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# Family Support Policy in Central and Eastern Europe - A Decade and a Half of Transition

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**UNESCO Education Sector** 

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## Family Support Policy in Central and Eastern Europe – A Decade and a Half of Transition

#### Introduction

After a decade and a half of transition from state socialism to market economies in Central and Eastern Europe, we can now look back and observe the effects on family support systems. The families of the region have lived with the expectation of new institutions, policy goals and societal values. After the embryonic developments of the early 1990s came a crisis period in the mid-1990s before the dawn of today's relative stability. Over this time, families have witnessed how social policies have been adapted to reflect changed perceptions of need and redistribution, gender and responsibility. Former entitlements to state provisions in cash and in kind are no longer available, and the new market economy has ended previous assumptions of job security. At the same time, the changes have led to recognition of the social problems that persisted even under the former state socialist system, and to the acceptance of family diversity and the right not to work.

How have families fared during this transition? How have they responded in terms of policy and direction?

This synthesis report aims to provide an overview of how demands and needs for family support policy have changed in Central and Eastern Europe since the start of the transition, in terms of both demographic profile and labour market affiliation. It outlines changes in family support systems through a comparison of former and existing policies as the basis for an overview of policy options and directions.

Comparing and contrasting 13 countries spanning different geographical regions and religions (Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Moldova, Poland, Romania, Russia, Slovakia, Slovenia and Ukraine), the report also touches on family policy models of the European Union (EU), with special emphasis on the ongoing shift towards an integrated approach to early childhood care and education (ECCE).

The synthesis report was prepared for the Consultation Meeting on Family Support Policy in Central and Eastern Europe, 3-5 September 2003, in Budapest, Hungary, organised and supported by the Council of Europe and UNESCO. The Consultation Meeting was part of the two organisations' contributions to the 10<sup>th</sup> anniversary of the International Year of the Family in 2004.

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#### **Concepts**

Family policy or state support for families is often an amalgam of policies, programmes and laws targeted at families. This synthesis paper uses a narrow definition<sup>1</sup> of family support, referring specifically to state support for families with children, with a focus on children from birth until the official age for entering primary school, which is normally 5 or 6 years old.

Under this definition, specific state support for families with young children can come in four policy options:

- direct and indirect subsidies for parents such as family allowances, childcare benefits, vouchers, tax benefits and deductions; (space in front)
- provision of early childhood care and education (ECCE) services through public institutions (such as public nurseries, pre-schools, and kindergartens);
- parental leave policy, such as maternity, paternity, parental and child-rearing leaves; and
- direct and indirect subsidies for private services provided by individuals, NGOs, enterprises, community ECCE (e.g. grants, tax benefits, credits and deductions).<sup>3</sup>

In addition, some reference will be made to labour market policies under which changes of coverage and compensation have had a profound effect on family life in Central and Eastern Europe during the transition.

#### The family in a period of demographic change

The countries of Central, Eastern Europe and the CIS have all undergone huge changes in their demographic composition, and hence family formations, since the transition to market economies. An overview of demographic changes will illustrate how markedly the needs related to family support policy have changed since the late 1980s.

The most immediate and perhaps most alarming development across the region was the declining birth rate, with post-communist European countries now recording the lowest fertility in the world. Fertility rates range from 1.09 live births per woman in Ukraine to 1.39 in Estonia. The average for the 13 countries has declined from 2.0 to 1.3, far lower than the EU average of 1.53. A birth rate of 2.1 is considered necessary for a country to maintain a stable population.

Some countries have felt the decline more than others. Fertility rates have fallen mostly in the predominantly Christian Orthodox countries and slightly less in the other religious groupings (see Figure 1). Within the Christian Orthodox grouping, all the countries have experienced the fall in fertility. Moldova in particular has seen a dramatic decrease of more than 47% in total fertility rate since 1989, to 1.3 in 2000 – although it is worth noting that it was also the country with the highest rate at the beginning of the transition, at 2.46. Ukraine, Romania and Russia have also experienced a substantial drop in total fertility rates, by around 40%. Among the predominantly Catholic countries Slovakia faced a decline of 39%, whereas among more secularised Catholic countries the Czech Republic experienced a similar fall in fertility rates. Among the predominantly Protestant countries, the fertility rate of Latvian women is now 40% lower than in the late 1980s. Today, the decline in fertility rates seems to have stabilised and has even been reversed, rising to the levels of the mid-1990s in countries such as Bulgaria, Estonia and Latvia.

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<sup>&</sup>lt;sup>1</sup> A broader approach would include family policy directly aimed at families with children but also addressing policies, taxation, health care, labour market and social assistance policies etc. that affect family life and children's opportunities later in life.

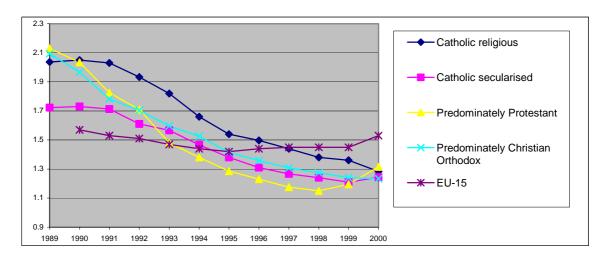


Figure 1. Total fertility rates

Catholic religious: Poland, Slovakia, Lithuania

Catholic secularised: Czech Republic, Hungary, Slovenia

Predominately Protestant: Estonia, Latvia

Predominately Christian Orthodox: Bulgaria, Moldova, Romania, Russian Federation, Ukraine

Sources: UNICEF (2002b)

As UNICEF (2001a) reports, a drop in fertility rates is not necessarily a negative development. High fertility rates can strain public resources and family income, leading to harder living conditions and fewer opportunities for families and children. Declines in fertility may be attributable simply to women's decisions to postpone childbearing for further education or other pursuits. But if it is a persistent trend it may result in an ageing society with fewer people of working age to support the retired population. The number of children – the tax-paying work force of tomorrow – has dropped significantly in the region. In just 11 years the population of under four-year-olds in the 13 countries shrank from 24 million in 1989 to only 14 million in 2000.

Some analysts are concerned that the decline in fertility is a direct consequence of the harsh economic and social conditions the countries have faced in the last decade, an indication that families do not consider it feasible to have children under the present circumstances. The fear is that the current family pattern will become more persistent and long-term. The falling birth rate is in sharp contrast to the fertility patterns that were established in the 1980s when few women remained childless and the two-child family model was the standard. Yet it is unclear whether a direct correlation exists between the socio-economic situation and the fall in fertility, since the transition countries are exhibiting a trend seen in many industrialised countries of smaller families and postponed child-rearing.

Nevertheless the present pattern in the region is far from uniform. Sobotka (2001) offers the interpretation that most women in south-eastern Europe and in post-Soviet countries want to have at least one child, despite often extremely difficult life situations, but fewer are willing to have a second child. In Central European countries the fall in fertility indicates postponed childrearing or deliberate childlessness, Sobotka says, while noting that women who have one child generally go on to have another. The trend in Central Europe can be seen as resulting from a more stable environment in which two groups of women can be distinguished: those acting traditionally by marrying and having children early, and those who postpone birth and are less willing to follow the two-child family norm.

The post-communist countries are also emulating the pattern of industrialised countries in an increase in the proportion of births outside marriage and in the rise of cohabitation.

The average age of women marrying for the first time has risen since 1989 when women tended to marry in their early twenties, while today they wait until they are in their mid-twenties (see Figure 2). This is however not a uniform development; the average age of first marriage in the post-Soviet republics (Ukraine, Moldova and Russia) has remained unchanged since the late 1980s. Taken together with an overall decline in marriage rates, this suggests that people either refrain from marrying or continue to postpone it (UNICEF, 2001a).

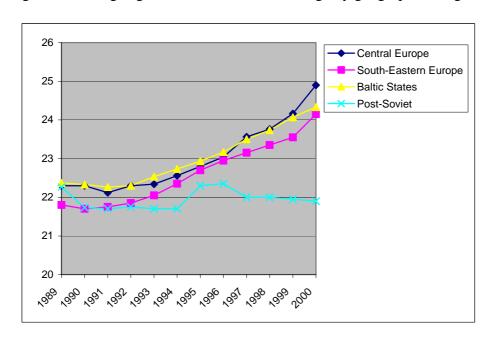


Figure 2. Average age of mothers at first marriage by geographical region<sup>1</sup>

1. Central Europe: Czech Republic, Hungary, Poland, Slovakia Republic, Slovenia

South-Eastern Europe: Bulgaria, Romania Baltic states: Estonia, Latvia, Lithuania

Post-Soviet republics: Moldova, Russian Federation, Ukraine

For the post-Soviet republics, figures for Russia and Ukraine were not available for 1995 and 1996.

Sources: UNICEF (2002b)

As fertility rates have declined, teenage births have also declined, and continue to decline. The proportion of births to mothers under 20 varies greatly across the region, from 17.5% in Bulgaria to only 3% in Slovenia. However, compared with the early 1990s when the proportion of very young mothers rose in a number of countries, the trend began to reverse in all the countries from around the mid-1990s and now report the lowest figures since the start of the transition (see Figure 3).

Even though fewer children are being born, the overall decline in marriage rates across the region means that more and more children are born out of wedlock. The Baltic states in particular have seen an increase; more than twice as many children are now born outside marriage in Latvia and Estonia. However, in these countries this is not a new trend. Already in the late 1980s, most women gave birth to their first child before getting married and many families regard cohabitation as equivalent to a durable marital union (UNICEF, 2001a). Many children grow up with two cohabiting parents who may marry at a later stage. Thus the trend is not necessarily an indication of family instability.

Many children born out of wedlock, however, grow up with a single parent, an increasing proportion of whom are teenage mothers, despite the overall decline in teenage motherhood. In the CEE and CIS region as a whole, births outside marriage to teenage mothers have climbed to almost 50%, compared with only around 33% in the EU (UNICEF, 2001a). With limited educational and employment opportunities available to these mothers, they are especially vulnerable to the socio-economic changes. Children living with one parent only are four times more likely to live in poverty, on average, than those in two-parent families (UNICEF, 2000).

