Nederland	▣	O***	O***	O
Portugal	■	O	■	O
United Kingdom	O***	O	O	O

* existing in all member states.

** no really effective laws, except in the public service.

*** some initiatives by some private companies.

order to take care of handicapped children. More substantial reductions of working time, such as part-time or half-time work are referred to in the next paragraph.

A third strategy, to be observed in Belgium, Germany, Greece and Portugal, consists of enabling parents to assess situations which require them to stay at home, such as sickness of children etc. Since the reasons are not very well specified, the time allocated, in terms of days a year, is strictly limited: in Belgium 10 days, in Germany up to 10 days per child until the child becomes 12 years old, in Greece 6 up to 10 days, according to the situation. The latter strategy does not include extra free days for *specified family events* such as marriage, birth of a child, moving etc. Though differentiated in terms of occasions applied and days allowed, the latter measures do apply in all member states.

Conclusion

In the early nineties, more particularly 1991, in most of the member states (e.g. not in Ireland) one can observe heavy debate on flexibility and more particularly on flexitime. Yet, until now, and more particularly till the end of 1991, this has not resulted in a strong or elaborated scheme of measures generalizing dramatic changes in working hours or other forms of flexitime. More particularly the measures explicitly aimed at balancing family and work have been until now rather modest and 1991 cannot be characterized as a year in which innovations, new developments or radical changes were introduced.

2. Part-time work

Regarding part-time work, within most countries conflicting stands can be identified and across countries divergence in policy measures can be observed. Yet, even more than with flexitime, part-time work and half-time work are debated in a context more related to emancipatory issues than to family issues exclusively. Yet, in some countries, such as the Netherlands, it has been stated that after pregnancy leave women do not have the right to request from their employer their working time to be reduced to half-time or part-time. The relationship between family and work therefore is linked with questions of a) gender equity in terms of role sharing in and outside the family and consequently to policies stimulating, conversely curbing these objectives, b) secondly, in the debate new elements came about in the early nineties, and during the course of 1991, to the effect that policies enabling women to reconcile

work and family, are too narrow in scope. It was claimed that they should allow women to participate fully in social life as well. Such a stand for instance was taken in the EC Conference (2).

Conclusion

The issue of family and work in general, but more particularly the problem of flexibility and part-time work focuses on the role social partners (employers/trade-unions) do play in new forms of family policy.

III. PARENTAL LEAVE / TEMPORARY OR PARTIAL CAREER BREAKS

As shown in chart 13, except for the United Kingdom, all member states provide for some leave of absence for parents, either under the style of career suspension or specific *parental* leave. As to career suspension, Denmark is the only country where career suspension is not geared at any type of family issue. The two types of measures, career suspension and parental leave each have specific features and special limitations. Parental leave in itself can be defined as a period following the maternity leave. Career suspension on the other hand, by definition can be taken for any other reason, but in general is less restrictive than the former measure, family situations included. For instance, not only for the young child but also for any other child or for other family related reasons, career interruption can be obtained. The latter measure gives more freedom to the worker, the former gives more emphasis to family needs and thus recognizes the special needs of families or the special needs in certain phases in the life course.

The two basic elements are the availability of the provision to take "leave of absence" through either of these measures, secondly whether or not any remuneration or indemnity is provided for. Cross-cutting these two elements (see chart 14) reveals that the member states are clustered quite unevenly. Indeed, most member states do provide for parental leave without indemnity.

(2) Commission of the European Communities and Belgian Ministry of Labour and Employment, *Europe '93: Business and the family: What strategies to bring them together?* Conference held in Brussels, 30 and 31 March 1992.

Chart 13. Parental leave / Career suspension in member states (1991) (■ = changes in 1991).

	■ = parental leave as such available; ■■■ = career suspension with special provisions for parental leave; ■■■■ = career suspension not related to family situation; O = no generalized provisions; + = career suspension not generalized, neither in private nor public sector	Period granted	Age of child limited at; ■ = no limit	Return to job-position: ■ = assured; O = not assured; + = limited in time; ※ = job guaranteed but job status not guaranteed	Social security guaranteed: ■ = period counts as working period for social security; O = does not count; + = limited in time	Incentives to gender equality: ■ = yes; O = no	Cohabitation provisions: ■ = yes; O = no	Amount	Date of legislation
								O = unpaid	
Belgique-België	■■■	minimum 6 months (in principle) - maximum 5 years 12 weeks allowed	■	■	■	■	O	min. 5,000 BEF/month	1985, 1990
Danmark	■■■	10 weeks	n.a.	■	■	■	n.a.	90% of normal wage	1983
Deutschland	■	36 months*	0-36 months	■	■	■	■***	first 16 months: 600 DM/month; post 6-18 months: means tested**	1968, 1990, 1991
Hellas	■	3 months	0-30 months	■	O****	■	O	O	1984, 1988
España	■	maximum 36 months	0-36 months	+*****	+	■	O	O	1989, 1990
France	■	33 months	2-35 months	※	■	■	O	O	1989-1990, 18th January 1991
Ireland	public sector: ■■■ private sector: O	5 years	n.a.	■	■	O	n.a.	O	1984, 1988, 1990
Italia	public sector: ■■■ private sector: O	maximum 1 year	0-12 months	■	■	■	O	O	1977
Luxembourg	public sector: ■ private sector: ■	- 1 year - 6 years half time, can be extended to 15 years - 1 year - 6 years half time, can be extended to 15 years	0-1 year 0-6 years, can be extended to 15 years 0-1 year 0-6 years, can be extended to 15 years	■ O ■ ■	■ ■ ■	■ ■ ■	O	educational allowance until 2 years	1975, 1987, 1989
Nederland	■■■	no more than 6 months, at a time (obligation to work minimum 24 hours/week)	0-4 years	private sector: ■ public sector: ■	■	■	O	- O - partly paid	1990
Portugal	■	6 months to 2 years	0-2 years	■	O	O	O	O	1984-1985
United Kingdom	+	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	O	n.a.

n.a. = not applicable
 * From 01.01.1992 the period is doubled from 18 months to 36 months.
 ** From 01.01.1993 : period of 18 months extended to 24 months.
 *** From 01.01.1992.
 **** Obligated to pay social security contribution plus employers share.
 ***** Limited to one year.

Even in the case of career suspension remuneration is not guaranteed. Actually there are only three countries which provide for some form of financial compensation, in order of importance : Denmark, Germany, Belgium. Limited, restrictive and partial provisions are granted in quite a few other member states yet not in a general way but a) restricted to some provisions in collective agreements on wages and work conditions, and b) in some instances only the public sector provides for some remuneration.

Chart 14. Parental leave / career suspension in the member states, 1991

	Paid	Unpaid
Parental leave	Deutschland	Hellas España France Italia* Luxembourg Netherlands** Portugal
Career suspension	Belgique/België (Danmark)	Ireland*

* = exclusively public sector;

** = part-time, partly-paid;

() = not family related.

Although the majority of the member states have provisions for some explicit form of parental leave (see chart 13), the impact of these measure tends to be rather limited. Two types of factors have been put forward to explain the lack of appeal these measures have provoked. A first group consists of restrictions concerning availability or scope of eligibility. For instance in some countries the measures only apply for companies employing over 100 workers. In others top positions do not qualify, such as, among others, in Portugal. The most important factor is the failure to provide any form of indemnity which, as chart 14 suggests, is the case in most member states. In some, e.g. Greece, one has to provide for monetary payments of one's own social security contributions, including the share of the employer. In only one member state, Germany, persons taking parental leave as such do receive some form of indemnity.

Yet, in almost all member states, two elements have been taken care of: a) incentives favouring equity or at least to ease gender bias. In two countries (Germany, the Netherlands) these measures have been extended to the effect that they cover qualified cohabitation situations. b) A second element pretty well covered is the right of the worker for re-entry into the work force. Yet, this right tends to be more guaranteed in the public than in the private sector and moreover, in some countries, it is not secured that the same position can be regained and that all promotion-opportunities have been kept open (such as in France).

The three member states providing for career suspension, Belgium, Denmark, Ireland, cover the full spectrum: ranging from no provisions for family reasons (Denmark) over family reasons being explicitly included (Ireland), to provisions extra-beneficial for families (Belgium). In two out of the three countries, career suspension is, either adequately (Denmark) or respectively substantially (Belgium), financially compensated. In one country (Ireland), it is limited to the public sector, without any financial compensation. In the latter two countries family reasons do constitute the main (Belgium) respectively substantial (Ireland) cause for career suspension. Some specific provisions such as career suspension during unemployment virtually are exclusively taken for family reasons, to the effect that, according to some, this measure of economic policy actually can be characterized as a family policy measure.

IV. CHILD CARE (3)

In all member states measures concerning Child Care are geared at differentiated age groups. The age brackets to be distinguished are roughly 0-3 (sometimes 2.5) years, 3-5 or 6 and 6-12. The main preoccupation currently in the member states concerns the availability of places (in some countries put in terms of beds) for the youngest group, 0-3 years. As to the second age group, there is a clear interference and overlap with the pre-school system. For the third age bracket the problem of out of school facilities and/or pre and post-

(3) Since there exists a European Childcare Network within the Commission, this Chapter will be limited to some policy aspects of Child Care.

school-time care is currently an issue in quite a few member states, e.g. Belgium. The latter issue also applies to the second age bracket.

Restricted to the 0-3 age bracket, four types of policies can be identified. A first one consists of giving main emphasis to public geared creches or, a second one, to subcontract, i.e. to subsidize, monitor and control child care by private institutions, which either can be creches or home-based arrangements. A third strategy is to emphasize the responsibility of the employer and a fourth to give incentives to have the children taken care of at home by certified child carers. The first two strategies are the main strategies and are in opposition to non-intervention strategy in which the private market sector can play an important role. The latter strategies are supplementary and do not constitute the main arrangement as suggested in Chart 15.

Next to availability of creches and other child care arrangements, the costs for parents (and society) constitute a central issue. In quite a few member states, measures have been developed to ease the financial burden of parents and to make this type of arrangements more affordable. Two systems can be distinguished. A first consists of allowing for tax reductions as is the case in Belgium, Greece, Spain and France. A second and more recent development is to give cash or subsidies to parents in order to facilitate child care arrangements. In 1991 such developments emerged in Denmark and new measures were added in France. In Denmark local councils have been empowered to give each child a grant, to the effect that new governing bodies, next to public authorities could establish child care arrangements. In France, a new measure was coming into effect on January 1st, 1991. It provides for a subsidy given to families in order to enable them to employ a certified "maternal assistant", i.e. a certified child carer. This new provision may be combined with an already existing provision, i.e. a financial subvention in order to employ a person to take care of children at home. It is self evident that the two benefits have to cover different periods of child care. E.g. a child can be cared for at home before noon and therefore AGED, i.e. the already existing subvention can be received; in the afternoon the child can be taken to a certified child carer and there the new provision (AFEAMA) can apply. The two new measures emerging in 1991 not only ease the financial burden of the family but have as common denominator that they give more power to the parents, i.e. enlarge their alternatives for selecting child care arrangements. Secondly these measures emphasize the professionalisation of child care in a double sense. First families, and more particularly child care is increasingly being recognized as providing employment. Conversely persons

Chart 15. Child Care Facilities in the member states (1991) ■ = changes in 1991.

	Creches			Day parent/mothers oriented	Home oriented
	Government organized or sponsored	Private	Company oriented		
Belgique-België	■	O	+	■	■
Denmark ■	■	O	+	■	O
Deutschland	■	O	+	■	O
Hellas	■	■	+	O	O
España	■	O	+	O	■
France ■	■	O	+	■	■
Ireland	⏏	■	+	O	O
Italia	■	O	+	O	O
Luxembourg	■	O	O	O	O
Nederland	■	+	+	■	O
Portugal	■	■	+	O	O
United Kingdom	+	O	+	■	O
	<p>■ = generalized legislation concerning creches</p> <p>⏏ = creches not geared at children of working parents but for children at risk</p> <p>+</p> <p>+ = not generalized but yet existing by some regional or local communities</p>	<p>■ = private not subsidized institutions in existence and having a considerable share in the child care arrangements</p> <p>+</p> <p>+ = private creches run by parents themselves</p> <p>O = private creches under government regulations and/or subsidized</p>	<p>Company creches emerging or stimulated :</p> <p>+</p> <p>+ = yes; O = no</p>	<p>Day parents arrangements controlled and supervised by the authorities :</p> <p>■ = yes; O = no</p>	<p>Incentives for at home arrangements:</p> <p>■ = yes; O = no</p>

performing child care increasingly are being recognized as professionals and have to prove their qualification, e.g. by being "certified".

In 1991 two new developments can be observed. A first concerns the availability of places. In Denmark it has been recognized that public authorities only cannot provide for sufficient places in creches. Therefore, under the style of flexibility, incentives were provided in order to empower other bodies, such as private interested groups, parents, and more particularly companies to organize creches. This movement is counterbalanced, as can be observed in many member states, by governments or public authorities taking more interest in and gradually monitoring child care arrangements to the effect that all organized child care arrangements, are supervised by governmental regulations as is the case in Belgium.

A second new development also emerging and implemented in Denmark in 1991 is the empowerment of parents. This is not only a result of increasing financial benefits or other elements to ease the financial burden. Next to this the managerial empowerment of parents is increased by having parents represented in the governing boards of child care facilities.

GENERAL CONCLUSIONS

1. The various measures geared at reconciling family and work covered in this chapter such as maternity leave, parental leave, flexitime, part-time, child care etc., do not represent watertight categories. Indeed, they tend to overlap and, more important, one measure does not necessarily substitute for another but might stimulate. E.g. parental leave in the Netherlands is linked with part-time working; measures allowing children to be raised at home may include stimulation of professional help such as is the case with the certified caretakers in France; conversely, stimulation of creches may entail growing parent participation as is the case in Denmark.

2. The issue of reconciliation of family and work offers a good example of the growing numbers of actors involved in the process of establishing family policy. First it illustrates the differentiation in public authorities. More particularly, as far as child care is concerned, not only the central but the regional and more particularly local authorities tend to be at the focus of policy formulation and

implementation. In the sphere of this reconciliation, the important role of the social partners and, more especially company interests appear and increasingly play an important role. Pertaining to child care of children over 3, in some member states over 6, the educational system too is advocating its role.

