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Addressing changes in family structures

Adapting family policies to global changes in family life

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Introduction

The family unit, in spite of historical and cultural features specific to each continent, each country and indeed each region, is undergoing fundamental structural, demographic, sociological and economic changes. In demographic terms, families are ageing, at the higher end, due to the increase in life expectancy and, at the lower end, due to the fall in the birth rate. The number of families has fallen and intergenerational solidarity is often disintegrating. Families are partly breaking up as a result of the rise in one-parent families, which is a worldwide phenomenon that is no longer limited to developed countries. In terms of economics, if family and child poverty is on the decline globally, to a certain extent due to the growth of emerging countries, it is affected both positively and negatively by urbanisation. To a slight degree everywhere, sometimes even in places where it would not be expected, the role and the place of women in society are undergoing rapid changes, in particular as a result of educational progress.

Family benefits apply in fewer countries (approximately 80) than healthcare and pension cover. Family policies are consequently being called into question:

- Should they be tailored to suit individual needs, protect the right of the child, women's rights, the right of each member of the family, or focus on the family "unit" irrespective of its specific make-up?
- Should they be universal or concentrate on the aim of tackling poverty facing families and children in particular?
- Should they focus on financial redistribution or offer services and equipment to families?

These questions are obviously not exhaustive and it stands to reason that the responses may differ widely depending on the given countries.

1. Family changes

1.1. Demographic aspects

1.1.1. "Ageing" families

Two phenomena are coming together to reach this finding. Firstly, life expectancy at birth is increasing practically everywhere in the world, although with some variations. Life expectancy is the highest in Andorra at age 84. Japan comes a close second where people live on average for 82.8 years. Conversely, life expectancy in Swaziland is age 29.9.

A brief global overview shows the diversity of situations:

Country	Life expectancy at birth
Canada	80.7 years
United States	77.9 years
Cuba	78.6 years
Costa Rica	78.8 years
Haiti	53.5 years
Chile	78.6 years
Belgium	79.6 years
France	80.0 years
Cameroon	46.3 years
South Africa	44.1 years
Swaziland	29.9 years
Rwanda	44.6 years
United Arab Emirates	79.1 years
Switzerland	81.1 years
Sweden	80.8 years
Afghanistan	47.7 years
Laos	56.5 years
Japan	82.8 years
Australia	81.0 years

Nonetheless, the rise is practically constant everywhere. Although Haiti is ranked in 33rd position of the countries with the lowest life expectancy, it has increased from 49.5 to 53.5 years between 2000 and 2005.

This practically irreversible ageing process “at the higher end” (cf. François Heran – French National Institute for Demographic Studies (INED)) is increased by ageing “at the lower end” due to the fall in birth rates. This fall is particularly noticeable in Eastern Europe (birth rate of 1.2 in Poland and the Czech Republic and 1.3 in Hungary), in Russia where the birth rate of 1.3 combined with a low life expectancy for men causes an annual population decline currently corresponding to over 700,000 individuals, in Southern Europe with a birth rate of 1.3 in Spain and Italy and in Asian countries such as Japan (birth rate of 1.3), South Korea and Singapore (rate of 1.2). In North African countries, the threshold required to renew generations is now being achieved, whereas the African exception is only relative insofar as the high birth rates are tending to fall.

1.1.2. Smaller families

This firstly automatically results from the fall in birth rates. The family unit is smaller due to the reduction in the number of births and also due to the significant increase in the nuclear family, limited to the two parents and their children, as opposed to the traditional extended family often including grandparents and other close relatives. However, this global phenomenon needs to be put into perspective in view of culture diversity, but it is widely seen

even in countries where the “large traditional family” played an important role (Southern Europe, Japan, South Korea, and Africa).

It is regrettable that we do not have reliable international comparisons on family structures by number of dependent children. In France, families with three children represent slightly less than one family in five but correspond to 43 per cent of dependent children. The one-child policy in China partly illustrates the global phenomenon of the reduction of family size. In Europe, although the average number of children is higher than 2 (2.62 in Sweden, 2.48 in France), the model is rather tending towards 2 even if the birth rate is close to 1.5.

1.2. Sociological aspects

1.2.1. End of the traditional family model

Increase in divorce

In Europe, since the 1960s, the number of divorces has risen considerably. The United Kingdom, Portugal, Denmark and Belgium record the highest levels in this respect: in these countries, approximately four marriages out of ten end in divorce. The failure rate in Ireland and Italy is four times lower. France, Germany and the Netherlands fall in the middle of the range with a divorce rate of one marriage out of three. In the United States, the divorce rate has considerably increased, particularly between 1960 and 1980. This led to a very high increase in the number of lawyers and specialisation in this area of law. Since 2002, China has seen a noticeable increase in the number of divorces. In 2008, 1.785 million divorces were recorded compared to 1.184 million in 2005. Japan has witnessed a 10,000 increase in divorce settlements per year under an official mutual agreement on the consequences of the divorce, including financial matters. However, no legislation provides for ensuring compliance with such agreements.

Beyond this phenomenon, the rise in divorces raises important discussions on family policy: legal framework, maintenance obligation, recovery of pensions, poverty notably of single woman and women’s place in the employment market.