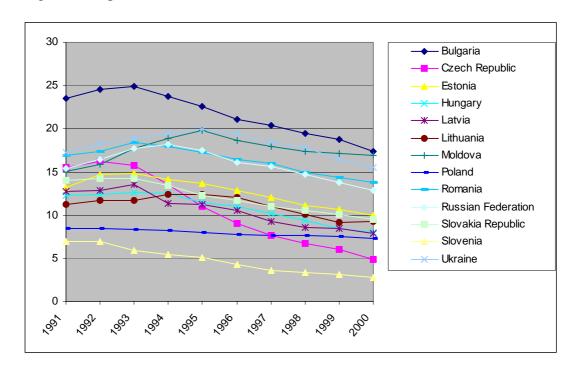


Figure 3. Proportion of births to mothers under 20, selected CEE and CIS countries

Source: UNICEF (2002b)

Overall, family patterns in the communist countries were significantly different from those of the West. However, today's Central and Eastern European family profile appears increasingly similar to that of Western Europe: both regions have seen a sharp decline in fertility rates, the postponement of marriage, and a larger proportion of couples cohabiting and children born out of wedlock. However, some demographic trends suggest that social and economic conditions in more or less successful economic transformations influence the formation of families, as well as living arrangements. Some evidence shows that economic hardship influences the decision of whether to have children. Family support programmes are clearly effective in easing the economic burden of having children, not least for single parent families where children are more likely to live in poverty. That more children are born out of wedlock does not imply that these children live in more unstable family formations; instead the trend suggests that family-related benefits should be awarded on the basis of parenthood rather than marriage. Unmarried fathers must be entitled to the same rights as married fathers, notably parental leave. The drop in teenage births could be an indication that teenage girls are better informed about prevention, but it may also signal that they have better options than becoming mothers at a young age, such as continuing education. Nevertheless, the increase in single teenage mothers suggests that an effective family support framework is particularly necessary for this group of mothers.

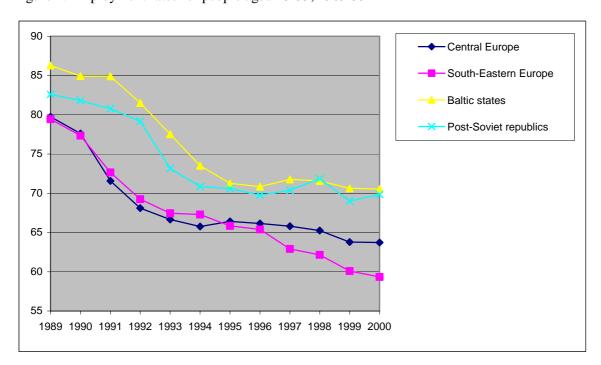
#### From a centrally planned economy to a labour market

The former centrally planned economies guaranteed the right to employment for the entire working-age population and achieved high rates of participation in the labour market, especially of women. The countries have entered the new millennium with new insights into the hardships posed by unemployment, underscoring the need for effective family support policies.

During the communist era, the principle of jobs for all ensured that more than 80% of the 15-59-year-old population was working in all the countries, with men and women participating nearly equally in the labour force. In contrast, by 1999, the employment ratio had dropped in all countries, most notably in south-eastern Europe, where employment has dropped more than 25 percentage points since 1989 (see Figure 4). Employment in the other regions has dropped as well, around 18-20 percentage points, the least in the post-Soviet republics at 15.5 points. The decline in employment was sharp until the mid-1990s, when in some of the Baltic countries and post-Soviet republics, the trend was reversed with slight increases in the employment rate. However Central and South-eastern European countries continued to see employment decline.

Notes for Fig. 4 legend: South-eastern, Post-Soviet

Figure 4. Employment rates for people aged 15-59, 1989-99



Source: UNICEF (2002b)

Notes on regions

Central Europe: Czech Republic, Hungary, Poland, Slovakia, Slovenia

South-Eastern Europe: Bulgaria, Romania Baltic states: Estonia, Latvia, Lithuania

Post-Soviet republics: Moldova, Russian Federation, Ukraine

Notes on data

Bulgaria, Romania: for the years 1989-92 data includes state and cooperative sectors

Czech Republic, Slovenia: Employed in 2000, IRC estimate based on change in employment reported by the EBRD

(2001)

Estonia, Slovenia: Employment based on labour force survey

Moldova: Employment 1992-99 and population 1997-99, excludes Transdniestr

Ukraine: Employed, CIS statistics (2001)

Two distinct patterns of change apparently explain this development, related to employment as well as GDP and real wages. Central Europe (Czech Republic, Hungary, Slovakia and Slovenia) experienced a moderate drop in economic output until the mid-1990s, since when the economy seems to have recovered somewhat, with 1999 GDP at around the 1989 level or even higher (see Table 1). Since GDP fell only moderately, there was room to restructure the labour market and wage policies. As a result, real wages have declined along with employment rates (UNICEF, 1999). For example, in Poland, the transition quickly led to mass unemployment and the number of unemployed reached three million in 1993, with an unemployment rate of 16.4% (UNICEF, 2002a).

The other trend was a much steadier rate of employment but a plunging GDP. In the post-Soviet republics (Russian Federation, Moldova, Ukraine), the drop in GDP was substantial, and it was felt politically untenable to reduce employment (see Table 1). These countries therefore have less overt unemployment, but much lower real wages (see Table 1) and a huge rise in the number of working poor (UNICEF, 1999).<sup>2</sup>

Table 1. Percentage change in GDP, real wage development.

	Changes in per capita gross domestic product between 1989 and 1999	Changes in real wages between 1989 and 1999
Bulgaria	-27.6	-47.8
Czech Republic	-3.8	7.1
Estonia	-16.6	-33.8
Hungary	3.4	-19.0
Latvia	-34.6	-35.0
Lithuania	-37,9	-52.2
Moldova	-62.8	-64.9
Poland	19.7	9.9
Romania	-22.0	-37.7
Russian Federation	-42.4	-61.8
Slovak Republic	-1.8	-13.9
Slovenia	9.7	-10.6
Ukraine	-62.2	-51.6

Source: UNICEF (2001a)

The fall in employment has especially affected women. Today, only around half of female working-age population are active in the labour market, with the highest rate, 77.4%, in Latvia and the lowest in Hungary at 52.3% (see Table 2).

By 2002 unemployment affected a total of 8.5 million people in Eastern Europe and some 10 million in the CIS. Today, unemployment rates remain high especially in Slovakia, Poland, Lithuania and Bulgaria (see Table 2). While unemployment has hit

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<sup>&</sup>lt;sup>2</sup> These figures should be read with some caution. Since unemployment compensation in the CIS countries is low or of short duration, many unemployed (50 to 80% of the total) feel no incentive to register and therefore do not appear on the unemployment rolls (UNECE, 2002).

both men and women, generally fewer women than men are affected today. Only in the Czech Republic, Poland and to some degree Slovenia is there a substantially higher share of unemployed women. Part of the reason is that many women have withdrawn from the labour market and therefore do not figure on the unemployment registers (UNECE, 2002).

Table. 2 Participation rates for men and women, part-time employment, unemployment

	Participation rates, ages 15-6	54 <sup>1</sup>	Part-time employment in 2000	Unemployment rates <sup>2</sup> 2001
	1990	1999	2000	2001
Bulgaria				
Men	77.7	75.9	-	20.5
Women	72.2	64.9	-	18.8
Czech Republic				
Men	82.2	80.3	2.2	6.8
Women	74.1	64.4	9.5	10.2
Estonia				
Men	83.3	78.1	4.2	12.9
Women	75.9	66.4	9.3	12.2
Hungary				
Men	74.5	67.8	2.1	6.3
Women	57.3	52.3	5.3	5.0
Latvia				
Men	83.6	75.3	9.5	14.4
Women	75.3	77.4	12.2	11.6
Lithuania				
Men	81.8	77.4	7.6	19.7
Women	70.5	68.3	9.6	14.2
Moldova				
Men	81.5	-	-	-
Women	70.4	-	-	-
Poland				
Men	80.1	72.8	8.4	16.9
Women	65.1	59.7	13.2	19.8
Romania				
Men	76.7	$76.3^{3}$	14.3	7.1
Women	60.5	$61.9^{3}$	18.6	5.9
Russia				
Men	91.6	74.2	-	9.3
Women	71.7	63.9	-	8.5
Slovak Republic				
Men	82.5	76.1	1.0	19.8
Women	74.2	62.6	2.9	18.7
Slovenia				
Men	76.7	72.2	4.7	5.5
Women	64.8	63.3	7.7	6.3
Ukraine				
Men	79.7	71.4	-	-
Women	69.8	61.8	_	=

<sup>1.</sup> The participation rate refers to the economically active population in the 15-64 age group. The age group is larger than in Figure 4 and therefore includes older people, resulting in lower overall participation levels.

Sources: Nesporova (2002), Rostgaard (2002), UNECE (2002)

<sup>2.</sup> Unemployment divided by labour force

<sup>3.</sup> Figures from 1998

Women have a variety of reasons for leaving the workforce. With the end of the command economy, many women in Central and Eastern Europe feel encouraged to become "professional mothers". Today's low employment rate for women can therefore be largely explained by a climate encouraging child-rearing, forced inactivity and earlier retirement (Vajda & Korinthus, 2002). Employers seem generally less willing to employ women, and in general the competition for work is stiffer, while real wages are lower. Salaries were also low under the communist system, but enterprises offered women non-wage family-related benefits and social services. Since such benefits have evaporated, these women – and their families – have suffered a double blow from macroeconomic austerity, combining lost wages with the loss of non-monetary supplements to the family income. Day care was mainly available to the employed, at nurseries and kindergartens provide by enterprises through the social services. The transition from command to market economies has sharply reduced the number of facilities, without which mothers of very young children today often have no alternative but to stay home and raise their children themselves. They have little hope of finding a part-time job, as most employment in post-communist countries is full-time. Only Romania has a relatively high proportion of female part-time workers (see Table 2). Families suffer in additional ways from the drop in female activity: While jobless men tend to find work in the grey economy, jobless women are more likely to become economically inactive (UNICEF, 1999).