Last but not least, voluntary organisations and parents themselves are becoming key actors, not only as consumers but as co-managers too. The most important factor is that, even in countries with adequate regulations and facilities, the assessment of the actual needs and the demand for services is such that, both in terms of availability and of flexibility required, the public authorities alone cannot sufficiently supply the services requested. Therefore, the old dichotomy: state/private, is being supplemented by forms of mixed systems. Thus the role of the public authorities is changing from a mere direct supplier of the goods to indirect controller and stimulator. The control does not only encompass consumer protection (child/parents) but also supervision of the (material and immaterial) investments. One of these developments is to the effect that the discrepancy between the countries with rather adequate regulations and the ones lagging behind in this respect rather tends to become larger than to narrow down. Yet, until now, no adequate instrument has been established to assess the achievements in the effort to reconcile family and work.

3. The emphasis on reconciliation between work and family actually has been put in terms of needs of work versus needs of parents (more particularly mothers). Increasingly the role of fathers is at stake and the third party, the child, is being given a new status. E.g. in 1991, in Denmark, it is the child, not the parents, who is entitled to the allocation. This is in line with other developments in family policy to focus on children and/or other dependent persons, or persons in need of care, as will be dealt with in the next chapter.

References :

Commission of the European Communities and Belgian Ministry of Labour and Employment, *Europe '93 : Business and the family : What strategies to bring them together ?* (Proceedings of the Conference held in Brussels, 30-31 March 1992), Brussels, Commission of the European Communities and Belgian Ministry of Labour and Employment, 1992.



CHAPTER V. FAMILY AND CARETAKING POLICY

The welfare state has been under scrutiny in the second half of the eighties. New terms were coined such as "welfare mix", stressing the importance of collaboration and cooperation in caretaking between the local community (community care) and the informal networks. In the latter the family, more particularly in its definition as a person-supporting network, was put in focus of attention. The issues at stake were : the potential of families in their caregiving capacity versus their bearing capacity and the issue of labour division in the domestic sphere.

In the late eighties, early nineties, policies have emerged giving emphasis to the transfer of some of the caretaking functions, from central government (state) to local authorities (communes and communities) and informal networks (families).

I. RE-EVALUATING OF HOUSEHOLD WORK

In evaluating and re-evaluating household work, two, but related issues are at stake. First, there is a claim for domestic tasks to be recognized and counted as an economic product. It could be covered under the style of : domestic production, e.g. some claim that it should be accounted for in the BNP. Other groups, e.g. in the Netherlands, have advanced the idea of a kind of housewife salary respectively caretakers wage. In all countries some women have organized themselves in group, "association of homemakers", taking militant stands, or at least controversial stands towards other feminist groups, the latter emphasizing emancipation of women through involvement in the labour market. Whatever controversial stands taken, in many countries some form of recognition is emerging, as shown in Chart 16.

The second issue concerns division of labour and the problem of gender equality *within the family*. On that issue hardly any development is to be observed though, paradoxically, to the latter issue the socio-political debate is giving far more attention than to the former.

1. Recompensation for household tasks

In the member states direct provisions hardly can be observed, compensating for performing household tasks (see Chart 16). Yet, indirect measures (such as described above in the chapter on taxation, see Chapter II), can be characterized as giving incentives for staying at home or not entering the labour market (Belgium, France, Luxemburg). In other countries, such as Spain, applying tax allowances for elderly, handicapped etc., this relationship with working situations (at home/labour market) does not exist. However, direct measures can be observed in three countries: Germany, Greece and Luxemburg. In two countries the measure is related with children, in one with family situation (i.e. widowhood, among others). Giving birth to and raising children generate some pension rights, although in Greece this only applies for large families. In Luxemburg a daughter taking care of the household of a widowed parent also receives some direct allowance.

2. Incentives for task re-allocation

In none of the member states direct measures can be observed giving incentives to change the division of labour within the family. Yet, as has been illustrated in the previous chapter, some specified provisions, more particularly those related to child birth/adoption and parental leave, do provide for incentives in order to have men/husbands/fathers perform some of the traditionally gender biased tasks. The latter measures can be qualified as indirectly contributing.

Chart 16. Compensation for child care by family members in the member states (1991) ■ = changes in 1991.

	Caring for		Direct (allowances)	Indirect (pension)	Dates
	Children	Others			
Belgique-België	O	O	n.a.	n.a.	-
Denmark	O	O	n.a.	n.a.	-
Deutschland ■ *	■	O	O	■	1986
Hellas	■	O	O	■	1990
España	■	O	n.a.	n.a.	1991
France	O	O	n.a.	n.a.	-
Ireland	O	O	n.a.	n.a.	-
Italia	O	O	n.a.	n.a.	-
Luxembourg	O	■	■	O	24 April 1991
Nederland	O	O	n.a.	n.a.	-
Portugal	O	O	n.a.	n.a.	-
United Kingdom	O	O	n.a.	n.a.	-

* Effective 01.01.1992.

n.a. not applicable.

II. FAMILY AND CARE OF THE ELDERLY, HANDICAPPED AND OTHER DEPENDENT PERSONS

In contrast with the re-evaluation of housework, for which hardly provisions exist in the member states, the provisions stimulating family members to take care of the elderly and other dependent family members are numerous and prevail in all member states. Although the aim is clearly defined and strikingly similar in all member states, i.e. to keep elderly and handicapped as long as possible in their own home and try to limit institutionalization, yet the strategies applied to reach this target are very diversified and hardly any common denominator is to be found, as Chart 17 suggests.

Yet, some general lines can be drawn. In some member states, such as Belgium, Greece, Spain, Italy and Luxemburg, allowances are granted to elderly/handicapped themselves to secure their independence; in others the allowance is not granted to the persons receiving care but to the care-givers, such as in Denmark, Spain, France, Ireland, Portugal and the United Kingdom. Some others do not supply any grants but apply other ways and means to secure family help, such as Germany where, in case of sickness of a child and unavailability of the caretaking parent, provisions (financial) are made to the effect that the other parent can take care of the child at home. The indemnities being offered, as already stated, show a great variety, ranging from monetary subvention, as is the case in Belgium, Greece, France, Ireland, Italy, Luxemburg and Portugal, over compensation for extra expenditure and/or foregone income as is the case in Denmark and the United Kingdom to indirect measures such as tax rebate as is the case in Spain. Moreover, in most of the member states, the allowances are not income linked; in some they are means tested.

Next to these direct/indirect allowances, in some countries deferred monetary rewards are granted, more particularly the establishment of pension rights, as is the case in Germany and the United Kingdom.

Analogous to the variation in provisions is the differentiation as to the persons, respectively situations, entitling to the benefits granted, as suggested in Chart 17. In some member states only care to elderly, in others only caring for disabled persons, in some others only children/sick children qualify, in some others all categories mentioned, in a few others none as Chart 17 suggests.

Chart 17. Monetary incentives stimulating home care in the member states (1991).

	Care(rs) allowance : ■ = yes; * = means tested; O = no.				
	Allowance granted to : caregivers = ■ ; person receiving care = ☒				Date of legislation
	Form : monetary subvention = ■ ; compensation for extra expenditure /foregone income = ☒ ; tax rebate = ☒				
	Person entitling : elderly = E; disabled = D; (sick) children = C				
Belgique-België	■	☒	■	E/D	1985
Danmark	■	■	☒	E/D/C/	1990
Deutschland	■	■ / ☒	☒	D/C	-
Hellas	■	■	■	D	-
España	■	■ / ☒	☒	E/D	1990
France	■	■	■	D	1989
Ireland	*	■	■	E/D	1990
Italia	■	☒	■	E/D	1988
Luxembourg	*	☒	■ / ☒	E	1989
Nederland	O	n.a.	n.a.	n.a.	-
Portugal	■	■	■	E/D	1989
United Kingdom	■	■	☒	D	1989

n.a. = not applicable

Conclusion

1. As Chart 17 suggests, most of the measures taken only have been introduced recently and predominantly address the caring needs of the elderly. Actually two issues are here at stake : a) the allocation of the scarce resources (material/non-material) of the community to competing groups, children versus elderly. b) Secondly and more particularly the variety of measures and the short experience with them, points to a trial and error situation, in which society is faced with the increasing needs of both groups, due to demographic situation (greying/degreening of society) and growing demand for and expectation of decent living standards for all, including the so-called non-active part of the population.

2. There is an increasing recognition that growing old and therefore potentially being in need of care is a prospect applicable to all. This situation is rather new and quite different from situations of acute or chronic illness. Care has become a domain of its own, different from nursing sick persons. As a result, in many countries ideas have been put forward and measures envisaged to deal with this new situation, such as in Germany where the socio-political debate on "care-insurance" is about to result in appropriate legislative measures. The notion of "care-insurance" and quite a few of the monetary measures (figuring in Chart 17), actually indicate the awareness that it is unrealistic to expect that all care adequately can be given by family members but that non-family and professional help forms an essential part of any care-giving policy.

III. FAMILY HELP

As to the organisation and administration of family help, three systems can be identified. a) The local community (cities, towns) providing the service as is the case in Denmark, Germany, Spain, Ireland, Italy, Luxemburg, the Netherlands and the United Kingdom. These local communities can do so on own funding or be supported for it by regional or central governments. b) In a second system central or regional governments establish the rules and subcontract the performance of the services to non-governmental organisations e.g. by subsidizing them for 100% as is the case in Belgium and France. c) A reversed situation consists of non-governmental organisations organizing the service, with or without governmental subsidies as is the case in Greece.

Chart 18. Family help in the member states (1991) ■ = changes in 1991.

	Household help		Nursing care (for sick)	Other	Payments for a person's own domestic help
	Families	Elderly			
Belgique-België	■	■	■	○	○
Denmark	■	■	⊞	○	■
Deutschland ■	■	+	■	○	○
Hellas	+	+	+	○	○
España	⊞	■	○	○	○
France	■	■	■	○	○
Ireland	⊞	○	⊞	○	○
Italia	○	⊞	○	○	○
Luxembourg	■	○	○	○	○
Nederland	■	■	■	○	○
Portugal	+	+	○	○	○
United Kingdom	⊞	■	○	○	○

■ = available to all; payment according to income; services organized and/or sponsored by central, regional or local authorities.

+

⊞ = service in principle is for free.

⊞ = geared towards needy families and/or families in crisis.

In some countries the services are geared towards all, in others to families in need and/or crisis (see Chart 18). As a rule, families do pay for the service received but on a sliding scale according to income, Denmark being the only country in which some of the services offered, i.e. "home-help on a permanent basis to persons with a chronic affliction or infirmity" have been free of charge since 1989.

It should be noted that in some countries families do receive allowances to defray some of the costs of domestic help; this is the case in Denmark, in a restricted way and under certain conditions in Germany and under certain conditions for elderly in Italy. Thus, support is being given in cash or in kind e.g. under the form of services. In some instances the former is supplementary to the latter.

Conclusions

In all member states family help has become a prominent instrument for care-taking, next to institutionalization : home and away from home, both are recognized as constituting necessary components of the caring system. Two developments can be observed. The mere private or non-governmental sector is not able to cope fully with the problem, to the effect that governments have to regulate and to take financial responsibilities as shown e.g. in Greece. Secondly, self care, family care, community care and professional care increasingly are recognized as complementary forms which are not mutually exclusive but which have to be coordinated in order to avoid institutionalization. Stimulating independency and self-help on one hand, keeping dependent persons in their family situation, is an objective common to the caretaking system of all member states.

Some member states in which family help is rather adequately developed, such as Denmark, France, do experience the need not only to expand the system but to go beyond it by offering incentives to the citizens enabling them to organize and select their own caregivers. As a result a third dimension is being added to the so-called welfare mix : next to the combination of professional and community care and the cooperation between the private and official sector, the third dimension consists of a mix between reliance on self/family organisation on one hand and central or bureaucratic organisation of caring services and facilities on the other hand.

GENERAL CONCLUSIONS

1. Among the many facets of family policy the issue of the relationship between family and work was clearly put in evidence in 1991. On community level there was the debate about protection of pregnant women and maternity leave which eventually led to the adoption of a Council directive in 1992. The diverse aspects of reconciliation of family and work are still in the focus of attention and matter of the socio-political debate, with central issues such as child care, career interruption and, most important, equity or equality of chances within the family, respectively within the labour market. A new perspective emerged, i.e. that family and work do not constitute the total life sphere of women (men) but that provisions should be made to the effect that women can participate fully in social (political, cultural) life as well. Due to events outside the Community, in many of the Member States one aspect of working relationships within the work place was receiving special attention, i.e. sexual harassment (1). The developments in 1991 confirm the tendencies already suggested in the 1990 report. I.e. a) the increasing multiplicity of actors involved in engineering family policy. b) The development of instruments such as the technique of insurance replacing mere benefits. c) The policy of stimulating self reliance of recipients. To the latter should be added the emerging tendency to give recipients/family also greater freedom of selecting alternatives by giving them direct or indirect financial rewards. This more particularly is the case in the realm of caretaking in the broad sense, ranging from child care (see Chapter IV) to care for the sick and elderly (see Chapter V).

The most striking fact however is the continuous development of new issues to be addressed and thus new policies to be developed, and, even more important,

(1) Since additional measures in this realm only were taken in 1992, this topic will be treated extensively in the 1992 report.

the diversification of instruments to cope with already recognized problems, such as the growing range of forms of child care, care for the elderly, and, more particularly the growing divergency in measures to balance family life and professional career. These developments entail various unintended, unplanned but important consequences, two of which clearly become visible due to the 1991 developments. a) On one hand a certain convergence is to be observed in the developments in the Member States. I.e. similar measures are taken to address similar issues, however with some time lag. E.g. family help regulated and organized by public authorities in some countries in the seventies, now have become generalized, i.e. adopted and implemented in all Member States in 1991. Yet, simultaneous with this growing convergence, there is growing divergence, due to the fact that countries with rather elaborated policies and provisions tend to recognize the relative limitations of the measures and the shortfalls of the instruments to reach the objectives stated, so that they consequently introduce new instruments to cope with the problem or to reach sections of the targeted population not yet covered. In this respect and it would be interesting to measure, in economic and social terms, whether the discrepancy in coverage is growing among the different Member States or whether the existing gaps are narrowing down.

b) 1991 accentuated the limits policies encounter in dealing with social problems. This issue is universal and not period specific. Yet, in the late eighties and early nineties it became more apparent and 1991 may serve as an illustration. Some needs in the realm of care are not yet adequately met in any society. The provision for reconciling or balancing family and work are not yet fully implemented in any Member State, let stand that a full assessment or evaluation could be made. On the other hand, the investments by the authorities (public as well as private sector) are limited, especially in periods of economic stagnation as was the case in 1991. Therefore, as already mentioned in the 1990 report, one of the issues becoming more pressing is the allocation of the scarce resources on two accounts: a) Whether family policy measures should be extended to all families, i.e. whether families as such should constitute the target population or only families in need. This is not a one-dimensional but very complicated issue since large sections of family policy are geared at the active, productive part of the population and not at the non-active. Moreover, essentially families, however defined, tend to be constituted of economically active and non-active members. Thus, policies geared at the active part may favour the non-active and vice versa.

b) The core question having emerged for some time now, is whether the investments should be geared towards children or towards the elderly. The demographic developments tend to crosscut social developments. The growing life expectancy makes investing in provisions for the elderly a priority; simultaneously, it is understood that children tend to constitute the group most vulnerable to economic crises and family crises. Simultaneously there is a growing recognition for children as persons in their own right. Consequently, at a time of economic stagnation, governments are faced with growing demands at two ends of the spectrum, children, elderly, in a zero-sum gain situation.

This report only covers part of the spectrum of family policy. As already announced in last year's report, forthcoming reports will devote attention to essential elements of family policy, such as policies dealing with family inadequacies, including violence in the family, policies strengthening family life, including education for family consultation and mediation, policies empowering parents, including parental representation in the educational and caring system. 1994 being the International Year of the Family, the 1992 report will not fail to include the special measures taken in preparation to celebrate this event.



SPECIAL TOPIC. THE FAMILY DIMENSION OF HOUSING POLICY

INTRODUCTION

Housing is one of the essential requirements of families and an important element for the life and well-being of them. Expenditure on housing accounts for an increasing proportion of consumption by European households (1). Besides, the purchase of a dwelling is by far the largest investment made by households (3 to 5 times the annual income of families) (Ghekière, 1991 : 27).

In this study it is attempted - because of the importance of housing for families - to analyse the family dimension of housing policy. *Housing policy* is taken in this study to mean any measures adopted and put into effect by the government with the principal objective of creating a balance between demand and supply. The comparison made here does *not* focus on the housing situation of families in the member states, but on housing *policy* as far as this policy is explicitly directed at families. This implies a restricted analysis of the wide field of housing policy. Housing policy contains in reality a lot more than "measures directed explicitly to families" and, besides, housing is always intended primarily for families.

The comparison is based on the national reports drawn by the experts in each of the member states. The national reports are compiled on the basis of an information grid (in annex). In this information grid it was requested expressly to focus only on those measures in the field of housing policy which are explicitly

(1) Between 1980 and 1988 the level and structure of this expenditure changed (16.7% in 1980 compared to 17.9% in 1988). In Denmark, Germany, France, Luxemburg, the Netherlands and the United Kingdom it outstripped expenditure on food (Moutardier, Marpsat, 1992 : 12).

referring to family factors. The advantage of this procedure is that, through the wide variety of measures taken in the field of housing policy, those aspects which are explicitly referring to family factors can be selected. However, this implies that those measures not explicitly reckoning in family factors, but having implicitly consequences for families, are pushed into the background. The narrow angle on the wide field of housing policy can be a limit. Housing is far broader a topic than family. Yet, housing has always featured in the Observatory as one element of family policy. It was however not intended to take the place of reports which might be drawn up elsewhere, by experts in the field of housing policy (a selective bibliography is added). When reading this report, it may not be forgotten that, in reality, general housing measures can have far more an impact on families than the so-called "family-oriented" housing policy.

An assessment is first made of the general housing policy. To what extent families are taken into account by formulating objectives? What relationship is there between housing policy and family policy?

A review is then made of the financial instruments of housing. Those measures explicitly referring to family aspects are dealt with (fiscal measures, loans, premiums and individual allowances).

Next, attention is paid to the non-financial measures related to family and home-ownership and/or family and renting a dwelling.

A review is then made of the "right to housing" and related issues.

The last sections are devoted to the regulations concerning inheritance and the availability of housing.

Comparisons are, of course, frustrated by the non-comparability of data and different national emphases. A number of comparative remarks can however be made. These remarks are oriented by the question "To what extent is the family explicitly reflected in housing policy in the member states?"

Unless otherwise stated, all information contained in this comparison refers to the situation in the 12 EC member states on December 31, 1991.

1. GENERAL HOUSING POLICY

When comparing the family dimension of the housing policy in the member States, it is important to understand the general housing policy of these member States. Which are the objectives of the present government with respect to the housing policy? The housing policy depends on the political structures in the member States (see *annex 1*). These structures have their own history and particularities. Where can the responsibilities and the centers of decision making with respect to the housing policy be located in each of the member States?

The institutionalisation of the housing policy and its relation to family policy can clarify the measures taken in this field.

1.1. Main objectives of the current housing policy

Although not all member States have an explicit, clearly defined policy on housing, it can be worthwhile to take a look at the main objectives of the housing policy of the member states.

BELGIQUE-BELGIE

Housing policy in the three regions still has to take shape. The process of regionalization is not yet finished. This results in a delay with respect to the formulation and implementation of new objectives. Three outlines of the national housing policy are maintained in every region:

- Combat a housing deficit by encouraging home ownership, with emphasis on newly built houses.
- Building rented houses for households which can not afford to build their own house.
- Attention to the quality of housing, by guiding a housing improvement policy.

DANMARK

Denmark does not have a single document in stating the housing policy of the government. The decisions and agreements in the field of housing carried out by the present government allow however to state the main goals of the policy on housing, they are the following:

- to secure a housing supply which gives all groups of the population the opportunity to find a suitable dwelling according to their needs and economic capacity;
- increasing the support to urban renewal or housing improvement, instead of building new houses.

The link between housing policy and family policy might be formulated as follows :

The existing rules in the area of housing allow public support in two different ways : (1) direct support to the construction of new houses, renewing and so forth, and (2) individual support directed to the person in the dwelling. The subsidization of the construction of new houses is related to different family subgroups : housing for the elderly, the youth, the handicapped, etc. The criteria for the assignment of housing allowances include family factors.

DEUTSCHLAND

The family dimension is one of the criteria enshrined in housing policy. In this respect, the literature emphasises that the general aim of house-building policy is, if possible, to provide all families (and those living alone) with housing which meets the basic need for "lodging" in terms of size, quality and cost, and that consequently, housing policy should as a priority be shaped by social and family policy criteria.

HELLAS

The central aim of the government policy is to encourage the spread of home ownership. The various five-year plans of the government have also set quality targets for housing, the most central of which is to achieve a 1 : 1 persons/room ratio, i.e. the internationally recognised standard.

ESPAÑA

The main aim of the housing policy is to close the gap between prospective buyers' purchasing power and market prices by providing aid as a function of income and by acting on market prices through a variety of devices. Another aim of the housing policy is to redistribute revenue by using public funds, derived

from taxation, to provide aid to allow the lowest-income earners to have their own housing. A third aim is to support the building sector by propping up demand. This has been an issue of paramount importance in Spain's recent history, but, at the present time, the legislature seems to have put this more in the background.

FRANCE

There is a principle which has been put on an equal footing with "equality of opportunity" or access to education : it is the State's obligation to guarantee, preserve and foster access to housing. The housing policies developed by the public authorities initially contributed to strengthening the link between family and ownership. At the present time, it would appear that the number-one priority is not access to ownership but rather the development of low-cost rentals, *inter alia* in the context of what appears to be increasing State management of family risks for people living alone after break-up of the family structure and, more generally speaking, for the underprivileged.

IRELAND

The official statement of the Government policy is to provide every household with a dwelling suitable to its needs, located in an acceptable environment, at a price or rent it can afford. A secondary aim of the government housing policy is the encouragement of owner occupation.

Although housing policy does not explicitly focus on families with dependent children, or on young couples intending to start a family, in practice most state aid to housing reaches such families rather than single people without dependants or those whose families are now grown.

ITALIA

In general terms no explicit "policy on housing" exist in Italy. The only element that might be seen as a sign of a national housing policy is the so-called "*decennial plan*" (Act n.457/1987). Subsidized mortgages, assisted by central government funds, are provided under this system. There are numerous legisla-

tive and other measures aimed at stimulating construction or housing purchase. There are also measures regulating the privately rented accommodation.

GRAND-DUCHE DE LUXEMBOURG

It would appear that the present Government is resolutely tending towards instituting a comprehensive housing policy, more than in the past when housing policy was confined to a low-cost housing policy, with special emphasis on owner occupation. The new Government has formed a Ministry of Housing and Town-Planning as a separate department, in order to implement a comprehensive housing policy acting not only for certain categories of people and families, but at the same time influencing housing supply and demand.

NEDERLAND

The objectives of housing policy as formulated in the 1989 government policy document are the following :

- to ensure that sound and reasonable price housing accommodation is available for people with a lower income;
- to promote a sound residential and living environment;
- to encourage home ownership;
- to encourage experiments; innovation and transfer of knowledge in the housing sector.

The main principle of the housing policy in the Netherlands is the disposable income of the person or the household requesting housing subsidies, tax exemptions and other facilities. The application of the "disposable income" principle leads to the identification of target groups i.e. groups with special needs, such as one-parent households, elderly and disabled people, families of ethnic minorities who, on account of their economic vulnerability receive a preferential treatment. In order to concentrate the financial means on special groups of people, the 1989 government policy document formulated the following guidelines to correct inadequacies :

- a better turnover of the housing stock;
- revision of the policy on rents (liberalisation of the policy on rents);
- encouraging home ownership;
- revival of the towns by stimulating commercial and cultural activities.

PORTUGAL

The "Major Plan Options" (1989/1992) lay down the following guidelines :

- the rental market to be revitalised, ... with special emphasis on the lowest-income families, the insolvent and the most deprived social classes;
- housing policy to be increasingly decentralised;
- the housing loans policy basically to be maintained as it is within the present structure and within the already-defined model, with greater emphasis on loans for building and savings devices, in order to balance the market and stabilise prices by promoting controlled-cost housing;
- mayors' offices and cooperatives to play a more active role;
- the development and control of building costs to be based laws on land policy, Municipal Master Plans, building permits.

UNITED KINGDOM

George Young, Housing Minister, is quoted as saying that the overall aims of his policy are "decent housing for all families, achieved by promoting owner-occupation for those who can afford it, widening choice for tenants and increasing investment in rented housing". This does not mean however that specific family-related policies are part of the Government's plans.

Synopsis

A study of the objectives formulated in the various member States reveals common elements, as well as discrepancies and differences.

In most of the member States, i.e. Belgium, Denmark, Germany, Spain, France, Ireland, Luxembourg, the Netherlands and the United Kingdom, the main objective consist of "housing for all, in relation to need and economic capacity". Besides this principle of "housing for all", the encouragement of owner occupation is formulated as an objective in the majority of the member States, i.e. Belgium, Greece, Spain, Ireland, Italy, the Netherlands and the United Kingdom.

Two observations can be drawn as regards the attention paid to families in the formulation of the objectives of housing policy. a) The first observation concerns the attention paid to specific families, such as one-parent households (France,

the Netherlands), singles (Germany, France), low-income households (Belgium, Spain, France, the Netherlands, Portugal) and elderly or handicapped people (Denmark, the Netherlands). b) The second observation, strongly related to the first one, is the relatively absence of the family as such in the formulation of the objectives. Only Germany, Ireland, Luxemburg and the United Kingdom mention the family *in itself* in their housing policy objectives.

1.2. The institutional framework

The division of responsibilities with respect to the housing policy is related to structural arrangements in the member states (see annex 1). There is a wide variety of actors playing a role in housing policy.

BELGIQUE-BELGIE

Since 1980, the responsibility for the housing policy lies with the *Regions* (Brussel Capital, the Flemish and the Walloon Region). This regionalisation of the housing policy implies that each Region can generate its own housing policy. In the Flemish Region it is the *Minister of Environment and Housing* who is responsible for the housing policy, in Brussels the *Minister of Culture, Housing, Environment and Welfare* and in the Walloon Region it is the *Minister of Environmental Planning, Housing and Budget*. Not all competences with respect to housing policy are regionalised. The central government remains responsible for the legislation concerning the private leasing market (through the Ministry of Justice) and for fiscal measures (through the Ministry of Finances).

As a result of the regionalization that took place in 1980, some national institutions related to housing policy, were abolished or replaced by regional institutions. The National Housing Company was restructured and subdivided in the *Brussels Regional Housing Company*, the *Flemish Housing Company* and the *Walloon Regional Company*. These companies are the most important institutions for the non-profit housing sector. It is their task to establish housing corporations, to grant loans to this corporations and to build houses if the local corporations fail.

The National Rural Company was abolished and replaced by the *Flemish Rural Company*. The Walloon regional division is incorporated in the Walloon Regional Company. In Brussels the Rural Company is, considering its charac-

ture, not active. The *Flemish Rural Company* is concerned with land use and consolidation.

The tasks of the *National Institute for Housing*, a study centre, have been taken over by the (national) Ministry of Public Works for technical issues and by the Regional Housing Administrations (e.g. housing research/surveys).

Finally, the Housing Fund of the Federation for *Large Families* was divided into three independent regional divisions. These funds focus their attention on large families (three children or more).

DANMARK

Denmark has a *Ministry of Housing*. The Cabinet Minister for housing is not responsible for family affairs. The responsible minister for housing cooperates however with other ministries to address issues situated on the borderline between housing and social policy.

The responsibility for the local supply of dwellings is lies with the *municipalities*. This responsibility includes decisions as the implementation of public supported constructions, housing and urban renewal. The extent of public support is however maintained at state level. There is a tendency to regulate the limits of public subsidization on state level while the concrete cases are decided upon in the municipalities. The *regional level* does not play an important role in the housing policy.

There are a lot of *organizations* and *institutions* in the field of housing, all aimin at influencing the policy on housing. They include organizations for homeowners and estate agencies and tenants, non-profit housing organizations and organizations in the house building industry. The particular *boards* in the field of housing for the young and the elderly should also be mentioned. These boards should watch the development and give advice to the political and administrative levels of decision.