Table 3. Proportion of unemployed receiving benefits and average unemployment benefits as a percentage of average wage, second quarter 2002.

	Share of unemployed receiving benefits	Average unemployment benefits as percentage of average wage
Bulgaria	20.2	33.1
Czech Republic	33.8	22.0
Estonia	49.6	6.8
Hungary	33.5	25.5
Latvia	44.3	21.3
Lithuania	10.7	15.8
Poland	19.0	21.4
Romania	23.3	22.6
Russian Federation	89.0	20.7
Slovak Republic	17.1	25.5
Slovenia	24.3	38.9
Ukraine	62.0	27.0

Source: UNECE (2002)

In the initial years of transition, economic support for the jobless was relatively generous in terms of eligibility and the amount and duration of benefits, but with the widespread increase in unemployment the benefit schemes have undergone heavy restructuring. Coverage and compensation rates have declined accordingly. In some Eastern European countries, benefits were more than halved between 1991 and 2002. For example in Poland they were reduced from 50 to 21.4% of the average wage, and in Estonia the figure has dropped to only 6%. With tighter eligibility rules and shorter

duration of benefits, in several of the countries today no more than one-fifth of the jobless receive unemployment benefits (see Table 3). Coverage rates are especially low in countries suffering from severe unemployment such as Poland, Bulgaria, Lithuania and Slovakia, and they are extremely high in relative terms in Russia and Ukraine where unemployment is a less widespread phenomenon (UNECE, 2002).

Overall, income disparity has widened not only because of inadequate unemployment benefits but also because of a variety of other factors related to the transition. However, faster progress towards a market economy does not necessarily point to income equality. Countries that have seen the greatest income inequality have typically also carried out the fewest reforms. The Soviet republics in particular have seen a widening gap in household income, whereas Central and Eastern European countries stood almost at the level of OECD countries on this measure (the Gini coefficient) at the end of the 1990s. While larger wage gaps are to be expected in a market economy, the figures may also be attributed to an overall drop in earnings, the reduced redistributive power of the state, uncontrolled inflation and shrinking formal labour markets. Families with children are among those who have suffered most from the income loss and are at higher risk of living in poverty than other groups in society, especially in the Czech Republic, Hungary and Poland. For those children with unemployed or low-income parents, the situation is especially grave (UNICEF, 2001a).

The tremendous changes in family life have been accompanied by equally dramatic changes in employment and labour participation patterns. The labour market has placed families at greater risk of unemployment while unemployment compensation or coverage is lacking in most countries. The transition seems to have affected women differently than men: While men register as unemployed, women have tended to withdraw from the labour market, both as a response to the reduced job availability but also in order to care for children and other dependents. In most countries, however, household costs require a double income, which in turn only increases the need for an efficient and generous family support program. The most pronounced need is for the provision and financing of day care to replace former systems of enterprise day care, and policies to alleviate the economic situation for the increasing number of working poor, especially in the CIS countries.

#### Family support systems – variations on a theme

The family support system is an important policy tool that helps even out income differences over the course of life and between income groups. It also increases opportunities for families and children as well as improving their quality of life. A variety of goals motivate the provision of family support, including the desire to alleviate poverty for families with children, to help enable both men and women to take up work, thus fostering gender equality, or to enable parents to take time off to care for their newborns. At a time of rising joblessness and inadequate unemployment benefits, a changing demographic landscape including falling fertility rates, more cohabiting couples and more single teenage mothers, family support policies can effectively alleviate the economic situation for those at greatest risk as well as providing people with better life opportunities. The ways of providing support for families are varied, although countries tend to follow established patterns.

#### Family allowances

Family support may be in the form of a direct cash payout, such as an allowance.<sup>3</sup> This benefit is usually given to families with children up to a certain age on the rationale that raising children places an extra financial burden on the household. It is an important policy tool that helps reduce the risk of poverty for families with children redistribute income from childless households to those with children. Generous support for families with children is also a form of recognition of the benefits that children bring to society and the responsibility that society has towards children. Family allowances may be universal, meaning that they are awarded simply on a per-child basis regardless of family income or contribution record. Or they may be selective, meaning that they are income- or means-tested and awarded only to families below a certain economic threshold. This system is described as a vertical redistribution of resources. A selective system provides greater benefits to certain types of families, such as single-parent families or families with disabled children. Benefits may also be based on a principle of social insurance and depend on parents' employment records and contribution rates. The amount may be the same for all families (a *flat rate*), or *earnings*- or *age-related*. Family allowances may also be governed by population policies; if they are *pro-natal* they award higher benefits to larger families in an attempt to boost the fertility rate. While family allowances are a sizeable part of direct support to families, it is worth remembering that other family-related assistance such as social aid and tax deductions (i.e., indirect benefits) enhance families' economic situation and support childrearing.

Most countries – currently 88 worldwide -- provide family allowances. Despite calls for an overhaul of the welfare state and claims in the 1990s that the welfare state was in crisis in the West, the tendency has been to sustain benefits at current levels, although benefits for low-income families have increased. However, the real value of benefits has declined because they have often been indexed not to wages but to prices, which have risen only slightly over the years (Kamerman & Kahn, 1999).

Within the EU, benefits tend to be universal, except for Belgium and southern Europe where benefits are part of social insurance and reserved for employees. In Italy and Portugal, the amount is income-tested, so that households with incomes above a certain threshold are not eligible for the family allowance. Only in Denmark and Portugal does the amount of the benefit decrease as the child grows older. The Netherlands, Belgium, Luxembourg, France and Austria apply a benefit formula that increases the amount with age, while the remaining countries do not differentiate between younger and older children. In all the countries except Greece and Spain, family allowances are tax-free (Kvist, 2002).

Under the command economies, family allowances tended to be generous, and in the early 1989 resources devoted to this policy area far exceeded those in the OECD countries. For example, public expenditure for family allowances was 2.2% of GDP in Czechoslovakia and 3.0% in Hungary in 1989 compared with 0.9% in the generous social-democratic welfare state of Sweden and 0.3% in the more liberal United States (UNICEF, 1999). Eligibility was closely linked to women's employment status, and benefits were paid out as part of wages. Benefits were to function as poverty relief and redistribution from rich to poor, but also as a mechanism to transfer wealth from childless families to those with children, so that large families received a proportionately bigger share. It was an efficient system: since people enjoyed a constitutional right to employment amid high employment rates, most families received allowances or other family-related benefits as a supplement to wages (UNICEF, 1999).

<sup>&</sup>lt;sup>3</sup> The term family allowance has been chosen to cover economic support to families with children, although different terminology is used in the different countries, including family child benefit (Bulgaria), family support (Hungary), child allowance (Slovakia), family allowance (Poland), etc.

However, since these benefits were tied to the state sector, self-employed people and others working outside of the state or formal sector were excluded from such schemes and therefore discriminated against (Sipos, 1996). While the former communist governments provided generous family support in general, the emphasis varied: Central European countries, particularly Hungary and Czechoslovakia, tended to have extensive and generous family allowances, whereas Russia and most other CIS countries emphasised non-cash programmes in their family support systems.

Initially, social policies aimed generally to ease the transition through compensation rather than long-term strategies. While the CIS countries introduced family allowances for the first time, most other countries continued existing generous family allowances and also made benefits universal, both to cushion against the removal of non-cash support such as employment-related services and price subsidies, and also in order to break with the former principle of linking benefits with employment. This immediate policy response was also necessary for the new governments that had to sustain social security levels in order to prove their legitimacy (Fultz, 2002).

The pro-natalist principle of awarding higher benefits to larger families – a cornerstone of the communist approach – was abandoned in countries such as Poland and the Czech Republic as the new right-wing governments came to power. Not only did this policy change represent a normative break with the past, it also followed the recommendations of the World Bank and other supranational agencies (Ferge, 1997). In Lithuania, the pro-natalist Soviet benefits for large families gave way to per-child benefits, irrespective of number of children or family income (Lazutka & Kunca, 1998), whereas Hungary maintained the pre-1989 population policy (Kocourkova, 2001).

Recommendations from abroad also included reducing family allowances as a proportion of GDP. The fiscal crisis brought on by the transition prompted governments to spend less and less on family allowances, whose value was simultaneously being eroded by skyrocketing inflation. By 1999 expenditure for family allowances as a percentage of GDP had declined to between 0.3 and 1.1% in six of the countries of Central and South-eastern Europe (UNICEF, 1999 & 2002b) (see Table 4).

While the EU Commission played a relatively minor role in the transition process, international organisations such as the IMF and the World Bank advocated targeting the poorest to receive benefits. The ILO, on the other hand, recommended a more corporatist conservative policy model of social insurance using employment-related social insurance entitlements, based on the principle that those who contribute to the system should be those who benefit. Amid a worsening economic situation, many of the countries were compelled to introduce some targeting. The fiscal crisis led to a break with universalism and the introduction of income testing for family allowances and targeting of society's poorest. Between 1993 and 1996, Hungary, Poland, the Czech Republic and Slovakia began income testing for child allowances, while countries in the CIS typically responded by subsuming the support for families with children into income-tested social assistance (UNICEF, 2001a; Kocourkova, 2001). The income testing for benefits was felt differently depending on the income cut-offs and did not necessarily result in a significant drop in the numbers of families eligible for benefits. In the Czech Republic, the introduction of income testing brought the proportion of recipients down from 94% of one-earner, two-parent families in 1996 to 93% in 1999 (Fultz, 2002).

For children overall as a percentage of the population, the proportion of recipients even went up from 1989 until late 1990s. Table 4, second column, 4 shows that coverage

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<sup>&</sup>lt;sup>4</sup> The data are not directly comparable across countries due to differences in the definition of family allowances (UNICEF, 2002b).

has remained high and has even increased in a number of countries, where Slovenia stands out with a remarkable change, from covering one-third of the child population to nearly all children today.

Table 4. Average family allowance per child relative to average wages, number of children receiving family allowances as a percentage of population aged 0-17 and expenditures on family allowance as a percentage of GDP, 1991 and 1999, selected CEE countries.

	Average family allowance per child relative to average wages (%)		family allo	Children receiving family allowances as a percentage of population aged 0-17		Expenditures on family allowance as a percentage of GDP	
	1991	1999	1991	1999	1991	1999	
Bulgaria	13.2	4.2	-	_	-	-	
Czech Republic	-	_	94.5	95.0	-	-	
Estonia	$10.0^{1}$	4.2	$93.2^{2}$	101.0	$1.88^{3}$	1.06	
Hungary	14.3	6.1	98.4	99.0	3.30	1.11	
Latvia	13.0	3.6	82.8	87.0	-	-	
Poland	13.5	6.8	-	-	2.70	0.60	
Romania Russian	-	-	-	-	3.86	1.14	
Federation	_	_	_	_	2.00	0.36	
Slovak Republic	$10.3^{4}$	6.6	94.3	79.5	-	-	
Slovenia	9.0	6.8	31.9	99.4	0.51	0.96	

<sup>1.</sup> Figure from 1992

Source: UNICEF (2002b)

Thus, while income cut-offs may have remained high, what mattered was the declining real value of the benefit. The Polish example from the mid-1990s clearly illustrates this point: although the base for benefit indexing was changed from wages to prices (thus reducing the inflationary effect), the government also adopted a lower minimum threshold from which benefits were calculated and shortened the duration of many other benefits (Fultz, 2002).

Measured as a proportion of real wages, family allowances were also higher than in the West and began functioning as a wage subsidy in a way that was seen to be inconsistent with the principles of the market economy (Ferge, 1997). Recommendations by international organisations included severe cuts in the real value of allowances, and the first column in Table 4 clearly shows the declining value of family allowances in relation to average wages. In the early 1990s, the average family allowance per child relative to wages was mostly between 10-13% and well within the 10-15% recommended by UNICEF as the appropriate level necessary to alleviate

<sup>2.</sup> Figure from 1993

<sup>3.</sup> Figure from 1993

<sup>4.</sup> Figure from 1990

poverty (Fajth, 1996 quoted in Ferge, 1997); by 1999 all countries provided benefits far below the 10%.

The decline in value relative to average wages could be related to higher incomes, since when real wages increase the proportional value of the family allowances declines. However, as shown earlier in Table 1, the real value of wages has declined since 1989, except in the Czech Republic and Poland. With dropping wages the fall in the value of family allowances is thus even greater than it first appears. Seen in the broader context, this has happened alongside substantial tightening of unemployment benefits, as described earlier.

Still, family allowances play an important role in alleviating child poverty. Using 1996 household survey data and a poverty line of half the median income, UNICEF calculations show that in a country such as Hungary with a generous family allowance, without it the child poverty rate would rise from 14% to 22% (UNICEF, 2001a). In other less generous countries, the low value of the allowance may make it relatively less important in nominal terms. Yet, as seen in the Moldova 2001 country report for the MONEE project, such allowances remain a principal source of income for most beneficiaries (UNICEF, 2001c).

Policy approaches to family allowances have since diverged in the former communist countries, depending notably on their fiscal state. Hungary and Slovenia thus made family allowances universal once again in the late 1990s, and the Baltic countries and Romania also provide universal allowances today. However, Slovenia now applies an income test (see Table 5). Bulgaria, which used to have the lowest family allowance among the Central and Eastern European countries, has nearly doubled the amount paid, from a modest \$2.5 to \$5, but it has also introduced a rigorous income test with a monthly threshold of \$70 per person. It is estimated that three times fewer children will be reached than before (Tisheva & Markova, 2002).

The general trend is a return to pro-natalist policies in Central Europe, both in response to declining population growth as well as to pressure from religious groups and conservative parties. Hungary has reintroduced a tax allowance that is likely mostly to benefit higher income groups with an eligibility limit that implicitly targets two-parent families (UNICEF, 2001b). Poland adopted a decree in 1999 with an emphasis on tax benefits for families with three or more children. Hungary, Estonia, Latvia, Romania, Slovenia and Poland, all applying pro-natalist principles, award higher family allowances to bigger families. In the remaining countries, different considerations seem to guide the awarding of benefits. Most often the earnings-related benefit formula is applied, adhering to the principle of vertical redistribution between rich and poor in society, and only in Slovakia do benefits rise with age.

Table 5: Family allowances in a selection of CEE and CIS countries, 2003.

	Name of benefit	Entitlement	Qualifying conditions	Benefit formula	Benefit level
BULGARIA	Family allowance	Income tested	Up to age 18	Earnings related	NA
CZECH REPUBLIC	Child benefit	Income tested	Up to age 15 (26 for students)	Earnings related	0.32 times child's personal needs amount if family income does not exceed 1.1 times the family minimum subsistence amount     0.28 times the child's personal needs if family income is between 1.1 and 1.8 times the family minimum subsistence

ESTONIA Child allowance (Lapsetoctus)  Family allowance (Csaladi pódck)  LATVIA  State family benefit  Universal LTHUANIA State benefit for family benefit  Universal (Seimos pasalpa)  Universal Csaladi pódck)  Universal Cuniversal Circuladi pódck  Universal Circul						amount • 0.14 times the child's personal needs if family income is
HUNGARY   Family allowance (Csaladi pódek)   Universal (Clo for students)   Universal (Caladi pódek)						between 1.8 and 3.0 times the family minimum subsistence
Calidi polick   Calidi polic	ESTONIA		Universal	-	number of children in	rate (EUR 9.58 per month) • Second and each subsequent child: twice the child allowance
LITHUANIA  LITHUANIA  State benefit for families bringing up children (Seimos pasalpa)  MOLDOVA POLAND  MOLDOVA POLAND  MOLDOVA POLAND  ROMANIA  ROMANIA  NA Locome tested  ROMANIA  NA SLOVAKIA  Child allowance  ROMANIA  NA Locome tested  ROMANIA  NA ROMA  RO	HUNGARY		Universal	(20 for	number of children in the family and higher	One child in family: EUR  14.57 per month One child, single parent: EUR 17.26 per month Two children in family, per child: EUR 18.03 per month Two children, single parent, per child: EUR 20.71 per month Three or more children in family, per child: EUR 22.63 per month Three or more children, single parent, per child: EUR 24.16
LITHUANIA  State benefit for families bringing up children (Seimos pasalpa)  MOLDOVA POLAND  NA POLAND  ROMANIA  NA LICOMANIA  NA NA LICOMANIA  NA NA LICOMANIA  NA NA LICOMANIA  NA NA NA LICOMANIA  NA NA NA NA LICOMANIA  NA NA NA LICOMANIA  NA NA NA NA NA NA NA NA LICOMANIA  NA N	LATVIA	· ·	Universal	(20 for	number of children in	social security benefit: 9.34 EUR  • Second child: 1.2 times higher than for the first child: 11.21 EUR  • Third child: 1.6 times higher than for the first child: 14.94 EUR  • Fourth and subsequent children: 1.8 times higher than
MOLDOVA POLAND  NA Family allowance  NA Income tested  NA Increasing from the third child in the family  NA Spouse, first and second child: EUR 9.26; Third child: EUR 11.47; From fourth child onwards: EUR 14.32  4.05 EUR monthly.  NA SLOVAKIA  NA SLOVAKIA  NA SLOVAKIA  NA Child allowance  NA	LITHUANIA	families bringing up children	Universal	families with no right to state social insurance maternity (paternity) benefit. 1- 3 years for families entitled to state social insurance maternity (paterity)	Flat rate	75% of MSL (minimum standard of living, which is fixed by the government and
RUSSIA SLOVAKIA Child allowance Income tested (25 for students)  RUSSIA SLOVAKIA Child allowance Income tested (25 for students)  RUSSIA SLOVAKIA Child allowance Income tested (25 for students)  RUSSIA SLOVAKIA Child allowance Income tested (25 for students)  RUSSIA NA NA NA NA Earnings related, amount rising with age for family income of up to 1.37 times the sum for the purpose of the state social benefit and one for income of up to 2.1 times the sum.  • Age 0-6, benefit per child Lower income band: EUR	_		Income	NA Up to age 16 (20 for	Increasing from the third child in the	<ul> <li>Spouse, first and second child: EUR 9.26;</li> <li>Third child: EUR 11.47;</li> <li>From fourth child onwards:</li> </ul>
SLOVAKIA Child allowance Income tested (25 for students)  Earnings related, amount rising with age for family income of up to 1.37 times the sum for the purpose of the state social benefit and one for income of up to 2.1 times the sum.  • Age 0-6, benefit per child Lower income band: EUR				(26 for students)	Supplementary allowance for families with two or more children under age 16	·
	_		Income	Up to age 15 (25 for	Earnings related,	Two income bands apply, one for family income of up to 1.37 times the sum for the purpose of the state social benefit and one for income of up to 2.1 times the sum.  • Age 0-6, benefit per child