The state subcontracts parts of the housing policy to *non-public organizations*, implying that public supported houses can be build and managed by these non-public organizations.

DEUTSCHLAND

In Germany there exists a Ministry for housing questions: *Das Bundesministerium für Raumordnung, Bauwesen und Städtebau* (Ministry of Area Planning, Building System and Town Planning).

The national government lays down the basic laws and principles for the housing policy. The *Länder* then have to implement these laws. In spite of the basic laws it is however possible that the *Länder* are allowed to pursue their own housing policy. This is the case for granting premiums for newly built houses. This results in differences among *Länder* as far as the arrangement of housing policy is concerned.

HELLAS

With very few exceptions, housing policy is applied on a national level. The *Ministry of Environment, Planning and Public Works* is responsible for issues relating to housing. Apart from its ability to affect the family indirectly through its town-planning policies this ministry has few effective powers. Indeed, the Ministries of Finance and Commerce exercise housing policy through their system of subsidies.

The institutions responsible for housing are :

- State Organizations which grant loans :
 - a) The *Autonomous Low-Cost Housing Organization (AOEK)*, beneficiaries are manual and clerical workers insured with IKA;
 - b) The *Consignments and Loans Fund*, grants loans to civil servants;
 - c) The *Post Office Savings Bank*, grants loans to public and private sector employees;
 - d) The *Service for the Rehabilitation of Earthquake Victims*, grants loans to victims of natural disasters and refugees.
- Private sector organizations which grant loans :
 - a) The *National Mortgage Bank of Greece (EKTE)*, beneficiaries are private individuals who, as a rule, do not yet own a property;
 - b) The *National Housing Bank*, a private-sector mortgage bank.
- Building cooperatives : these cooperatives are closely controlled by the State and are usually intended to assist in the purchase of secondary housing. They are all privately-owned.

ESPAÑA

The 1978 Constitution allocates competence for housing exclusively to the *Autonomous Communities* (Regions). This new decentralised model was gradually implemented in the 1980s. Until that time, housing policy had been highly centralised. The problems generated by the new distribution of areas of competence were settled by the ruling of the Constitutional Court of July 1988, laying down the respective roles of the various administrative levels :

- the *Central Administration* maintains competence for housing, with its responsibilities for directing and co-ordinating economic activities;
- the *Autonomous Communities* are competent for managing the policy, and they may complement it and develop it;
- the *Local Authorities* have extensive competence for town-planning.

This new model is still far from having been run in and consultative bodies are at present being set up.

To the necessary cooperation between the three State Government levels should be added the cooperation required between the *Ministry of Public Works and Transport*, which produces housing policy, and the various ministerial departments, and, more particularly, the Ministry of Economic and Financial Affairs, with responsibility for tax law and the finance system.

FRANCE

At national level, there is a Ministry of Amenities, Housing, Transport and the Sea (*Ministère de l'Équipement, du Logement, des Transports et de la Mer*), comprising a Deputy Minister to the Minister for Amenities, Housing, Transport and the Sea, with responsibility for housing, while he/she him/herself reports to the Directorate for Construction. Mention may also be made here of the public establishments or institutions which may deal directly or indirectly with housing, e.g. the National Agency for Improvement of the Habitat, Public Establishments for the Development of New Towns, the General Secretariat of the National Commission for Housing Immigrés. These institutions have no official ties with the ones dealing directly with family matters.

At local level, there exist a wide range of partners playing or likely to play a role in housing policy. First of all, there are those representing the Central State. After having been under strong State leadership for a long time, these public

departments are increasingly tending towards positions where local institutions and actors play a more active role in defining and implementing housing policy.

There are State and State-controlled bodies which have a role to play in housing policy :

- The National Agency for Improvement of Housing (*ANAH = Agence nationale pour l'amélioration de l'habitat*) is a public administrative body. The grants system through ANAH is designed to facilitate repair work to buildings the prime use of which is residential, by paying (in whole or in part) the interest on the capital invested in the work.
- Every *département* plan has a Housing Solidarity Fund (*Fond de Solidarité pour le Logement*). This fund makes it possible to grant financial assistance to the needy moving into housing as tenants or who, in their capacity as tenants, are unable to pay the rent and charges.
- The Family Allowance Funds (*Caisses d'Allocations Familiales*) play a role in seeking for solutions to the low-cost housing problem and, more generally, in defining a housing policy. They grant housing aid and social aid.
- A certain number of associations (Department Associations for Information on Housing = *Associations départementales pour l'information sur le logement*) provide data on future schemes the purpose of which is to avoid over-indebtedness or to intervene *a posteriori*.

The Public housing stock belongs to the HLM (low-cost housing) organisms. These organisms are either public establishments or limited companies.

IRELAND

Housing policy is formulated at *national level*. The *Minister for Environment* is the cabinet minister who is responsible for housing. The *local authorities* execute policy in relation to the construction of publicly owned housing. The total numbers and cost limits are however set at national level.

The *National Building Agency* is a government run building company which has carried out certain contracts for public housing on behalf of the local authorities. The *Housing Finance Agency* is the state mortgage agency which offers specialised house loans to low income borrowers who do not qualify for loans from commercial agencies. *Voluntary non-profit housing associations* provide housing

with the assistance of state grants or loans, which can amount to 80% of the capital cost.

There are also *specialised banks* offering mortgage finance. Although some are jointly owned by their depositors, they are generally for-profit organisations.

ITALIA

Housing policy is executed at the *national level* as well as at the *regional* and *local* levels. At national level this policy is executed in terms of trends (orientation) and financial allocation; at regional level in terms of decision making and once again allocation of funds; at local level, eventually in terms of localization.

There is no minister who is responsible for housing only. This sector is part of the competence of the *Ministry of Public Works*. This Minister is not responsible for family affairs. The Ministry of Public Works has a specific department for housing. It is the CER or "*Comitato per l'Edilizia Residenziale*". This Committee is charged with social housing only and has nothing to do with family matters.

Apart from the CER there are no other state institutions which play an important role in housing policy. At provincial and local level an important role in this field is assigned, respectively, to the IACP (*Istituti Autonomi Case Popolari*) and to the Municipalities. As far as the private sector is concerned an important role in the housing policy is played by the *cooperatives* and the *investing institutions* (this institutions comprise both social security agencies and insurance companies).

GRAND-DUCHE DE LUXEMBOURG

After the last elections, the new Government formed a *Ministry of Housing and Town-Planning* as a separate entity (drawing its services out of the department of the Ministry of the Family), with a view to implementing a comprehensive housing policy, acting not only for some categories of people and families, but also affecting housing supply and demand at the same time.

NEDERLAND

The Netherlands have a *Ministry of Housing, Physical Planning and Environment*. Within this ministry, a State Secretary (under-minister) is responsible for the housing policy. The housing policy is implemented by the *municipalities* and the *housing associations*. Both have been allocated maximum authority. Construction and building regulations in the Netherlands are decentralised. Decentralization of the housing policy is one of the main issues of the 1989 government policy. All the parties involved in housing will put the main emphasis on individual responsibility. This principle applies to the municipalities, to housing associations and public interest organizations but also to the housing consumer.

In addition there are several *organizations* and *institutions* which have an advisory function, such as the National Housing Council. Representation of the families as such are not part of these various advisory organizations.

PORTUGAL

The *Ministry of Housing and Public Works* is the Government body with responsibility for the housing sector. There are no ties with departments which deal with the drafting of family policy.

Most of the institutions which promote housing report to the *Central and Local Government Departments*. However, some are independent, like the housing cooperatives. In Central Government, there are two main types of institutions which through their programmes contribute to the housing promotion process. On the one hand, there are the institutions which provide technical support and, on the other, those which provide financial support. There are no formal ties between these bodies and the departments which draft family policies.

UNITED KINGDOM

The *Secretary of State for the Environment* in England, and the Secretaries of State for Wales, Scotland and Northern Ireland, are responsible for formulating the housing policy and supervising the housing programme. The *local authorities* and the new town authorities are responsible for renting a substantial amount of

public housing. The Government has encouraged local authorities to take a number of measures in order to encourage low cost home ownership such as the Right To Buy initiative where local authority houses were sold to their tenants. The local authorities were obliged to provide or arrange mortgages on the properties concerned. The Government policy of encouraging the sale of publicly owned properties to their tenants, and the expansion in the role of housing associations, has increased co-ordination of housing policy at the local level.

Apart from the central and local governments *Housing Associations* (financed through Housing Corporations) are probably the most important participants in the realm of housing. They have a history of co-operation with the local authorities as they both cater for people looking for low cost rented accomodation and provide for people with special needs.

Also important are the *Housing Action Trusts* which are non-elected bodies, created in the 1988 Housing Act, imposed by the government in order to manage targeted areas of local authority housing.

Synopsis

In 1991, all member states have a Minister or a State Secretary, whose responsibilities include housing matters. The word "housing" is however part of the official title in only six member States, i.e. Belgium (three regions), Denmark, France, Luxembourg, the Netherlands and Portugal. The most common title for the Ministry responsible for housing policy is "Minister of the Environment" (Greece, Ireland, United Kingdom). In Spain, Italy and Portugal, the Minister responsible for housing is the "Minister of Public Work". In none of the member States the person responsible for housing policy is the same as the person responsible for family affairs. In Luxembourg, the new Government, has removed housing policy from the Ministry for the Family to a new Ministry, the Ministry for Housing. The Ministry of the Family is represented in the High Council of Housing and Town-Planning, an advisory body within the Ministry. The institutions dealing with housing policy have no official ties with the ones dealing directly with family matters. In Portugal however, there is an Interministerial Committee on the Family, on which each Ministry, so also the Minister of Housing and Public Works is represented. In France the role of the Family Allowance Funds (C.A.F.) in granting housing aid is remarkable.

In four member states, i.e. Belgium, Germany, Spain and Italy, housing policy is regionalized. In Spain the process of regionalization has only just begun. In Belgium the process of regionalization is well advanced and, contrary to Germany, Spain and Italy, this regionalization was accompanied by a transfer of the financial burdens, which fall completely under the regional budgets now. As a consequence, in Belgium, the regionalized housing policy has totally substituted the national housing policy. No co-ordination mechanism has been installed yet between the Regions.

Although the central governments play an important role, consideration should be given to the trend of decentralization. Specially the local authorities hold direct responsibility for the implementation. The trend of decentralization persists in every member state.

2. HOUSING : FINANCIAL INSTRUMENTS

To be in a position to make comparisons, the forms of housing-policy aid applied in the various member states need to be categorised into a few major classes. In this way, it is possible to have a better overview of the systems they apply.

The most common forms of housing aid may be classified as follows :

- * tax measures;
- * housing financing;
- * lump-some gifts and bonuses;
- * individual allowances and sliding-scale rents.

2.1. Fiscal instruments

In the member states there is a wide variety of fiscal arrangements related to housing : registration fee, stamp duty, income tax, wealth tax, property tax, transfer tax, succession tax and taxes on gifts. As the beneficiaries of the different fiscal measures are almost exclusively owner-occupiers, only the fiscal measures for this group are mentioned. The attention is focused on the fiscal adjustment of the owner-occupiers during the "property period". Taxes paid at the time of the acquisition, a transfer or succession are neglected here. This option means that it is attempted to discover the way in which a reduction of the tax payable is realised through income taxes for owner-occupiers.

Taxes on real estate/houses

Treasury can consider a dwelling as an investment good or as a durable consumer good. A fictive imputed rent (only the situation of owner-occupiers is considered, as mentioned) on the dwelling will be added to the calculation of the total income tax if the house is considered an investment. This viewpoint is taken by eight out of the twelve member States, i.e. Belgium, Denmark, Greece, Spain, Italy, Luxembourg, the Netherlands and Portugal. In Belgium taxes are linked to family aspects and there are special reductions, which can be put into effect as a result of the family situation. The "figurative rent" will not be added to the income tax if the dwelling is considered a durable consumer good. This is the case in Germany, France, Ireland and the United Kingdom. In Ireland, there is no real estate tax on domestic dwellings, but a *residential* property tax, linked to the family situation.

BELGIQUE-BELGIE

A 10% reduction on the rates of the dwelling occupied by the head of family, insofar as the household comprises at least two living children, is granted for each dependent child.

When a tax-payer is an owner-occupier, the rateable value of the dwelling is not taken into account unless it exceeds 120,000 BEF, increased by 10,000 BEF for the spouse and each of the other dependants.

IRELAND

In Ireland, there is no general property or real estate tax on domestic dwellings since local property taxes on such dwellings were abolished in 1987. A residential property tax applies to those with incomes over £ 27,000 and residential property worth over £ 90,000, or with a second dwelling. The tax is at a rate of 1.5% of the excess of the value over £ 90,000. The tax to be levied is reduced by 10% in respect of each dependent child.

Taking into account the family situation, special tax reductions are granted in Belgium and Ireland. In these member states, purchases up to a certain amount are exempted from property tax. In Belgium this amount increases per

dependent child. In Ireland, the tax to be levied is reduced in respect of each dependent child.

*Tax reduction for the acquisition of a house**

A fiscal measure to stimulate home ownership is the possibility to benefit from a tax reduction for the acquisition of a house. This kind of tax reduction exists in six member states, i.e. Belgium, Germany, Greece, Spain, Italy and Portugal. In Germany these reductions are restrained to the income-level, in Belgium, Greece, Italy and Portugal they are restrained to the value of the house. In Spain the reductions are restrained up to a maximum investment. Belgium and Germany are the only member states in which family variables have an influence on tax reduction.

BELGIQUE-BELGIE

In Belgium the possibility exists to deduct (registration fee) 30,000 BEF from taxes. Families with 3 or 4 children can deduct 34,000 BEF, families with 5 or 6 children can deduct 38,000 BEF and families with 7 or more children have the right to deduct 42,000 BEF.

DEUTSCHLAND

The promotion of home ownership by families by means of tax incentives stems from the provisions of para. 10 of the Law on Income Tax. Under this law, expenditure on building or acquiring housing (up to a ceiling of DM 330,000 since 1 January 1992) is deducted from taxable income. This incentive measure (introduced by the 1992 Tax Amendment Law) is, however, limited to a maximum annual income level of DM 240,000 for married couples (DM 120,000 for single people). Starting with the year of acquisition or of completion of the dwelling, tax payers can deduct up to 5% yearly (of a maximum of DM 330,000) as special expenditure from taxable income for a period of eight years. How large the tax savings actually are depends on how much was spent on purchasing

* Tax reduction for interests paid on loans is dealt with in the next paragraph.

a dwelling as well as on the individual rate of taxation. The higher the income and thereby the rate of taxation, the higher the amount of tax relief.