SLOVENIA  Child benefit (Otroski dodatek)  Child benefit (Otroski dodatek)  Income (26 for students)  Income (26 for students)  Income (27 for students)  Income (28 for students)  Income (28 for students)  Income (29 for students)  Income (29 for students)  Income (20 for students)  Income (20 for students)  Income (21 for students)  Income (26 for students)  Income (27 for students)  Income (28 for students)  Income (29 for students)  Income (29 for students)  Income (29 for students)  Income (20 for stude						
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SLOVENIA  Child benefit (Otroski dodatek)  Child benefit (Otroski dodatek)  Income (Otroski dodatek)  Lower income band: EUR 21.26  Higher income band: EUR						• Age 6-15, benefit per child
SLOVENIA  Child benefit (Otroski dodatek)  Child benefit (Otroski dodatek)  Child benefit (Otroski dodatek)  Child benefit (Otroski dodatek)  Income (tested 26 for students)  Earnings related, rissing with number of children in the family and higher benefit for children not attending kindergarten  Earnings related, rissing with number of children in the family and higher benefit for children not attending kindergarten  Earnings related, rissing with number of children in the family and higher benefit for children not attending kindergarten  Earnings related, rissing with number of children in the family and higher benefit for children on attending kindergarten  Earnings related, rissing with number of children in the family and higher benefit for children not attending kindergarten  Earnings related, rissing with number of children in the family and higher benefit for children not attending kindergarten  Earnings related, rissing with number of children in the family and higher benefit for children not attending kindergarten  Earnings related, rissing with number of children not attending kindergarten  Earnings related, rissing with number of children not attending kindergarten  Earnings related, rissing with number of children not attending kindergarten  Earnings related, rissing with number of children not attending kindergarten  Earnings related, rissing with number of children not attending kindergarten hild soon average monthly Depends on average monthly pepends of lower income band: EUR  14.90  Depends on average monthly pepends of lower income band: EUR  14.90  Depends on average monthly for children not attending kindergarten hild soon average monthly lower income band: EUR  14.90  Depends on average monthly pepends of lower income band: EUR  14.90  Depends on average monthly pepends of lower income band: EUR  14.90  Depends on average monthly pepends of lower income band: EUR  14.90  Depends on average monthly pepends of lower income band: EUR  14.90  Depends on average monthly pepends of lower income						Lower income band: EUR
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SLOVENIA  Child benefit (Otroski dodatek)  Child benefit (Otroski dodatek)  Child benefit (Otroski dodatek)  Lip to age 18 (26 for students)  Students)  Earnings related, rising with number of children in the family and higher benefit for children not attending kindergarten  EUR monthly wages in the previous year:  1 up to 15%: First child 76.85, second child 76.85, third and subsequent 79.54  23.20%: First child 50.08, second child 55.98, third and subsequent 79.54  23.30%: first child 39.45, second child 45.09, third and subsequent 50.72  23.45%: first child 30.28, second child 37.66, third and subsequent 50.72  23.45%: first child 20.5, second child 25.62, third and subsequent 50.72  25.57%: first child 20.5, second child 25.62, third and subsequent 50.72  27.59%: first child 13.32, second child 20.5, third and subsequent 23.57  If the pre-school child does not attend kindergarten the benefit is increased by 20%.						
SLOVENIA  Child benefit (Otroski dodatek)  Child benefit (Otroski dodatek)  Income tested  Up to age 18 (26 for students)  Earnings related, rising with number of children in the family and higher benefit for children not attending kindergarten  EUR monthly wages in the previous year:  up to 15%: First child 76.85, third and subsequent 79.54  • 25-30%: first child 50.08, second child 45.09, third and subsequent 80.72  • 30-35%: first child 39.45, second child 37.66, third and subsequent 40.74  • 45-55%: first child 30.28, second child 37.66, third and subsequent 30.74  • 45-55%: first child 20.5, second child 20.5, third and subsequent 30.74  • 55-75%: first child 20.5, second child 30.5, third and subsequent 25.62  • 75-99%: first child 13.32, second child 31.32, second child 32.68, third and subsequent 25.62  • 75-99%: first child 33.28, second child 30.5, third and subsequent 25.62  • 75-99%: first child 33.28, second child 30.5, third and subsequent 25.62  • 75-99%: first child 30.87, second child 30.87, third and subsequent 25.62  • 75-99%: first child 30.87, second child 30.87, third and subsequent 25.62  • 75-99%: first child 30.87, second child 30.87, third and subsequent 25.62  • 75-99%: first child 30.87, second child 30.87, third and subsequent 25.62  • 75-99%: first child 30.87, second child 30.87, third and subsequent 25.62  • 75-99%: first child 30.87, second child 30.87, third and subsequent 25.62  • 75-99%: first child 30.87, second child 30.87, third and subsequent 25.62  • 75-99%: first child 30.87, second child 30.87, third and subsequent 25.62  • 75-99%: first child 30.87, second child 30.87, third and subsequent 25.62						Lower income band: EUR
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• 30-35%: first child 39.45, second child 45.09, third and subsequent 50.72 • 35-45%: first child 32.28, second child 37.66, third and subsequent 43.04 • 45-55%: first child 20.5, second child 25.62, third and subsequent 30.74 • 55-75%: first child 15.37, second child 20.5, third and subsequent 20.5, third and subsequent 25.62 • 75-99%: first child 13.32, second child 18.45, third and subsequent 23.57 If the pre-school child does not attend kindergarten the benefit is increased by 20%.						
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Source: Clearinghouse on International Developments in Child, Youth and Family Policies (2003)	_				NA CHILL MAN A LE	NA

Source: Clearinghouse on International Developments in Child, Youth and Family Policies (2003), MISSEEC II (2003), Tisheva and Markova (2002)

#### **Early Childhood Care and Education services**

Family support in the form of a generous and high quality ECCE system has several important goals, including helping families to reconcile work and family life, notably by helping women who wish to participate in the labour market by providing a suitable alternative to parental care. Enabling women to seek employment is an important way of increasing household income and generally one of the best ways of limiting the risk of poverty for children. Among the benefits to children (and society) of receiving a high standard of childcare are emotional development, cognitive stimulation, enhanced school readiness and the opportunity to interact with age mates.

The Council of Europe, in its 2002 recommendation on day care, recognised that a high standard of ECCE may promote social cohesion and integration for children from less fortunate backgrounds. As such, day care is a viable alternative to costlier remedial

programmes, and preferable in terms of human potential. The Council of Europe's Committee of Ministers also noted that ECCE can foster democratic participation: "Good quality child day-care is an important contribution to social cohesion, insofar as it serves to foster the social, emotional, intellectual and physical development of all children, creates possibilities for children to make their opinions heard on matters concerning them, and ensures that their views are taken into account in decision-making processes" (Recommendation (Rec(2002)8), Council of Europe 2002). High quality day care encompasses not only basic socialisation and learning but is a tool for ensuring children's general well-being: "The past decade has provided more evidence that good quality early childhood and education, both in families and in more structured programmes, have a positive impact on the survival, growth, development and learning potential of children" (UNESCO, 2003b).

Programme approaches to ECCE vary depending on factors such as the age group concerned, eligibility, cost to parents, ministerial auspices, social coverage and relative emphasis on care or education (Kamerman, 2002; Rostgaard & Fridberg, 1998; Rostgaard, 2000). One approach in the West is the *nursery school model*, as in France, where children from 3-4 years<sup>5</sup> old to school age have universal access to educational activities, free of charge. This provides a full-time setting, from morning to late afternoon, for children while their parents are working. However, this model often includes weekly breaks and holiday closures that may not meet the needs of a dual-income household. As it is based on the school system, class sizes are rather large at 30 children or more. Smaller children are typically cared for in private ECCE settings, often subsidised through tax or direct cash schemes, or in public nurseries.

Another approach is *the dual system model*, typical for Britain, where middle- and upper class children aged 3-5 may participate in part-time educational nursery school under the Ministry of Education. This is generally available in the morning or afternoon only, is generally free and thus does not pose a disincentive for a family considering the net income from working. However, since opening hours are limited, this approach does not tend to facilitate female participation in the labour force. Social welfare day care is provided, but only on certain grounds for families with social problems. No public care system is available for smaller children, and families must therefore find their own solutions, often turning to costly private nurseries, or to relatives, who may not be formally regulated.

The Nordic welfare approach is to provide full-time, heavily subsidised care for 0-6-year-olds under either the Ministry of Social Affairs or the Ministry of Education. Initially, the main goal was to provide care for children of working parents, but with the increasing acknowledgement that ECCE promotes children's development, the current ambition is to provide universal coverage. All the Nordic countries have enacted a guarantee of day care for all children from age 1. The emphasis has traditionally been on both care and education adapted to different age groups, but psychological and social development has been stressed over formal instruction. Parents pay an income-related fee that is waived for low-income families. A siblings' deduction lowers the relative cost to larger families of using ECCE. Nearly all 3-6-year-olds are in day care, while most younger children are looked after by a trained family day care provider who is regularly inspected by the municipality. Until recently, group sizes have been 10-12 for smaller children and 15-20 for older children, but they have grown with the day care guarantee and a political agenda of encouraging enrolment.

The ECCE programmes typical of communist regimes would initially appear very similar to the Nordic approach, with nearly full coverage for 3-6-year-olds in Central Europe and three in five children enrolled in Russia (UNICEF, 1999; Makkai, 1994) (see Figure 5, Kindergarten). Part of the communist manifesto was to create full

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<sup>&</sup>lt;sup>5</sup> Some start as early as 2 years.

employment for women, and the high level of ECCE provision was an important policy means to further this goal, ensuring that women need not choose between working and raising children. For younger children, however, the more traditional view prevailed that they were better cared for at home, and despite the ideal of gender equality the bulk of caring fell to women, not men. Women were defined as both workers and mothers, and mostly faced double workloads, at home and at work (Makkai, 1994). The number of nurseries was therefore very limited, and the coverage rate ranged from around 5% for Poland and Romania to12-16% in Bulgaria and Czechoslovakia (see Figure 5). Like institutions in the Nordic countries, day care was heavily subsidised by the state, but the system diverged from the Nordic approach in every other way. While nurseries were limited to providing basic hygiene and health care, kindergartens were a place for socialising children in the communist spirit. The approach was far from being family friendly, since a paternalistic tradition regarded children as subordinates of the state rather than the family. The institutions functioned as organs of social control, and being raised and socialised in an institution was preferred to being in the family (UNICEF, 1999).

With the transition to a market economy, enrolment rates have dropped significantly, especially in nurseries where coverage today is generally around 10%, with the exception of Russia and Latvia where as many as one in five children are covered (see Figure 5). Kindergarten enrolment has suffered less; from the initial decline in the early 1990s, provision has stabilised mainly because of the general drop in fertility. In Central Europe participation rates are nearly as high as before the transition, with four in five children aged 3-6 enrolled; in Latvia the same stabilisation has occurred although with a somewhat smaller participation rate from the outset; in Russia enrolment has declined.

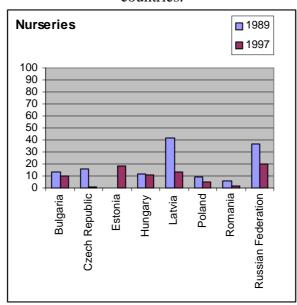
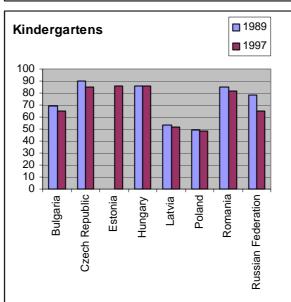


Figure 5: Nursery and kindergarten enrolment, 1989, 1997, selected CEE and CIS countries.



Note: The 1989 figures for the Czech Republic regard Czechoslovakia Sources: UNICEF (1999), Makkai (1994), Rostgaard (2002)

The development can be explained in terms of both demand and supply: With the rise in unemployment, many parents obviously do not see the need to take up and pay for a place in day care when they can care for the child themselves. A normative change has softened the former institutionalisation approach, and today women receive more encouragement to spend time with their children instead of working. The shift reflects a policy that seeks to ease pressure on the labour market but also a movement towards strengthening traditional gender roles, often supported through other aspects of social policies; in Slovenia, for example, the family allowance increases by 20% when the child is not attending kindergarten, giving parents an economic incentive not to use day care.

Affordability is essential to the decision to use day care, especially for low-income families. Governments may offer a combination of free access for children

needing special support, means-tested fees, reduced fees for families with more than one child in day care, child day-care subsidies and income support and public assistance schemes that consider child day care as a basic need (Council of Europe, 2002). No data are available on the paying and subsidy mechanisms that prevail in CEE and CIS countries, but childcare there has become very expensive as a result of the restructuring of pre-school funding systems. For families with young children, childcare is often the single highest expenditure on services, with fees especially high in Romania (UNICEF, 1999) (see Table 6).

Table 6. Monthly fees for public and private nurseries and kindergartens as percentage of average wages 1998, selected CEE and CIS countries

	Public fees as percentage of average wage	Private fees as percentage of average wage
Nurseries		
Estonia	2-14	28-84
Romania	13	65
Kindergartens		
Czech Republic	2-5	NA
Romania	26	81
Russian		
Federation	10-14	NA

Source: UNICEF (1999)

Fewer facilities are available today, although with the declining numbers of children this is not directly visible from enrolment statistics. Facilities were often placed at state enterprises, and the shift to private workplaces has had a negative influence on the provision of day care. For example, in Moldova every second pre-school institution was shut along with the closure of state enterprises between 1992 and 2000. The buildings were converted into storage facilities and offices, or rented out for commercial purposes (UNICEF, 2001c). The decline in facilities has been especially sharp in rural areas, creating a rural-urban divide; local authorities experiencing economic difficulties have been able to point to declining birth rates to justify closing down facilities. Amid reports of declining quality, setting up regulatory systems to root out the bad seeds is a daunting challenge.

More positively, the trend since 1989 has been towards greater involvement of parents in the decision-making and daily running of institutions, highlighted by the Council of Europe Recommendations on child day care as a contributing factor of quality (Council of Europe, 2002). Also with de-centralisation, decisions on day care tend to respond better to local needs. And those who can afford it have a greater choice of providers, since church organisations and private enterprises have entered the day care market.

#### Taking time off to be with your child - a new labour market strategy

Parents of newborns must spend as much time with them as possible, so they can see to the child's basic needs, so that baby and parent can get to know each other and so that the parents can grow as parents. Leave policies set out rules for the amount of time to be taken off, compensation and other terms. Maternity rights assure that the mother can withdraw from work with a leave benefit prior to confinement and that she can spend time with the newborn afterwards. Paternity rights award the father time and money to enable him to stay home with the newborn, and is normally aimed at the weeks following birth, while parental rights award both parents the right to take time off from work and tend to the child, normally after maternity leave expires.

Obviously, a family decides when to take leave, and for how long, partly on the basis of the amount of compensation available. If it is minimal in relation to the forgone wage, couples, especially when both partners have well-paying jobs, may opt for shorter leave periods. Meanwhile, women may feel a disincentive to work if their potential income will be substantially lower than the leave benefit, especially when day care expenses are added. As men tend to earn more than women, the compensation rate is particularly important to the decision of whether men should take advantage of their paternity and parental rights. This is an important gender issue because it concerns both for the woman's chances of staying in the labour market and the man's opportunities for learning and growing as a father. Both men and women, however, risk dismissal while on leave, even under good job protection measures, and with generous leave entitlements they further risk discrimination in the hiring phase.

A long leave period may be beneficial for the development of the child, but potentially can have negative consequences for the mother, such as reduced pension savings, loss of unemployment benefit rights and loss of work experience. The decision of how much leave to take is also related to the adequacy of available day care and the possibilities for returning to work, including the flexibility of terms of employment and the prospects of reconciling work and family life.

In the EU, maternity rights are awarded to women normally after they have qualified through contributions or a working record. In most of the countries women receive full wages during maternity leave, or they are paid up to 100% of the average wage, or up to some other established maximum. The length of time taken varies in a narrow range in the EU countries, from six weeks prior to confinement to eight weeks after in Germany to four weeks prior and 16 weeks after in Italy. In some countries, collective agreements either enhance statutory leave entitlements or provide some degree of substitution. More striking differences appear with parental and paternity rights. Here, the Nordic countries have much more generous compensation leaves, with Sweden offering the longest parental leave of 60 weeks, after eight weeks of maternity leave. In addition, fathers have two weeks of paternity leave as well as eight weeks of father's quota, a period of parental leave set aside for the father in an effort to advance gender equality in the take-up of parental leave. Flexibility is also built into Nordic leave schemes, with a variety of part-time possibilities, with Norwegians able to take as little as 10% leave with compensation (Rostgaard, 2001). This increased flexibility is intended to encourage men especially to take leave with the assurance that they will not forgo substantial amounts of income. Outside of the Nordic countries, paternity leave is longest in France, Spain and Portugal where men are entitled to between 11 and 14 days (Rostgaard, 2002).

Maternity entitlements are relatively generous in Central and Eastern European countries, reflecting the social policy legacy of the communist era as well as the recognition by today's governments that the schemes provide important support to families. Maternity leave varies in length from a total of 16-18 weeks in Latvia, Poland,

Bulgaria, Estonia, Romania and Ukraine to 24-28 weeks in the Czech Republic, Hungary, Russia and Slovakia. Slovenia offers only 11 weeks with a benefit for the mother but on the other hand offers 90 days of paternity leave and 260 days of parental leave. No other country matches such generosity for the father, although Latvia also offers 10 days of paternity leave. All countries apply a principle of earnings-related benefits and social insurance entitlement (see Table 7). Benefits are relatively high, often set at 100% of wages, and have stayed at this level even after the transition. Only the Czech Republic and Hungary have recently trimmed benefits, from 90% to 69%, and 100% to 70% respectively (UNICEF, 1999).

Parental leave entitlement may be based on principles of social insurance, selectivism or universalism, determining who will benefit but also whether the entitlement concerns merely a benefit or also includes a period of time to take off from work. Entitlements following social insurance principles are much more likely to define and award a specific right to take time off work, while entitlements following a universalist or selectivist principle are often part of social assistance legislation and therefore concerned with the benefit only.

While most of the countries follow the universal or social insurance principle, either awarding entitlements universally or only to insured employees, the Czech Republic, Poland and Slovakia have chosen to introduce income testing of the right to receive the parental leave benefit. Because of this selectivist approach, benefit is available only to low-income families.

Regarding the time window, most countries award the parental leave benefit until the child is 2-3 years old. In Slovenia, however, general leave rights expire around the child's first birthday, but parts of the parental leave can be taken until the child is 8 years old.

The tendency for family support policies to be part of population policies is especially evident in Central European countries that now have a more conservative agendas: Poland offers two more weeks of maternity leave for the second and following child, and 12 months more of income-tested parental leave, while Hungary has since 1993 offered a social assistance scheme that provides benefit only to parents who raise three or more children at home. Estonia also offers longer parental leave for families with two or more children, but is the only country where the benefit is age-related and decreases with the age of the child.

Table 7. Indicators of statutory leave

6	Maternity					
	(paternity) length (days/weeks prior/after confinement)	Entitlement	Compensation	Parental length	Entitlement	Compensation
BULGARIA	45/90 days	Social insurance	Earnings- related; 90% of last wage	Child raising allowance (Obezhtetenie za gledane na dete) is paid following the expiration of the pregnancy and birth benefit	Universal	Earnings-related; equals the benefit standard monthly minimum wage
CZECH REPUBLIC	6/22 weeks	Social insurance	Earnings- related; 69% with a maximum	a. Parental allowance (rodicovsaký prispevek) is paid until child turns 4. b. Social allowance (socialni priplatek) for low- income families with children	a. Income-tested; income must not exceed 1.5 times the parent's Personal Needs Amount. b. Income-tested; family income must not exceed family minimum subsistence amount times 1.6	a. Earnings-related; benefit is based on the Personal Needs Amount of minimum subsistence amount, multiplied by a coefficient of 1,1. b. Earnings-related
ESTONIA	8/10 weeks	Social insurance	Earnings- related; 100%, subject to taxation	Child Care Allowance (lapsehooldustasu ) until the child is 3, or up to 8 in a family of two children if the other child is up to 3 or to each child age 3 to 8 in a family of three or more children.	Universal	Falling with age: half of the Child Care Allowance Rate for every child up to age 3, a quarter of the Child Care Allowance Rate for each eligible child age 3 to 8. Child Care Allowance rate in 2002: EUR 76.68 per month.
HUNGARY	4/20 weeks	Social insurance	Earnings- related; 70% of last wage	a. Child care fee: insurance-based, until the child is 2 b. Child Raising Support: universal for parents who raise three or more children in their own home, if the youngest child is between 3 and 8	a. Social insurance b. Universal	a. Child care fee: earnings-related; 70% of last wage, to an annual maximum of 318.44 EUR b. Child Raising Support: Flat rate; monthly amount equals current minimum amount of old-age pension, (2002) HUF 77.13/ month, irrespective of number of children
LATVIA	8/8 weeks; 10 days for fathers.	Social insurance	Earnings- related; 100% of last wage. Paternity leave is 80% of last wage	Child care benefit until the child is 3 for unemployed or partly unemployed provided they do not receive maternity benefit	Universal	The amount of child- care benefit for a child under 18 months is 46.69 EUR, for a child from 18 months to 3 years it is 11.67 EUR per month
LITHUANIA	70/56 days	Social insurance	Earnings- related, 100% of last wage, with a minimum	Until child is 3	Social insurance	Earnings-related, 60% with a minimum
POLAND	16 weeks for the first	Social insurance	Earnings- related; 100%	Child raising allowance: 24	Social insurance and income-tested,	Flat-rate: EUR 69.44 per month, increased