In addition to this tax incentive, there is a child house-building allowance (*Baukindergeld*). This amounts to DM 1,000 yearly for each child during the first eight years after buying the dwelling. The child house-building allowance is deducted from the tax liability. This means that for a lower level of annual tax liability which is less than the amount of child house-building allowance, the tax advantages are also smaller or even non-existent. The child house-building allowance is also subject to a maximum annual income level of DM 240,000 for married couples or DM 120,000 for single people.

Tax reduction for interests paid on loans

Whereas only a minority of the member states grants tax reductions for the acquisition of a house, tax reduction for interests paid on loans, occur in the majority of the member states, ten out of twelve. Only in Germany and the United Kingdom the possibility to deduct interests paid on loans for housing does not exist. Attention should be paid to the German fiscal treatment related to housing. In 1987 the possibility to deduct interests paid on loans for housing was replaced by the system of "*Grundförderung*" and "*Baukindergeld*". In the United Kingdom, the government provides assistance through Mortgage Interest Relief At Source (MIRAS). When a mortgage is taken out to buy a house, the government gives full tax relief on the interest payments which are made for the first 30,000 £ of the loan. In the member States where a tax reduction for paid interests is part of the fiscal system, the deductible interests are ceiled to a certain amount. The opposite is true for Denmark, Greece and the Netherlands. In these three countries interests are deductible without any limit. As far as tax reductions on paid interests is concerned, the fact of having one or more dependent children is not without effect in Belgium, France and Luxembourg.

BELGIQUE-BELGIE

In the event of a mortgage being taken out for a dwelling in Belgium to be built, purchased or altered, amortisation is tax-deductible up to the first two-million BEF slice of the loan. If the loan is for a dwelling occupied by the tax-payer him/herself, this ceiling is increased, as is shown in the table below, as a function

of the number of dependent children as on 1 January of the year following the one in which the mortgage was taken out :

Number of dependent children	Initial amount
0	2,000,000
1	2,100,000
2	2,200,000
3	2,400,000
4 and over	2,600,000

FRANCE

When one becomes an owner-occupier and when, in the dwelling which is the owner-occupier's main residence, major repairs are carried out, it is possible to obtain a tax abatement on the loan interest. If the loan was taken out before 1 January 1984, the tax reduction is set at 20% of the interest charges, with a ceiling set at 9,000 FF *plus 1,500 FF per dependant* (a reduction provided for the first ten years). For loans taken out as from 1 January 1985, the reduction is 25% with a ceiling at 15,000 FF *plus 2,000 FF per dependant* (a reduction provided for the first five years). For loans taken out as from 1 June 1986, for married couples making a joint income-tax return, the reduction is 25% with a ceiling at 30,000 FF, *increased by 2,000 FF for the first child and 2,000 FF for the other dependants; 2,500 FF for the second child; 3,000 FF for each child as from the third* (a reduction provided for the first five years). For loan agreements entered into as from 1 January 1990, this tax benefit is only available to tax-payers whose net taxable income per share does not exceed the lower limit of the twelfth slice of income tax, i.e. for 1990, a net income per share of 216,940 FF.

GRAND-DUCHE DE LUXEMBOURG

Debit interest may be deducted from taxable income up to a certain ceiling increased for a spouse and for each child. For each person belonging to the tax-payer's household and residing with him/her, the amount deductible for mortgage interest is :

Years of occupation in the dwelling since 1 January 1991

0-5 years	60,000 LUF
5-10 years	45,000 LUF
over 10 years	30,000 LUF

It is estimated that the fiscal cost of this measure exceeds 500 million LUF for 1991 and 135 million for subsequent fiscal years.

When comparing the three member States granting advantages to families, attention should be paid to a slight difference, i.e. in France and Luxembourg, it concerns the possibility to deduct interests paid, whereas in Belgium the amount of the redemption can be deducted from the taxable income. The way in which the family situation is taken into account does not differ. All three systems take into account a certain ceiling to the amount deductible. This ceiling is increased for every dependent child.

Synopsis

Treating a dwelling as an investment good results in the addition of a "fictive rent" to the income tax and the deduction up to a certain amount of the interests paid on loans. This is the leading principle in Belgium, Denmark, Greece, Spain, Italy, Luxembourg, the Netherlands and Portugal. Until 1987 Germany has also been treating the own dwelling as an investment good. The system changed however in 1987 : a dwelling is now official considered as being a consumer good. In France, Ireland and the United Kingdom as well, a dwelling is considered a consumer good. In these countries the "fictive rent" is not added to the income tax. Nevertheless, these countries have created the possibility to deduct interests paid on loans.

2.2. Financing housing (loans)

Loans are the most common form of aid in all member states. Many countries devise a range of private savings incentives with a view to purchasing a dwelling. If the interested party has saved a certain capital, under some systems he/she becomes entitled to a loan at attractive rates from a bank, some other financial institution or the State (Belgium, Denmark, Germany, France, Ireland, the Netherlands and the United Kingdom). Family factors are not taken into account in the housing-savings schemes.

In Belgium, Germany, Greece, Spain, France, Italy, Luxembourg and Portugal, loan policies are family-orientated.

BELGIQUE-BELGIE

The three independent regional divisions of the Housing Fund of the Federation for Large Families grant loans with favourable interest rates to families having at least three children (2 children in Brussels). In order to qualify for these favourable loans, a maximum income limit may not be exceeded. The more children there are in a household, the higher the income may be. The maximum available loan increases with the number of children. The accrued interest rate is lower if the applicant's income is lower, and if he/she has more children.

DEUTSCHLAND

The procedures and types of home ownership incentives vary from one Federal Land to another. It is therefore only possible to outline the basic principles here, as laid down in the "Law on House-building". Para. 1 of the Law contains particular incentives for housing which promotes a healthy environment for family life, notably for large families. The incentive measures outlined in para. 26 are directed in particular at large families, young married couples and single parents.

These direct incentive measures take a number of different forms, depending on the level of the family's income. Under what is known as the first incentive category, the Law provides that the owner and purchaser of the dwelling, whose income must not exceed specific limits, shall receive subsidized State housing loans. In the event that dwellings built and subsidized are rented out, a joint price restriction will be applicable for a number of years. Families with children may in addition apply for special extra family loans, which are often granted exempt from interest. In the case of a home ownership incentive of the first type, there is a legal entitlement to this extra family loan. This loan amounts to DM 2,000 for families with one child, DM 4,000 for two children, DM 7,000 for three children and DM 5,000 for each additional child.

For families whose income exceeds the income limit laid down for the first type of incentive, the second type of home ownership incentive is applicable. Under

this type, grants and loans are awarded towards expenditure on housing. Finally, there is the so called third type of home ownership incentive, which is primarily intended for construction of housing for rental. In this case the incentive takes the form of non-repayable grants on a contractual basis. There are no special provisions concerning children under this method.

HELLAS

In 1991, a new interest rate law related to the number of family dependents, was introduced by joint decision of the Ministers of National Economy, Finance and Agriculture. Freely negotiable housing loans with interest rate subsidies may be granted by the National Housing Bank. The subsidy amounts to 3% for unmarried persons, 4% for married persons, 5% for families with one child, 6% for families with two children and 7% for families with three or more children. This arrangement reduces interest rates for large families.

ESPAÑA

In Spain, entitlement to subsidies on interest and the amount thereof depends on the ratio between the family income of the beneficiary and the minimum salary, corrected to take account of the place of residence, the age and composition of the family. The ratio, expressed as a number of times the minimum salary, is first of all multiplied by a factor relating to family size : two-person family (0.95), three-person family (0.90), four-person family (0.85), five-person family (0.81), six-person family (0.78). In excess of six members, the correction factor is decreased by 0.02 for each extra member. People not living in a family are allocated a factor of 1. Provision has been made for special treatment of the elderly, the disabled and young couples (family factor plus 1). Another correction factor takes account of the number of income-earners : it is set at 0.95 if there are two earners and 0.90 if there are three. Finally, a third coefficient takes into account the size of the borough of residence. In order to gain entitlement to these aids, family income, after applying the correction factors, may not exceed 5.5 times the minimum guaranteed inter-professional salary. This ceiling is more theoretical than practical and, in fact, only excludes a tiny proportion of the population with large incomes.

FRANCE

There are three types of loan, taking the form of public aid for housing to provide an incentive to ownership : (i) loans for access to ownership (PAP); (ii) regulated mortgage loans (PC); (iii) housing savings. For housing savings, the family position is not taken into consideration. Having one or more dependent children does have an impact on PAPs and PCs.

Owner-occupier loans are eligible for State aid in the form of interest-relief grants for building. They are subject to a means test. Beneficiaries' resources, therefore, may not exceed the ceilings set as a function of the family position. The household categories used to compute resource ceilings are as follows : households with one spouse at work, young households, concubinage and dependants. For mortgage loans, the dwelling must comply with floor-space standards, which vary according to the borrower's family position. PAPs, which may be as much as 90% of the cost price of the dwelling, may not exceed certain ceilings. The ceilings vary according to type of sector (grouped or diffuse) and household composition.

Regulated mortgage loans may be granted through banks or financial institutions having signed up an agreement with the State or the *Crédit Foncier*. PCs are for funding building or improvement operations, subject to certain conditions. Just as for the PAPs, a dwelling financed with a PC must be the beneficiary's main place of residence. In the diffuse sector, the minimum floor-space standards depend not on the type of dwelling (which is the case for the grouped sector), but on the borrower's family position.

ITALIA

Measures to stimulate house-ownership are provided for by the Law n.457/1978 or the "decennial plan", which is still effective. Under this system, subsidised mortgages assisted by central government funds, are provided. The Law establishes different maximum income thresholds and the corresponding subsidised mortgage rates :

- the upper limit of a subsidised mortgage assisted by public funds for construction, purchase or housing renewal is 100 million liras;
- the maximum income thresholds of eligibility for this measure are the following :

income threshold	ratio between mortgage rate and current rate
25,000,000	30%
30,000,000	50%
50,000,000	70%

Two specifications should be taken into account. Firstly, the annual family income taken into consideration should be reduced with 1,000,000 liras for every dependent child. Secondly, the amount of the subsidised mortgage is calculated as a proportion of the current rate, which is fixed bimonthly by the Treasury Minister. Families which receive the subsidised mortgage and belong for instance to the first income class, i.e. 25,000,000 liras, will pay a rate equal to 30% of the current rate.

GRAND-DUCHE DE LUXEMBOURG

If a person takes out a loan with a view to building, purchasing or improving a dwelling, and if such person has one or more dependent children, the Government makes an interest-relief grant of the order of 1% per dependent child, there being no means test and no dwelling area conditions.

PORTUGAL

There are three loan systems: the general scheme, the interest-relief loan scheme and the interest-relief "young persons" loan. The general scheme is for purchasing, building, improving, recovering and extending buildings for permanent, secondary or leasehold housing. This scheme is available to any credit institution making loans. To gain access to the interest-relief grant loan scheme, families must meet the following conditions: (a) Purpose of the loans as for the general loan scheme, up to 90% of the value of the house; (b) They may not benefit from other loans for the same purpose; (c) The loan varies according to the income of the family and to its composition. The interest-relief "young persons" credit scheme is available to households the aggregate age of which is not in excess of 60 years or, for persons living alone, as from majority (18 years) and up to 30 years of age.

A number of possibilities prevail to orientate the financing of housing towards the family situation. In Belgium, Germany, Spain, France, Italy and Portugal the family situation is important in calculating the income limits to qualify for subsidised loans. The more children there are in a household, the higher the income may be. In Greece and Luxembourg favourable loans are not linked to the income of the household. In Belgium and France the maximum loan available increases with the number of children in a household. In Belgium, Greece and Luxembourg the favourable interests allowed to families are progressive, according to the number of children in the household, i.e. the more children there are in the household, the lower the interest rate.

2.3. Lump-sum gifts and bonuses

The terminology used varies from one country to another, but bonuses and lump-sum gifts, whether refundable or otherwise, always refer to an amount of money paid once.

Bonuses for acquisition/for construction

Bonuses for purchasing a dwelling are payable in the majority of the member states (Belgium, Germany, Spain, France, Ireland, Italy, Luxembourg and the Netherlands), but it is only in five member states (Belgium, Spain, France, Italy and Luxembourg) that the family position is of any importance in calculating the bonuses and allowances.

BELGIQUE-BELGIE

Bonuses and allowances for purchasing and building are governed by regulations applicable in the three Regions of the country. However, conditions vary according to Region. Generally speaking, the following conditions will be found :

- not being the owner of a dwelling, unless the dwelling is insalubrious or insufficient for the family;
- the applicant or his/her household may not have income exceeding certain ceilings, which vary according to Region and the number of dependants;
- the dwelling to be purchased may not exceed a certain price, while the dwelling to be built may not exceed a given floor area;

- an applicant for a bonus or an allowance must undertake to be an owner-occupier for a minimum period of five to ten years.

In the Flemish Region the amount of the premium is also related to the number of dependent children.

ESPAÑA

Entitlement to grants depends on the ratio between the family incomes of the beneficiary and the minimum salary, corrected to take account of the place of residence, the age and composition of the family (cf. loans).

FRANCE

A removal allowance is granted to persons or households changing accommodation following the birth of the third and subsequent children. Entitlement to the allowance is subject to the following conditions :

- if an application for the housing allowance or the APL is put in on grounds of new accommodation within six months of the removal taking place; and
- if the removal occurs in the period between the first day of the calendar month following the third month of pregnancy for the third and subsequent children and the last day of the month preceding the one during which the child has its second birthday.

The allowance covers the removal expenses actually incurred and for which vouchers can be produced up to a ceiling calculated on the basis of the composition of the family as a percentage of the monthly basis for calculating the family allowances. The ceiling is set at 240% of the monthly basis for families with three children born or to be born, there being an increase of 20% per child born or to be born as from the fourth.

ITALIA

Grants are assigned for housing purchase or construction. The requisites for receiving the bonuses are always referring to the family income. For every dependent child 1 million liras may be detracted from the family income.