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 $<sup>^{6}</sup>$  As there are numerous ways of calculating working weeks, the length of leave is given in days or in weeks, depending on the method preferred at the source of information.

	single birth, 18 weeks for the next single birth, 26 weeks in case of multiple birth		of last wage, subject to taxation	months, and 36 months if raising more than one child or if a single parent.	average monthly income per family member must be less than 25% of average monthly wage in order to qualify for benefit.	to EUR 110.41 for single parents.
ROMANIA	9/9 weeks	Social insurance	Earnings- related; 85% of pre-set calculation basis	No special scheme, but an earnings replacement benefit exists for parents who interrupt working in order to raise child.	NA	85% of last wage
RUSSIA	28 weeks	NA	Earnings-	NA	NA	NA
SLOVAKIA	4-6/24- 22weeks (37 weeks in case of single mothers or multiple birth)	Social insurance	related; 100% Earnings- related; 90%	Parental leave allowance (Rodicovsky prispevok): for full- time parental care of at least one child up to age 3	Income-tested; parent's income must be below 50% of minimum wage (i.e. 2460 SKK). Child must not be in kindergarten. Single parent beneficiary must be working.	65.85 EUR (which is 0.913 times the sum for the purpose of state social benefit).
SLOVENIA	28/77 days. 90 days of paternity leave, of which 15 days must be taken during the maternity leave, the remaining days must be taken before the child is 8	Social insurance	100% of last wage, subject to taxation	Childcare benefit (Nadomestilo za nego in varsto otroka): 260 days	Social insurance	100% of last wage

Sources: Kamerman (forthcoming), Clearinghouse on International Developments in Child, Youth and Family Policies (2003), MISSEEC II (2003).

In general, entitlements seem to have improved in terms of the length of maternity, paternity and parental leave, but they have also become part of the overall strategy to ease pressure on the labour market, with women especially being encouraged to stay at home. Usually some sort of re-employment guarantee is attached, though actual terms are often negotiated at the workplace. So while governments are creating generous policy frameworks, some indications are that it is increasingly up to the individual to ensure they are fulfilled (UNICEF, 1999). Fultz (2002) argues that as a result of these changes, beneficiaries who formerly could simply lay claim to personal rights have become petitioners of the state.

For women in particular, the increasing emphasis on providing material assistance to families rather than enabling women to combine work with motherhood has implications for their take-up of benefits and their participation in the labour market. With the emergence of the private sector, employers increasingly associate the employment of women with increased labour costs and discriminate against women in employment (UNICEF, 1999). This occurs despite the fact that leave policies and rights may also serve the interests of the employers in terms of improving retention and recruitment, reducing absenteeism and enhancing employees' well-being, favouring output and productivity in the long-run (Council of Europe, 2001). For those women who stay in employment, their (and their families') strategies are often geared to getting

them back to work as soon as possible in order to protect their jobs. Many women thus refrain from using their entitled leave, a trend that is especially visible in the Czech Republic where 23% of available maternity days are not used (UNICEF, 1999). There is also a general lack of active measures to ensure the reintegration of women who have been outside the labour market for some time.

One element of recent strategies has been to foster more equal treatment between men and women, notably in countries that are candidates for EU membership, as evidenced by the shift from maternity leave to parental leave. Fathers' rights have increased generally, along the lines of one of the 1994 Council of Europe recommendations, namely that "the family must be a place where equality, including legal equality, between women and men is especially promoted by sharing responsibility for running the home and looking after the children, and more specifically, by ensuring that mother and father take turns and complement each other in carrying out their respective roles" (Council of Europe, 1994).

However, in some cases, such as with Slovenian paternity leave, the father's rights are not individual, as they are derived from the mother's. In Russia, fathers are legally protected during leave only when there is no mother present. While mothers may enjoy the right to take up part-time work while receiving leave benefit, no such right exists for fathers (UNICEF, 1999). In any case, changes in legislation have done little to change behaviour, and very few fathers take advantage of parental leave rights. As Fultz (2002) notes, researchers in Poland were unable to find any evidence, even anecdotal, that men are taking up these benefits in order to care for their children in the home; in the Czech Republic only 1% of fathers made use of the benefit.

It should however be recalled that the ministers responsible for family affairs in 43 member states of the Council of Europe in 2001<sup>7</sup>, including all Central and European countries concerned by the present report, "recognised the need to continue and intensify the implementation of measures to enable women and men to reconcile family and working life more effectively, without any discrimination whatsoever, and to the advantage of the child. Moreover, considering that it is the child who is at the centre of family life, the Ministers emphasised the positive effects of such measures for the balanced development of children" (Council of Europe, 2001). This main conclusion of the XXVIIth Session of the Conference of European Ministers Responsible for Family Affairs is perfectly in line with other texts of the Council of Europe, and notably the Committee of Ministers' Recommendations to member states Rec(94)14 on Coherent and Integrated Family Policies (Council of Europe, 1994), and Rec(96)5 on Reconciling Work and Family Life (Council of Europe, 1996).

#### Family policies, in sum

To summarise, several trends are apparent in the development of family support. While the family allowance system under the command economy was generous but discriminating towards those outside the state sector, reforms of the early 1990s consisted in expanding the right to benefits according to universal principles, and in abandoning the pro-natalist principle of awarding greater benefits to larger families. With the increasing fiscal crisis and international pressure for the introduction of targeting, many countries introduced income testing for entitlement to benefits, though rather loosely framed. Significantly, the new schemes have not linked the value of benefits to inflation. As a result, the value of family allowances as share of GDP has declined while the number of beneficiaries has more or less remained the same, except in Slovenia, where nearly all children receive the benefit compared with only one-third in the early 1990s. Experience since the mid-1990s (entailing, for some countries, a

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 $<sup>^{7}\ \</sup>mathrm{In}\ 2003,$  two years later, the Council of Europe counts 45 member states.

shift from liberal to socialist governments) has led some to re-introduce elements of pro-natalist policies, while universal entitlement to family allowances was re-introduced in a few countries. For ECCE, provision in real numbers has declined, especially the provision for younger children, and the costs for using day care have risen significantly. Underscoring the trend is a shift in the conception of motherhood to view prolonged parental leave schemes in terms of encouraging the role of the traditional housewife.

#### An integrated approach to ECCE

As the countries in transition continue to establish or reform their ECCE systems to reflect changing needs and demands, they may usefully seek inspiration from abroad, notably in the Western European experiences of the integrated approach to ECCE. This section focuses on the advantages and difficulties of integrating or coordinating different sectors for ECCE.

An integrated approach to ECCE has been the preferred policy strategy in a number of Western European countries in recent years such as Sweden, England and Scotland. The approach takes a holistic view of child development and ensures that policies for children are coordinated by an integrated network of the diverse sectors of social welfare, school systems, family, employment and health services (OECD, 2001). An underlying presumption is that close collaboration on ministerial, sectoral and departmental integration will lead to the most effective and cost-efficient ways of providing ECCE.

Haddad (2002) takes the issue somewhat further, offering the view that the integrated approach should embrace the multi-faceted functions of ECCE to include far more than mere learning. In the context of human development, the idea is that providing high quality ECCE may help promote the child's development in all aspects of life, not only the cognitive but also the physical, moral and spiritual. Furthermore, ECCE facilities are settings where children learn to nurture friendships and engage in relationships with grown-ups and other children, and the provision of ECCE provides the opportunity for parents to reconcile work and family life.

According to Haddad, a broader model for an integrated approach has several underlying features, including:

- recognition of ECCE as a shared societal responsibility,
- a universal approach to access and provision,
- a move from split to unified administrative auspices, in terms of objectives, operations, funding etc.,
- coverage of a wide age range from birth to school-age,
- a move from private to public financing,
- an orientation towards the client and a desire to meet diverse needs (in opening hours, settings etc.),
- a move from institutional patterns to creating a space for children,
- a "whole child" philosophy,
- the view of child socialisation as a professional task rather than a private matter, and
- recognition of parents as partners.

This approach especially challenges former paradigms of ECCE by proposing the legitimation of out-of-home child socialisation, making the upbringing of children a shared responsibility of the whole society. As such it will be more challenging in certain policy regimes than others. The advantages of an integrated and coherent approach to the provision of ECCE should be obvious, but it should not be considered a universal tool with a pre-ordained form. When attempting to create a corresponding national ECCE scheme, the national context is of great importance to the adaptation.

#### Integrating children's services in England and Sweden

The best way to gain an insight into the creation of an integrated ECCE system may be to study how the coordination and integration of children's services has been put into practice in different countries. The examples of Sweden and England, which have both recently carried out such a restructuring (Moss, 2003; UNESCO, 2003c), are highlighted here.

Both countries transferred the responsibility for childcare from welfare to education in the late 1990s – Sweden in 1996 and England in 1998. Although appearing to follow the same approach, the two countries' rationales for the integration of administrative responsibility differed widely. With their different welfare regimes, Sweden's and England's ECCE policies reflect distinct conceptions of childhood, as well as the functions of ECCE.