GRAND-DUCHE DE LUXEMBOURG

A building allowance is a form of one-time financial support, paid by the State, subject to certain conditions in the event of a new dwelling being built or purchased, or the purchase of a dwelling forming the subject of substantial improvement operations. The allowance varies as a function of income, wealth and the position of the family. The ceiling is set at 390,000 LUF.

Households granted a purchase allowance, may also be granted a savings bonus if they have at least one dependent child.

Bonuses for renovation/for accomodation

In the majority of the member states (Belgium, Denmark, Germany, Spain, France, Ireland, Italy, Luxembourg, the Netherlands and Portugal) financial support is given for renewal or housing improvement. Only in Belgium and Luxembourg the measures concerned are family related.

Two pilot measures are however worth mentioning :

- Germany : if an extension is built on to the family dwelling, so that a family member can live independently in this family dwelling, the same benefits are granted as if it concerned the construction of a new house;
- Ireland : if an extension is built to an existing home in order to accomodate someone of the local authority list, an appropriate rent will be paid for the new extension.

BELGIQUE-BELGIE

Allowances for renovating, refurbishing, restructuring and developing are available in the three Regions of the country. These allowances may be granted under the conditions summarised as follows :

- the income of the applicant for the allowance may not exceed a ceiling which varies according to the number of his/her dependants;
- the work planned must involve a minimum scope exceeding a budget threshold;
- the percentage of operations covered by the allowance depends on the location of the dwelling to be renovated;
- the applicant for the allowance must undertake to be the owner-occupier for a minimum period of five to ten years.

GRAND-DUCHE DE LUXEMBOURG

In addition to grants for renovating and improving housing, in cases where interest-relief grants are also made, there are a certain number of fiscal aids. An improvement allowance may be granted for renovating an old dwelling. This allowance varies as a function of income and the family position, and amounts to 30% of the amounts invoiced, with a ceiling at between 50,000 and 100,000 LUF. An allowance for special alterations may be granted for the physically disabled. The allowance level, depending on income and the family position, amounts to 60% of the amounts invoiced, with a ceiling at 600,000 LUF. For restoration allowances, family size is not a particular criterion. However, as it is usually a question of a subsidised item often long since in the family heritage, this measure should be looked at more particularly as being one catering to the interests of families and their patrimony.

Synopsis

There are more member states granting a premiums for renewal than there are member states granting a premium for acquisition. In Belgium, Germany, Spain, France, Ireland, Italy, Luxembourg and the Netherlands a premium is granted for acquisition or construction. The same countries plus Denmark and Portugal grant premiums for renovation or accomodation. The family situation is taken into account (Belgium, Spain, Italy and Luxembourg) in so far as the composition of the household is important for the calculation of the household income (since an income limit is set to qualify for a premium).

2.4. Individual allowances and sliding-scale rents

What is covered by the expression "individual subsidies" are the direct measures to close the gap between the charges stemming from dwelling responsibilities and the solvability of the occupiers. Such subsidies exist in Belgium, Denmark, Germany, Greece, France, Ireland, Italy, the Netherlands, Portugal and the United Kingdom. Application details differ from one country to another. In Germany, Denmark and France, the subsidies are for rentals and ownership. In Greece, Ireland, Italy, the Netherlands, Portugal and the United Kingdom, the subsidies are only available to tenants. In Belgium, a subsidy is granted for tenants in the social sector. Individual subsidies are a function of income in all

countries and also depend on family size in all countries, except Greece and Ireland. In Luxemburg there is no general system of individual allowances, but tenancies are regulated by law and an allowance for tenancies is granted within the system of guaranteed minimum income.

BELGIQUE-BELGIE

In the narrow sense of the word, individual allowances do not exist in Belgium. There is however, a system of "rent regulation" which applies exclusively to tenants in the social rental sector. The subsidising system consists of an individual calculation of the rent. The settlement of the amount of the rent depends on the income of the tenant. Some amounts can be deducted from the rent: if the tenant has three children, a deduction of 20% is granted. This children-dependent deduction increases to a maximum of 50%, if the tenant has six children or more.

An individual allowance is also granted to elderly people and people evacuating an unhealthy dwelling.

DANMARK

The criteria for the assignment of rent allowances include family factors with special rules and some of the indicators here are households with pensioners, the number of persons in the household and the number of children in the family. There are two housing allowance schemes, one for families and one for pensioners. The family scheme is restricted to renters but the pensioner scheme includes owner-occupiers.

DEUTSCHLAND

The housing allowance (*Wohngeld*) provides State support for tenants as well as for owners. The allowance, as a grant towards expenditure on lodging, is designed to help low-income households to afford suitable accommodation for a family. The amount of the housing allowance depends on the family income, the general level of rents in the locality, the subsidizable element of the housing cost and the size of household. As well as owners, the allowance is payable to tenants in the private house-building market, but also in the State-subsidized house-

building sector where the rents are already reduced. Entitlement to housing allowance is anchored in law.

FRANCE

There are two types of housing allowance :

Family housing allowance (ALF), which is a family benefit. It is to cover the payment of housing expenditure (rental or ownership) brought about when a young household is settling in or by the existence of children in the household or other dependants.

The ALS, the social accommodation allowance introduced under the Act of 16 July 1971, supplemented by a decree issued on 29 June 1972, originally intended to cater to the needs of the elderly, the disabled, young wage-earners (cf. Art. L.831-1 et seq. of the Code) as well as some categories of unemployed persons, as from 1 January 1993, has been expanded throughout the country, subject to means tests, to cover all persons incurring accommodation expenses whatever be their age, family situation or job. The CNAF stresses that the ALS is especially applicable to students, young workers aged over 25 years, the elderly between 60 and 65 years of age and the unemployed paying rent or mortgage payments for their main place of abode insofar as their income does not exceed certain ceilings set as function of such place of abode (Ministry for Social Affairs and Integration circular n° DSS/PFL/92/94 of 22 December 1992 and CNAF press release of 30 December 1992 (implementation of Art. 125, Finance Act for 1993).

Personal housing aid (APL) presupposes the signing of an agreement between State and lender, or a grant to the person becoming an owner of a loan for owner-occupancy (PAP), or a regulated mortgage loan (PC), by a finance body itself having entered into an agreement with the State. Personal housing aid is not actually a family benefit although it is paid by the family-allowance funds. An application for APL excludes the allocation of a housing allowance. No aggregations are allowed.

When calculating the monthly APL and the housing allowance, certain family parameters are taken into account. For housing allowances, the amount is calculated as a function of the number of shares as determined by the composition of the household. The amount of personal housing aid payable is computed as a function of family composition, resources, rental or loan expenses, charges and the geographical location.

ITALIA

The institution of the "Social Fund for rent Subsidy" is related to the family. This Fund aims at integrating the rent of the lowest income households. The Bill states that the annual rent should not exceed 20 % of the annual family income and that the dwellings should not exceed 25 sq. metres per family plus 20 sq. metres per every component. The Fund will be shared among the Regions. The Regions will decide on the modalities and criteria of eligibility and sharing of the subsidies. The amount of the Fund is not specified in the Bill. The economic mechanism that regulates the rented accommodation provides no direct aid to families as far as rent costs are concerned, but responds to the principle of relating the rents to the economic capacity of the family; in other words, it establishes the level of the rent according to the different conditions of the family.

NEDERLAND

Rent allowances are granted to tenants fulfilling one of the following conditions :

- married and unmarried couples under 65 years of age with a taxable income below Dfl 49,000 a year and a rent between Dfl 289-820 a month;
- single persons between 18-23 years with a taxable income below Dfl 31,000 a year and a rent between Dfl 220-655 a month;
- single persons of 23 years and older with a taxable income below Dfl 43,000 and a rent between Dfl 289-820;
- married and unmarried couples of 65 years and older with a taxable income below Dfl 41,000 a year and a rent between Dfl 289-820 a month;
- single persons of 65 years and older with a taxable income below Dfl 36,000 and a rent between Dfl 289-820 a month.

The total amount spent on rent allowances in period July 1989 - July 1990 was Dfl 1,698,500,000, with almost one million households (949,000) benefitting from them. The average monthly amount spent on rent allowance was Dfl 149. 80% of the beneficiaries received an allowance of Dfl 250 or more, the remaining 20% received an allowance below Dfl 250.

PORTUGAL

Tenants whose rent has been raised or who have been subject to an extraordinary change, may request a rental grant. This is based on per-capita family income.

UNITED KINGDOM

Local authorities can provide Housing Benefit to people with a low income who rent a house. It can be paid regardless of whether the claimant is fully employed or on Income Support. The amount of the payment will depend on the number of people in the family.

Synopsis

When comparing the individual allowance schemes in the member states, attention should be paid to the particular situation in Belgium and Italy. In the narrow sense of the word, individual allowances do not exist in these two countries. A system of progressive rent still prevails in Belgium and Italy. The remarks made for the individual allowance schemes apply however also to the progressive rent system, which is also a kind of individual subsidies.

In Belgium, Germany, Denmark and the Netherlands the family as a factor in the income is important for the assignment criteria of rent allowances. In Belgium, Denmark, Germany, France, Italy, the Netherlands, Portugal and the United Kingdom the amount of the allowance depends on the family income and composition.

2.5. Synthesis

In chart 19 the financial instruments of housing are synthesised, and classified according to the four categories: fiscal measures, financing housing, premiums and individual allowances.

Taking an overview of the existence of family factors in the various *fiscal instruments* in the member states, it can be noticed that a minority of the member states explicitly takes into account the family dimension. These countries are Belgium, Germany, France, Ireland and Luxemburg. Taxes on real estate are

levied in 9 out of 12 member states. Only in two countries, Belgium and Ireland, the number of children is important in calculating those taxes. Tax reduction for the fact that one acquires a dwelling is granted in 6 member states. Exclusively in Belgium and Germany the amount is linked to the number of children. Finally, all member states are granting - in one way or another - the opportunity to deduct interests paid on loans. In Belgium, France and Luxemburg the fact of having a child/children is not without effect to determine the maximum deductible amount. This amount varies according to the number of dependent children.

The *financing* of the private home (loans) takes often place through the capital market. In some member states the financial demand of certain target groups is worked out through special institutes and/or funds. This is the case in Belgium where the emphasis is put on families with children. The capital market of each member state has developed a wide variety of loan-possibilities for individuals. Apart from this capital market, a number of measures still prevail to orientate the financing of housing towards the family situation. It goes from taking into account the family composition in calculating the maximum available loan to a favourable interest for families with children. In 8 out of 12 member states, i.e. Belgium, Germany, Greece, Spain, France, Italy, Luxemburg and Portugal, children are important variables in granting loans.

In 8 member states, i.e. Belgium, Germany, Spain, France, Ireland, Italy, Luxemburg and the Netherlands, *premiums* are granted for acquisition or construction of a dwelling. Ten member states (the same countries, plus Denmark and Portugal) are granting a premium for renovation or accomodation. The right to a premium is income-related in every member state. In calculating the income, the number of children is taken into account in Belgium, Spain and Luxemburg. It should be noticed here that comparatively more countries are granting premiums for renovation/accomodation than for building of new houses.

Chart 19. The financial instruments of housing

	Taxes on real estate/houses : ■ = family related; O = not family related; d.n.e. = does not exist						
	Tax reduction for the fact that one acquires a house : ■ = family related; O = not family related; d.n.e. = does not exist						
	Tax deduction of interests paid on loans : ■ = family related; O = not family related; d.n.e. = does not exist						
	Financing housing (loans) : ■ = family related; O = not family related; d.n.e. = does not exist						
	Premiums for acquisition/construction : ■ = family related; O = not family related; d.n.e. = does not exist						
	Premiums for renovation/accommodation : ■ = family related; O = not family related; d.n.e. = does not exist						
	Individual allowances for tenants (T), owner-occupiers (O) = ■ = family related; O = not family related; d.n.e. = does not exist						
Belgique-België	■	■	■	■	■	■	■ (T)
Danmark	O	d.n.e.	O	O	d.n.e.	O	■ (T, O)
Deutschland	O	■	■ (1)	■	O	O	■ (T, O)
Hellas	O	O	O	■	d.n.e.	d.n.e.	O (T)
España	O	O	O	■	■	O	d.n.e.
France	d.n.e.	d.n.e.	■	■	■	O	■ (T, O)
Ireland	■*	d.n.e.	O	O	O	O	O (T)
Italia	O	O	O	■	■	O	■ (T)
Luxembourg	O	d.n.e.	■	■	■	■	d.n.e.
Nederland	O	d.n.e.	O	O	O	O	■ (T)
Portugal	O	O	O	■	d.n.e.	O	■ (T)
United Kingdom	d.n.e.	d.n.e.	O (2)	O	d.n.e.	d.n.e.	■ (T)

(1) System of "Grundförderung" auf "Baukindergeld".

(2) Mortgage Interest Relief At Source (MIRAS).

* No general real estate tax.

Finally, there exist an *individual allowance* for tenants or owner-occupiers in every member state, Spain and Luxemburg being the exception. As far as accessibility is concerned, it can be concluded that the allowance is in any case available for tenants. It can be noticed that the amount of the allowance is related to the difference between the costs due for the house and a fixed standard price. This standard is income-dependent. Besides income, also variables such as the composition of the household and the number of dependent children are involved in the calculations. This is the case in 8 out of 10 member states. The two countries where this is not applied are Greece and Ireland.

3. INHERITANCE

Inheritance is family related by definition. The taxes on inheritance depend on the relationship between the recipient and the donor. Although there are some differences in application, this principle prevails in each member state. In the member states there are two current methods in calculating the taxes on inheritance :

- either, a distinction is made between the exemption threshold for taxes, i.e. the closer the family relationship, the higher the exemption threshold;
- or, a distinction is made between the percentage of succession tax, i.e. the closer the kinship, the lower the tax levied.

The exemption threshold is the leading principle in Germany, Greece, Ireland and the United Kingdom. Five categories can be distinguished : a transfer between spouses, between a parent and a child, between siblings, between other relatives and between unrelated persons. In Ireland and the United Kingdom, a property is exempt from tax if it is left to the surviving spouse.

The other principle, a percentage of succession tax, applies in Belgium, Spain, France, Italy, Luxembourg, the Netherlands and Portugal. There are four tariff groups : spouses and children, siblings, other relatives and unrelated persons. The percentage of succession tax to be paid also depends on the amount of the inherited wealth.

A comparison between the two systems leads to the following remarks :

- Spouses and children are treated as the same entities if the inheritance tax consists of a percentage of inheritance tax to be paid (Belgium, Spain, France, Italy, Luxembourg, the Netherlands and Portugal), and as separate categories

if there is a possibility to exempt a certain amount of the inheritance (Germany, Greece, Ireland and the United Kingdom).

- In Belgium, Spain, France, Italy, Luxembourg, the Netherlands and Portugal, the inheritance roles are negatively related to the closeness of the family relationship; i.e. the closer the kinship, the lower the tax levied, and positively related to the amount of the inheritance; i.e. the higher the amount of the legacy, the higher the tax levied.

In Germany, Greece, Ireland and the United Kingdom, inheritance rules are positively related to the closeness of kinship; i.e. the closer the kinship, the higher the exemption, and not related to the amount of the legacy.

In none of the member states *cohabitees* have automatic legal rights to succession. A cohabitee may inherit a share of a family home if it was jointly owned, or property specifically willed to him/her. A surviving cohabitee can not inherit anything without a testament.

4. NON FINANCIAL MEASURES

4.1. Ownership

When analysing the statute of families with respect to non-financial measures stimulating home-ownership, there is only one measure in which the family situation is relevant, i.e. the special family related right of landlords towards their tenants. In Denmark a landlord has the right to terminate a tenancy if he himself wants to occupy the dwelling. In Belgium, Germany, Greece, Spain, France, Italy, Luxembourg and Portugal a landlord can expel his tenants in order to occupy the property himself or to let it to family members.

If this measure does not prevail in a member State, there are two quite opposite reasons :

- on the one hand there are member states (the Netherlands, the United Kingdom) where landlords do not have any special rights based on family-related situations since the tenant's rights are covered as widely as possible;
- on the other hand there are member states (Ireland) where landlords do not need a special right since the tenant's rights are so weak, that the landlords can evict tenants, families included, at any time.

4.2. Renting a home

In the private housing sector family situations play no role in obtaining a house. Landlords are free in choosing their tenants they will accept (demand and supply market). In Greece, landlords letting to large families get an incentive in the form of tax relief : apart from the recognised deduction of 25% (for expenditure) from gross income, gross income from buildings rented as first home to large families is subject to relief, calculated on the basis of the number of children dependent upon the tenant of the building or his/her spouse, and is fixed at 5% for the second child and 10% for the third child and all subsequent children, up to 100% of income.

Tenancies generally pass from one partner onto a surviving partner, if they are married. A cohabitee does not automatically inherit the lease of a rented property from his/her partner. In Belgium and the Netherlands, for example, a cohabiting partner must be registered as co-tenant in order to be able to benefit from the right to stay in the rented house. In Denmark, only the cohabitee who has shared household for at least two years with the tenant has the right to stay in the house in case of death of the tenant. In Portugal, if a couple is cohabiting more than 5 years, they are granted the same rights as if they were married.

In the subsidised sector, the housing policy is entirely regulated by local authorities, housing trusts, social housing organisations or housing associations trusted with social housing projects. The allocation of social housing is generally based upon a point system developed by each individual council or association, based on local needs. In order to qualify for these measures the family income should be beneath a certain level. From this family income should be detracted a certain amount for every dependent child. Various elements should to be considered as titles of favour in the assignment of a social accommodation unit :

- former accommodation standard;
- size of household in relation to space, elderly and/or handicapped people cohabiting.

5. GUARANTEEING BASIC HOUSING NEEDS

5.1. "Right to housing"

The "right to housing" and the role of the State in this respect is *explicitly* recognized in the Constitution of three member states of the European Community i.e. Spain, the Netherlands and Portugal. The "right to housing" is not explicitly mentioned in the constitution of the eight other member states, i.e. Belgium, Denmark, Germany, Greece, France, Ireland, Italy and Luxembourg. The United Kingdom does not have a written constitution. In contrast with the recognition of the "right to housing", the inviolability of the home is mentioned in the Constitution of each member states.

ESPAÑA

The "right to housing" and the role of the public authorities in this sphere are enshrined in the Spanish Constitution : "All Spaniards are entitled to have a dwelling both befitting and proper. The public authorities shall ensure that all the requisite conditions are met and shall issue standards such that this right may be enjoyed" (Art. 47).

NEDERLAND

The right of every person to lodging and the role of the State is stipulated in the Constitution of the Netherlands : "It shall be the government's responsibility to see to it that sufficient living accomodation is available" (art.22).

PORTUGAL

The Portuguese Constitution recognize the "right of lodging" of the individual and his family.

" 1. Everyone shall have the right for himself and his family to a dwelling of adequate size satisfying standards of hygiene and comfort and preserving personal and family privacy.

2. In order to safeguard the right to housing it shall be the duty of the State to :

- a. Draw up, put into effect a housing policy as part of general regional planning and based on town plans which safeguard the existence of an adequate network of transport and social facilities;
 - b. Encourage and support initiative by local authorities and communities aimed at solving their housing problems and promoting individual building and the establishment of housing co-operative;
 - c. Promote private building subject to the public interest.
3. The State shall adopt a policy aimed at introducing a system of rents compatible with family incomes and of individual ownership of dwellings.
 4. The State and local authorities shall exercise effective supervision over immovable property, take urban lands into national or municipal ownership where necessary and lay down rights of use" (art.65).

Only three member states make a commitment to a "right to housing" in their Constitution. Portugal is the only country in which the "right of lodging" is family oriented. In Spain and the Netherlands it is an individual right. The Constitutions of the three above mentioned countries mention the responsibility of the State to provide sufficient living accommodation. Except for the Portuguese Constitution, in which the principles of the housing policy are laid down this duty is not described in detail. It emerges however that this article appears in the so-called "programmatic" part of the Portuguese Constitution, consisting of declarations of intent, without the citizen being able to invoke the application of this provision directly.

In those member states where the right to housing is not explicitly recognized in the Constitution, the following observations can be made :

- in some member states the right to housing is mentioned in the legislation concerning housing (e.g. France "Loi Besson");
- in some member states social legislation put emphasis on the right to housing for those persons who are not able to take care for themselves (e.g. Denmark, Ireland, Luxemburg);
- in some member states the right to housing is secured in the legislation concerning rented accommodation (e.g. Belgium, Germany, Greece, Italy and Luxemburg);
- in every member state there is a legislation regulating the social housing market.

In doing so, at least implicitly, those legislations tend to protect the right to housing.

5.2. Dispossession of the house/lodging and cut-off of basic utilities

There are a number of reasons for being dispossessed of one's home, the most common being the failure to pay the rent to the landlord or to pay the interest on a mortgage. None of these policies are however explicitly family related. The act on rental dwellings generally offers a high degree of protection against being dispossessed of one's home in Belgium, Denmark, Greece, France, Luxembourg, the Netherlands and the United Kingdom. Although tenants are protected by the law none of the measures are based on family aspects. In Ireland and since 1985 in Spain too, private landlords have wide powers since contracts prevail for a definite period, going from week to week tenancies in Ireland to year to year tenancies in Spain.

In France, the Act of 31 May 1990, known as the "Besson Act", provides for an extension of the winter period during which evictions are prohibited, propounds the principle that no *bona fide* tenant should be evicted without being able to benefit from appropriate financial assistance, institutes a regulation stipulating that judges having to make a ruling may grant stays of eviction of up to three years for tenants whom it would not be possible to rehouse under favourable conditions.

There are also no family related provisions forbidding the disconnection of basic utilities. In this respect there are no special rules for families in any of the member states. The municipal welfare work gives assistance to poor families but the measures are of social nature and are not family related. There is no protective law nor a right to keep provisions in case of non payment of the bills. This rule prevails for everyone, families included.

5.3. Homelessness

Homelessness is becoming a growing and preoccupying problem in the member states. There is no European norm, however, in how member states have responded to it. Looking to the actions across the member states, differences can be observed. At one extreme are countries such as Belgium, Greece, Spain, Italy and Luxemburg with little or no co-ordinated national policies on homelessness. In all these member states homelessness is combatted by local welfare institutions and volunatry organizations. France is located at the other extreme. The before-mentioned "Loi Besson" enshrines the citizen's right to

housing. To realise this right, an elaborated program exists for integration of homeless people. Special funds (*Les Fonds de Solidarité Logement*) are made available for these purposes. The remaining member states, i.e. Denmark, Germany, Ireland, the Netherlands and the United Kingdom, fall somewhere in between these two extremes. The policies in these member states generally consist of "bed and breakfast" measures. Next to "classic" methods for combatting homelessness, new ways are explored in the Netherlands. This includes employment projects and self-help groups for the homeless.

6. AVAILABILITY OF HOUSING

Independent living

Growing attention is paid to the housing situation of the elderly and persons with a handicap. In all the member states the trend of moving away from an institutional solution towards staying at home continues. Programmes are developed to adapt houses to the needs of the elderly or handicapped people. People also receive public support to keep the house and the household going. Projects of co-housing are emerging. Most of the time it involves voluntary projects, and the measures are far from being generalised.

Company linked housing

None of the member states has an active policy of linking occupation to housing, either through companies providing for houses or companies acting as intermediary agents.

CONCLUSION

Taking into account the methodological restrictions and limits of this comparison, some general conclusions can be drawn :

1. Interference on housing of families through policy measures is, of course, no sinecure. Different contrasts (fault lines) are dominating housing policy:

- tenants versus owners;
- building of new houses versus renovation;
- private versus public sector.

In spite of this complexity, governments need to be fully aware of the real housing needs. To get know the real housing needs of families, research is necessary. Research today should pay attention to the changing family structures, because changes in family structures are making considerable demands on the flexibility and adaptability of housing authorities.

2. The main principle guiding the financial instruments of housing seems to be the disposable income of the person/household requesting housing subsidies, tax exemptions or other facilities. Income related assistance has become an instrument of housing policy favoured by governments. When calculating this income, the family composition is taken into account in a lot of member states. Financial instruments used in housing policy are often of social nature.

3. Housing policy is tending to focus its attention to specific groups of families, such as single-parents households, elderly and disabled persons. This trend is translated in the formulation of the objectives of housing policy and the non-material measures related to family and housing. This trend is not a surprising one, but rather a logical consequence of two features of the present society :

- changes in family structures, particularly those connected with marriage, divorce, cohabitation and single parenthood;
- the de-institutionalisation of elderly and disabled persons.

4. An observation strongly connected to before-mentioned observations, is the fact that, with a few exceptions, neither young families, nor large families are treated as such, but may be part of the target groups if they meet the social indicators criteria.

It can be concluded that it's nearly imposible to seperate housing questions from considerations about families. Both are interlinked strongly. Although housing policy does not explicitly focus on families with dependent children, or on young couples intending to start a family, in practice, most state aid to housing reaches such families rather than single people without dependants or those whose families are now grown.

SELECTIVE BIBLIOGRAPHY

THE FAMILY AND HOUSING POLICY

BANON, M.J., *Social Housing Policy : Republic of Ireland*. Brussels, c.o.f.a.c.e., Housing Commission Documents, 1989, 69 pp.

BESSY, P., Un ménage sur six perçoit une aide au logement (One household out of six receives a housing allowance), *Economie et Statistique*, (1992)251, 29-39. ISSN 0336-1454.

BOELHOUWER, P., H. VAN DER HEIJDEN, *Housing Systems in Europe: Part 1: A Comparative Study of Housing Policy*. Delft, Delft University Press, 1992, 314 pp. ISBN 90-6275-769-3.

BOVY, C., *Social Housing Policy : Netherlands*. Brussels, c.o.f.a.c.e., Housing Commission Documents, 1989, 66 pp.

CARVALHO DA SILVA, E., *Social Housing Policy : Portugal*. Brussels, c.o.f.a.c.e., Housing Commission Documents, 1990, 66 pp.

CARVALHO DA SILVA, E., The Family Dimension of Aid for Housing. In : LAURENT, L., M. JACQUES (Eds.). *European Housing Conference: Proceedings*. Brussels, c.o.f.a.c.e., 1990, 185-198.

CLARK, D.M., *Social Housing Policy : Great Britain*. Brussels, c.o.f.a.c.e., Housing Commission Documents, 1989, 66 pp.

CONTATO, L., *Social Housing Policy: Grand-Duchy of Luxembourg*. Brussels, c.o.f.a.c.e., Housing Commission Documents, 1986, 46 pp.

COUNCIL OF EUROPE. STEERING COMMITTEE ON SOCIAL POLICY, *Specific social problems associated with recent changes in family structures. Social aspects of housing policy*. Strasbourg, Council of Europe, s.d., 176 pp.

DALY, M., *European homelessness - the rising tide. The first report of the European Observatory on Homelessness, 1992*. Brussels, European Observatory on Homelessness, 1992, 21 pp.

- DEIBER, B., Les bénéficiaires des prestations logement (The receivers of housing benefits). *Recherches et Prévisions*, (1991)26, 57-58.
- DUVIGNEAU, H.J., L. SCHONEFELDT, *Social Housing Policy: Federal Republic of Germany*. Brussels, c.o.f.a.c.e., Housing Commission Documents, 1989, 49 pp.
- GHEKIERE, L., *Marché et politiques du logement dans la CEE* (Housing market and policy in the EEC). Paris, La Documentation Française, 1991. ISBN 2-11-002589-1.
- JACOBIDES, A., *Social Housing Policy: Greece*. Brussels, c.o.f.a.c.e., Housing Commission Documents, 1988, 50 pp.
- LAURENT, L., Reflections on the Right to Housing. In: LAURENT, L., M. JACQUES (Eds.). *European Housing Conference: Proceedings*. Brussels, c.o.f.a.c.e., 1990, 199-212.
- LAURENT, L., M. JACQUES, *Social Housing Policy: Belgium*. Brussels, c.o.f.a.c.e., Housing Commission Documents, 1989, 102 pp.
- MARCHAL, J., *Social Housing Policy: France*. Brussels, c.o.f.a.c.e., Housing Commission Documents, 1989, 75 pp.
- MOUTARDIER, M., M. MARPSAT, *Consumption of European Households* (Paper Presented at the Annual British Sociological Association Conference, 6-9 April 1992, University of Kent). S.l., s.n., 1992.
- PAPA, O., *Housing Systems in Europe: Part 2: A Comparative Study of housing Finance*. Delft, Delft University Press, 1992, 207 pp. ISBN 90-6275-770-7.
- SICOLI, C., *Social Housing Policy: Italy*. Brussels, c.o.f.a.c.e., Housing Commission Documents, 1989, 45 pp.
- TORTRAS, M., *Social Housing Policy: Spain*. Brussels, c.o.f.a.c.e., Housing Commission Documents, 1989, 47 pp.
- WESTERGARD, K., *Social Housing Policy: Denmark*. Brussels, c.o.f.a.c.e., Housing Commission Documents, 1989, 34 pp.