In Britain, the formation of the Labour Government in 1997 marked a turning point in social policy. After years of deepening inequality and poverty, these issues were once again recognised as major problems. For ECCE, this has brought greater income support for families with children and a range of new children's services and agencies with the overall goal of building closer relationships among services. At the government level, the most significant change is the merging of responsibilities for childcare and education within the Department of Education under a newly appointed Minister for Children. Prime Minister Tony Blair's New Labour, however, is highly influenced by liberal economic and welfare principles, under which the main purpose of welfare services is to rectify the deficiencies of neo-liberal economics. Despite the measures taken in the area of ECCE, public services remain targeted at disadvantaged children, while most parents are expected to pay for the needed services. This reflects a continuation of the traditional conception of education and care as separate services: "Education is a public good, childcare mainly a private commodity" (Moss, 2003, p.8). Nor has a common curriculum covering the early years been established.

The Swedish approach to ECCE differs significantly from Britain's, partly because of Sweden's commitment to the social democratic welfare model. ECCE before 1996 was thus characterised by an extensive and nearly universal range of highly integrated services. For instance, compulsory pre-school classes for 6-year-olds, founded in the early 1990s, provided education as well as care. With a holistic approach to ECCE already established, Sweden was in an excellent position to embrace the concept of lifelong learning. The central importance of knowledge in post-industrial society has led to recognition of the importance of promoting learning. These considerations inspired the radical reform of the whole education system in 1996, including the joining of responsibilities within the Department of Education. The full extent of this reform is seen in the restructuring of the workforce and the education of the workforce. Training for pre-school teachers and compulsory schoolteachers is no longer separate. Instead, a single programme is offered to those wanting to work with children that includes opportunities for specialising in different age groups and subjects.

To sum up, distinct rationales lie behind the integration of responsibilities for ECCE within the Swedish and British education departments. In England, the focus seems to have been the fight against poverty, thought to be most efficiently handled through coordinated measures. In contrast, the merging of administrative responsibilities in Sweden reflects a radical and genuine integration of children's services within an educational framework.

#### Integration and coordination in the transitioning societies

A commonality among the Central and Eastern European countries that took part in the regional consultation meeting is that ECCE involves several ministries in a system of widely overlapping responsibilities. Such systems may benefit from restructuring according to an integrated approach. Not only does an integrated approach promote the efficient use of resources, but more importantly, it has the potential to improve children's social skills and facilitate social equality and cohesion.

The cases of Britain and Sweden are relevant to the transitioning societies of Central and Eastern Europe in three significant ways. First, cross-sectoral coordination does not necessarily entail a gathering of responsibilities within the same governmental department. Another way is to establish a mechanism or agency that handles issues of coordination. This seems to be the preferred way of coordinating ECCE policies in the former socialist states. In the national questionnaires for the regional consultation meeting, almost all participants stated that ECCE was harmonised in their country through a mechanism for cross-sectoral coordination. UNESCO stated the caveat, however, that if conflicts over the goals and methods of providing ECCE are to be avoided, this coordination mechanism must be clearly placed within the responsibility of a single department (UNESCO, 2003a).

Secondly, the dangers of an integrated and coordinated approach to ECCE must be faced along with the possibilities. The ECCE reform in Sweden sparked a heated national debate over whether early childhood was being subjected to "schoolification".

A third consideration regards the issue of decentralisation. In Sweden, a national pre-school curriculum assures coherence of ECCE provision, but leaves considerable room for the local authorities and the schools themselves to adapt to local circumstances and needs. In this way, both decentralisation and coordination are deliberately used to promote a system that integrates the educational and caring dimension of children's services into a whole. Thus, strategies of decentralisation and cross-sectoral coordination may be useful in the restructuring of both the provision and the policy of ECCE.

The underlying conception of the integrated approach, however, requires active participation of the state in safeguarding equal access for all children to well-regulated and subsidised ECCE. In former socialist countries emerging from state-centred models and experiencing funding constraints, a major challenge is bound to be that of maintaining the role of the state as co-responsible with parents for the socialisation of children.

Since 1989 these countries have naturally seen an overall trend of decentralisation, given the old systems' highly centralised character. Acknowledging that a highly centralised system has difficulties responding to local needs and circumstances, most of the countries have taken steps to engage local authorities in the provision of ECCE. For example, the Czech Republic has seen a strengthening of the

roles of local authorities, parents and the ECCE institutions themselves at the expense of the state's influence (OECD, 2000). This process of transformation is not problem-free. In the national questionnaires for the regional consultation meeting, all participants except for those of Bulgaria and the Czech Republic emphasised a lack of overall funding and a lack of technical knowledge on the part of the local authorities as the two main challenges in implementing a decentralisation policy for ECCE. Naturally, the lack of economic latitude in the former socialist countries following the events of 1989 seems to play a decisive role in the decentralisation process. If decentralisation is motivated by financial concerns, however, it carries the implicit danger of widening gaps in access to resources and the quality of education. However, if the difficulties of engaging the local level of authority in a relevant manner are overcome, a strategy of decentralisation offers the possibility of increased engagement of teachers, parents and the local community in general in organising the work in schools. Thus the strategy also carries with it a democratising potential (Education International, 1997).

In light of the difficulties, the need for coherence and the coordination of services in a process of decentralisation is clear. Decentralisation efforts may ensure that the national ECCE policies are properly adapted to local needs and circumstances, but this assumes a clearly formulated vision of the purpose of these policies. It seems insufficient attention has been paid particularly in terms of the effects on the quality of ECCE initiatives and access to them. In this regard, it seems symptomatic that responsibilities for ECCE policy and provision are generally shared across different ministries in the transitioning societies. This complicates the organisation of a coherent approach to children's care and education, which may hurt the efficiency and quality of the measures taken. In other words, for the best results, the decentralisation of ECCE should be performed within a coordinated policy framework with consistent goals and "clearly defined responsibilities at central as well as decentralised levels of governance" (OECD, 2001, p.127).

Another recommendation to keep in mind is that while several levels of government have primary responsibility for formulating ECCE policies, partnerships between governments, NGOs, communities, families, employers and relevant organisations should be encouraged (UNESCO, 2003b; Council of Europe 2001).

#### Conclusion

The family support systems of the Central, Eastern European and CIS countries underwent many changes in the last decade and a half. What has been the logic behind the policy changes, and what policy directions have emerged?

As the new governments after 1989 were immersed in the turmoil of events, faced with the historic task of carrying out comprehensive reforms to social, labour and fiscal policies, they obviously had no large-scale coherent plan for how to proceed. Reforms were necessarily the result of a compromise based on the institutional legacy of the old regime, the advice of international agencies and the need for legitimacy and support from the middle class (Deacon, 2000; Brusis, 2000).

Among the first reforms concerned entitlements to family allowances, which were employment-based under state socialist regimes. In the early years of transition, the principle of universalism guided the organisation of family allowances, with the goal of compensating for the loss of job security and wage subsidies that characterised the former system. By the mid-1990s, however, the fiscal crisis and the policy recommendations of major international agencies compelled a number of countries, especially in Central and Eastern Europe, to introduce income-testing to channel benefits to low-income families. Policy approaches to family allowances have since diverged widely in the former communist countries, depending notably on fiscal conditions. With national political scenes starting to favour socialist parties and a

growing emphasis on encouraging population growth, some regression to old principles has been evident in Central Europe and the Baltic countries. The return of pro-natalism can be seen in Poland, Hungary and Estonia in particular, as they have re-introduced the practice of awarding greater benefits to larger families, not only in family allowances but also in parental leave benefits, while family allowances are universal once again in Hungary, Romania and the Baltic countries.

Less emphasis has been placed on policies enabling women to combine maternal and professional roles. The emphasis today is clearly on the cash benefits, with the expansion of the parental leave reflecting heightened support for the housewife. Women in the region have been liberated in that they are no longer obliged to work and the parental leave schemes offer a relatively generous policy frame for establishing traditional gender roles in the Western sense, with long leave periods. While most countries apply a principle of either social insurance or universalism, some targeting of beneficiaries is built into the parental leave schemes. The Czech Republic, Poland and Slovakia all apply income-testing, which excludes high-income families from receiving the leave benefits. This policy direction runs the risk of encouraging low-income women to withdraw from the labour market to care for their children at home, while high-income women are likely to combine work and caring responsibilities because they can better afford costly day care. Thus, this policy direction may result in a selective approach to day care, excluding children of low-income families, and challenge the broad premise that the integrated approach to ECCE is a prerequisite for lifelong learning.

While opportunities for staying at home to care for a child have improved, the opportunities for paid employment have decreased for women. A drop in ECCE services for younger children has made it difficult for couples to hold down two jobs, and in the face of rising unemployment, women often wind up withdrawing from the labour market. The limited availability of part-time jobs and inadequate measures to reintegrate women returning from leave also pose substantial disadvantages for the equal participation of men and women in the labour market. Men, on the other hand, have gained equal rights to take up benefits such as parental leave but are discriminated against in that their rights are only derived from their partners and they have restricted possibilities for combining working and caring while on leave.

To sum up, which welfare state principles prevail in the countries of Central and Eastern Europe?

The countries have had to find their footing between endorsing the conservative corporatist social insurance model that approximated the employment-based model of the former regime, under which benefits go to those with an employment record, and the recommendations of international agencies and neo-liberal domestic actors for the introduction of a liberal-residual welfare regime, under which benefits are minimal and target the most needy. This analysis, being limited to family support systems, can provide only a partial insight into the policy trends. Nevertheless, the apparent trend is towards the residual, targeting model in countries such as the Czech Republic, Bulgaria, Poland and Slovakia with minimal benefits aimed at low-income families. In the post-Soviet countries, although little information is available, the residual principle of social assistance seems to hold sway, while a hybrid of the social insurance model and a more universal approach has emerged in Hungary, Latvia, Estonia, Romania and Slovenia, where some benefits are universal while others depend on an employment record.

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