ANNEX 1. POLITICAL STRUCTURE OF THE MEMBER STATES

A summary of the way in which responsibilities are divided in the member states, is given in this annex.

Table A. The political structure of the member states

Countries	Political levels			
Belgique-België	Central government	Regions and Communities	Provinces	Local Authorities
Danmark	Central government		Counties	Local Authorities
Deutschland	Central government	Länder	Regierungs-bezirke	Local Authorities
Hellas	Central government	Prefectures		Local Authorities
España	Central government	Autonomous Communities	Provinces	Local Authorities
France	Central government	Regions	Departments	Local Authorities
Ireland	Central government	Regional Health Boards		Local Authorities

150 NATIONAL FAMILY POLICIES IN EC-COUNTRIES

Italia	Central government	Regions	Provinces	Local Authorities
Luxembourg	Central government			Local Authorities
Nederland	Central government		Provinces	Local Authorities
Portugal	Central government	Autonomous Regions (1)		Local Authorities
United Kingdom	Central government			Local Authorities

(1) The Azores and Madeira.

Belgique-België. Belgium is divided into 3 Communities, 3 Regions, 9 provinces and 589 communes.

Danmark. Denmark is divided into 15 counties and 275 municipalities.

Deutschland. The Federal Republic of Germany is divided into 16 regional governments (*Länder*), regional districts (*Regierungsbezirk*), cantons (*Kreise*), and Local Authorities or groups of Local Authorities.

Hellas. Greece is divided into 13 planning regions and 5,602 communes.

Espana. Spain is divided into the Autonomous Communities, provinces and Local Authorities.

France. France is divided into 22 regions, 99 departments and 36,000 municipalities.

Ireland. Ireland is divided into Local Authorities. In the case of health care the country is divided into eight administrative regions (Regional Health Boards).

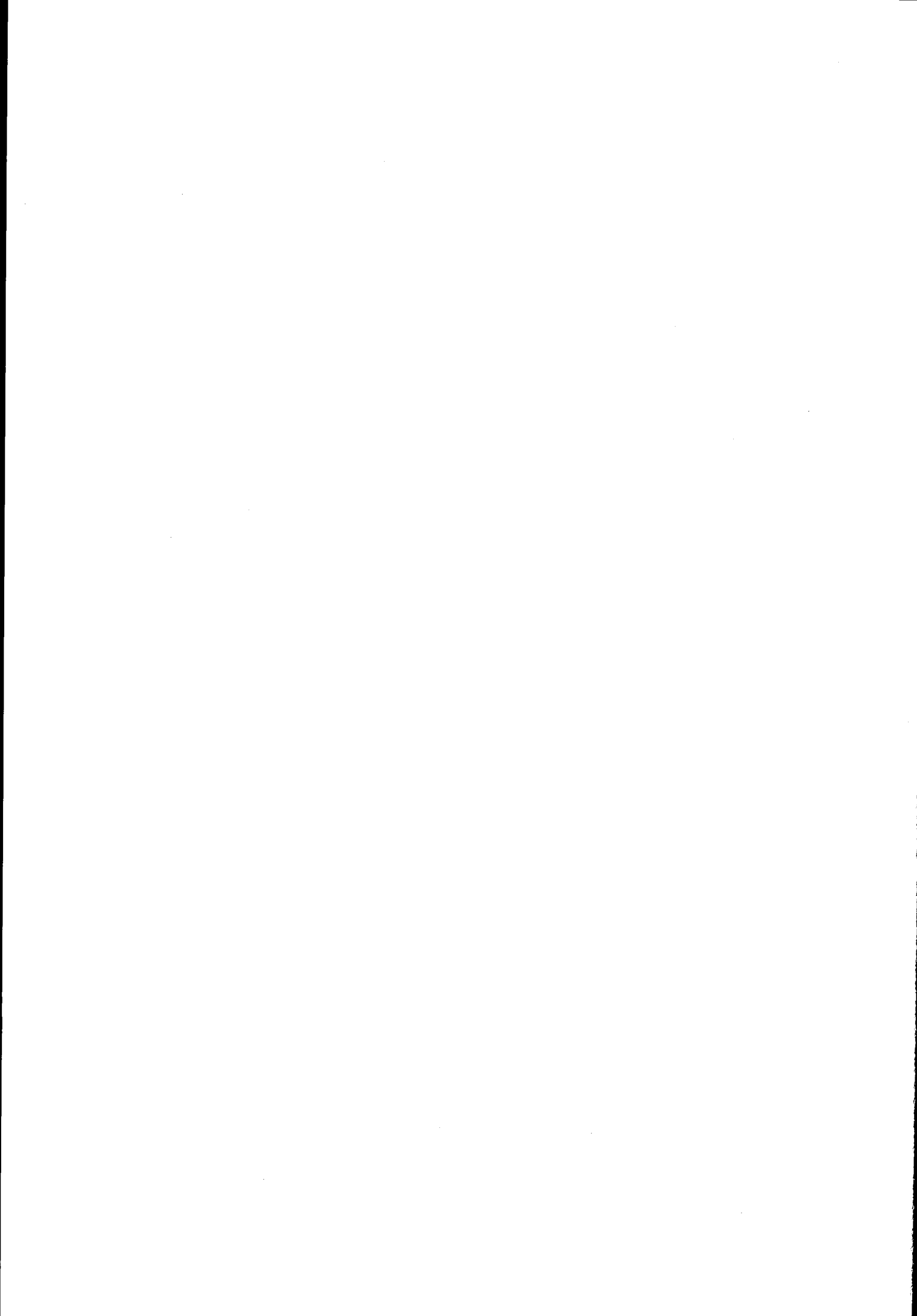
Italia. Italy is divided into regions, provinces and Local Authorities.

Luxembourg. The Grand Duchy of Luxembourg is divided into 118 Local Authorities.

Nederland. The Netherlands are divided into 12 provinces and 647 Local Authorities.

Portugal. Portugal is divided into Local Authorities ("*municipios*") and has two autonomous regions (the Azores and Madeira).

United Kingdom. The United Kingdom is divided into Engeland and Wales, Scotland and Northern-Ireland, which are divided into Local Authorities.



ANNEX 2. GRID HOUSING

Preliminary remarks

- a) We did not find great enthusiasm among our colleagues concerning "housing" as a topic for the comparative tables. Moreover, housing is far broader a topic than family. Yet, housing has always featured in the Observatory as one element of family policy. Therefore, I have prepared a grid of information on housing *exclusively dealing* with family aspects of housing, taking into account our discussion on that matter in the meetings of the Observatory. We hope it will be satisfactory to all of you.
- b) We expect to receive the reply to this grid by April 14th '92, date of our next meeting in Brussels.
- c) We already received from some countries contributions on housing for 1990. Therefore this grid is composed of two parts. Part one : a grid being sent to all participants. Part two : specific questions concerning your own country.
- d) If you have any questions, remarks or observations to make, please feel free to take contact.

Note 1

This questionnaire is *not* related to the housing situation in your country but to

- (i) *housing policy*
- (ii) in as far as this policy is *family related*.

Note 2

Please provide information for each item about three aspects.

- (i) the actual policy measures
- (ii) issues on which there are socio-political debates
- (iii) the impact of the measure. Please focus on the impact for families.
It would be highly appreciated if you could document the impact by referring to research evidence.

A. GENERAL QUESTIONS

1. *General policy on housing* (Institutionalisation of housing policy and its relation to family policy)

- a) (i) Is there an explicit policy on housing in your country ?
(ii) State (briefly) the main objectives of this policy, with specification on the role family plays in these policy objectives (only 1 up to 2 pages requested).
- b) (i) At what level is this policy executed? (national, regional, local) ?
(ii) Is there a Cabinet Minister responsible for housing ? Is he/she the same person responsible for family affairs or not ? Is there any specific administration for housing ? Is this administration in any way linked with family affairs or not ?
- c) Are there any state, mixed or private institutes playing an important role in housing policy ? Do they, in any way, influence family policy or not ?
- d) Is the state in any way subcontracting parts of the housing policy to the private (or mixed) sector ? If so, do they make requests to this private sector regarding families, such as special requests for young families, large families, families taking care of dependent members etc.

Note :

Please focus on family policy aspects in this housing policy.

B. OWNERSHIP

2. *Housing and fiscal policy*

- a) Are there any taxes on real estate/houses in your country ? Please highlight family aspects such as : Is there a tax-deduction for young families, large families, etc. ?
- b) In acquiring a house for one's family, in becoming a house owner,
 - (i) does one enjoy tax reduction for the fact that one acquires a new house ?
 - (ii) can one deduct interests paid on loans for acquiring an own house ?

Note :

Please focus on family aspects such as marital status (single, married, cohabiting), family size etc.

- c) Are there any other types of policies geared at securing house ownership for *families* ? (by means of tax relief). E.g. reduction of VAT (for young families, large families) or any other fiscal or parafiscal measure.

3. *Other financial measures to stimulate home-ownership*

- a) Do any of the authorities grant *premiums* (in cash or kind) in order to stimulate home ownership ? In what way are these policies geared at families ? Do family variables, such as marital status, family size, family type, play any role in eligibility for (i) either obtaining, (ii) or getting priority in securing these benefits ?
- b) *Mortgages* :
- (i) Same questions as above (see premiums)
 - (ii) Are there any measures to subsidize loans ? (family-related)
 - (iii) Are there any measures in this respects, concerning guarantees for the event of loss of income/unemployment/sickness or death of the borrower, borrowing family? Are these measures family related ?
- c) *Loans* : same questions as above (see *mortgages*).
- d) Any other measures of financial nature to stimulate home-ownership ? Please highlight the family variables.

Note :

Be as brief as possible on all measures which are not family related. Be as explicit as possible on family-related matters.

4. *Non-financial measures related to family and home-ownership*

- a) (i) Do family variables play any role in *obtaining* permission to build a house ?
- (ii) Do family variables play a role in specifications to have the blue print accepted by the authorities (either in terms of square metre, number of bedrooms, etc.) ?

- b) Do family variables play a role in being eligible, respectively getting priority in obtaining a house in special housing programs, such as social housing, community housing, etc. (This question only relates to *ownership*).
- c) (i) Do landlords (persons owning houses) have special family related rights vis-à-vis their tenants? E.g. Can they expel their tenants in order to let the property they own to (close) family members?
(ii) Are there any other rights of landlords being family related?
- d) Any other measures regarding house ownership and family, and/or family variables?

C. RENTING A HOUSE (HOME)

- 5. Are there any family-related measures concerning renting a house?
(i) Do family-characteristics play any role in obtaining or getting priority in allocations of houses?
(ii) Is there any priority in special housing programs such as social housing, community housing, etc.?
(iii) Are there any special arrangements related to family variables concerning accomodation? (in terms of square metres, number of bedrooms, etc.)
- 6. Are there any subsidies for renting a house? Do family variables play any role?
- 7. Are there any forms in which renting is to be converted into ownership? Are these measures in any way family-related?
- 8. Any other measures regarding renting a house and family, and/or family variables? e.g. Can the cohabiting partner stay in the rented house in case of death or moving out of her/his partner, on whose name the lease was registered etc.?

D. RENOVATION/ACCOMODATION OF HOUSES

- 9. Is there any policy stimulating renovation of houses in contrast to building new houses? Are the measures in any way family related?

10. As to the accomodation of houses (such as running water, heating, telephone, cabling for TV etc.) are there any measures which are family related ?

E. GUARANTEEING BASIC HOUSING NEEDS

11. Dispossession of house/lodging.
Under what condition can one be dispossessed of his home ? Are there any circumstances giving more security ?
12. Are there any provisions to the effect that basic utilities (gas, water, electricity) or other services, such as telephone, cannot be cut off ? (even if one fails to pay the bill). Is this prevention family related or not ?
13. (i) Is there a legal *explicit* recognition regarding the "right of lodging" ? Is this right individual or family oriented? (or other ?)
(ii) How is this put into effect ?
14. (i) Is homelessness considered to constitute an issue or a problem in your country ? Is the phenomenon family-related or not ?
(ii) Are there any measures to deal with this issue ? Are these measures family oriented or not ?

F. INHERITANCE

15. (i) By definition inheritance is family related. Specify the difference according to family relationship in taxes on family inheritance.
(ii) If appropriate, make a difference between the home (dwelling in which one lives) and other property.
16. (i) Specify the rights of the surviving spouses in marriage/surviving partner in cohabitation situation.
(ii) See above (ii).

G. AVAILABILITY OF HOUSING

17. Are there any measures by which building companies, house renting associations, in the public or private sector, have to secure that appropriate accommodation is available for families and/or families with certain characteristics, such as young families, large families, etc.
18. (i) Are there any programs geared to the needs of special types of families such as young families, one-parent families, one-person households or any other ?
(ii) Are there any programs to stimulate independent living (in contrast to living in institutions) for mentally or physical handicapped, such as "assisted lodging" for mentally handicapped ?
(iii) Are there provisions for alternative forms of family living or alternative life styles, such as "central living", "communal living", etc. ?
(iv) Are there any forms to stimulate independent living of aged, handicapped etc. by giving incentives to secure appropriate accommodation ?
(v) Any other ?
19. *Company-linked housing.*
Are there any great programs to link occupation with housing (tied housing) either through companies providing for houses or companies acting as intermediary agents ? Are there any family aspects ?

H. OTHER ASPECTS

20. Any other policy measure related to family and housing ?

I. BIBLIOGRAPHY

21. (i) Any major study/publication on the relationship between family and housing *policy*?
(ii) As exhaustive as possible, a list of publications on family and housing *policy* for 1990 as well as for 1991.

Wilfried DUMON
21.02.1992