Increase in one-parent families

This is a particularly remarkable global phenomenon. One-parent families represent 35 per cent in Saint Petersburg and 46 per cent in Berlin out of the total number of families. In the United Kingdom, the percentage is 25 per cent, 17 per cent in France and 18 per cent in Japan. Contrary to the generally accepted idea, one-parent families are not limited to developed countries. One-parent families are soaring in Latin America and, in particular, in Brazil. Moreover, European forecasts for the next decade place the phenomenon in the range of 25 per cent on average.

This raises the following challenges:

- eradication of poverty of one-parent families;
- harmonisation of divorce laws;
- guarantee of payment and collection of maintenance allowances.

1.2.2. Intergenerational solidarity put to the test

Intergenerational solidarity can be informal (spontaneous aid) or organised by the State together with the social partners and family welfare bodies. The latter case does not strictly speaking relate to the social security scheme, but to the social protection system.

We shall touch on the issue of spontaneous aid. As a result of the role of the extended family, spontaneous aid is far from no longer playing a role at the present time, subject to cultural differences (cf. Levy-Strauss. *Les structures élémentaires de la parenté*). This intergenerational solidarity is far from being insignificant whether it is implemented further to formal rules (e.g., maintenance obligation and social security scheme) or informal practices (traditions, myths).

In this respect, the third generation in France donates almost EUR 15 billion to their children and the same amount to their grandchildren. This represents 2/3rds of the family benefits provided by the social security scheme! It nevertheless remains a fact that this spontaneous aid is currently and shall be in the future severely put to the test due to the following reasons:

- Industrialisation and urbanisation have disintegrated village life, the rural world where everyone had a purpose. This change is currently being experienced by the emerging countries in Asia, Latin America or Africa.
- The rise in life expectancy is resulting in a fourth generation (1 per cent of the European population will be aged 80 or over in 2050), which will be partly dependent.
- Given the burden of global population ageing, the third generation will often receive less generous retirement pensions than in the past and will be less likely to spontaneously help the second and first generations.

1.2.3. Emergence of reconstituted families

We point out the emergence of “reconstituted” families, which is considerable at times, in particular in developed countries, as a result of a combination of two factors: the breakdown of the traditional family and the increase in life expectancy. This may cause serious problems with regard to rights to family benefits.

1.3. Economic aspects

1.3.1. Development level

Families' standards of living obviously depend firstly on the level of economic development, irrespective of the existence of specific social protection system. 1.3 billion individuals, that is a quarter of the population of developing countries, live in situations of absolute poverty with less than one dollar per day. A majority of them are obviously families and children.

It stands to reason, although this is not a linear correlation, that social protection and families' standards of living are all the better secured where the GDP per inhabitant is high. Therefore, it is not by chance that Luxembourg has the highest GDP per inhabitant in Europe and also the most generous family benefits. It is no coincidence either that Sweden has the highest social protection expenditure in Europe (31 per cent of GDP) at the same time has one of the lowest child poverty rates (approximately 3 per cent).

1.3.2. Employment level

In addition to the economic development rate, the employment level (including that for women) has a substantial influence on families' standards of living. Economists generally agree that employment policy plays as important a role as financial redistribution in reducing family and child poverty. Hence, the idea that the "activation" of social expenditure constitutes an important factor in family policy – like the policies of developing a work-life balance enabling women to fulfil their wish to work at the same time as having children.

1.3.3. Urbanisation

Urbanisation impacts families' needs and the structure of family policies. For the first time in 2007, the urban population exceeded the rural population. In one generation's time, 60 per cent of the global population will live in urban areas, with a large majority in developing countries. The West is currently almost 80 per cent urbanised. However, although the number of towns with at least 10 million inhabitants amounts to 17, 11 are located in the developing world. For example, the population of Sao Paulo in Brazil has increased from 245,000 inhabitants in 1900 to 18 million today.

The rapid explosion of urbanisation causes serious problems to the population in emerging countries: development of shanty towns, insecurity, lack of sanitary facilities, etc. In developed countries, housing is becoming one of the largest expenditures in the family budget (27 per cent in France) and prompts housing policy to be included in family policy.

Towns have consequently become a two-sided phenomenon for families: in a service economy, they push growth and material well-being upwards, but they are a source of social

imbalance and breakdown (in Paris, one flat out of two is occupied by a person living alone). The result is that beside the factors of the size, structure and income level of the family, the housing factor is difficult to separate from family policies (cf. serious situation in the United Kingdom).

1.4. Women's status

Fundamental changes are being witnessed practically everywhere. In this respect, for example, during a ten-year period, the education of young girls in the Middle East has increased on average by two years, which has de facto delayed marriage at the same time, with an impact on birth rates as mentioned above. Morocco has just radically reformed its family civil law to women's advantage.

1.4.1. Constant growth in working women

For example, the average rate of working women in the current Member States of the European Union was 44 per cent at the start of the 1970s, that is almost half of the rate of working men. This rate has now increased by almost half to reach 60 per cent, which represents almost 4/5th of the rate of working men.

1.4.2. Women working does not conflict with the desire to "have a family"

A rather positive correlation exists between the rate of working women and the birth rate. In countries where the rate of working women is high (65 per cent in the United States, over 70 per cent in Sweden), the birth rates are higher than in countries where the rate of working women is low (Japan, Italy: 45 per cent). This is partly due to the following circumstances:

- women are generally more successful in their studies than their fellow male students;
- women integrate better in an economy developing towards the service industry;
- women form a driving force for economic growth insofar as – at least in developed countries – they are opinion leaders in family consumption (approximately 80 per cent of purchasing decisions).

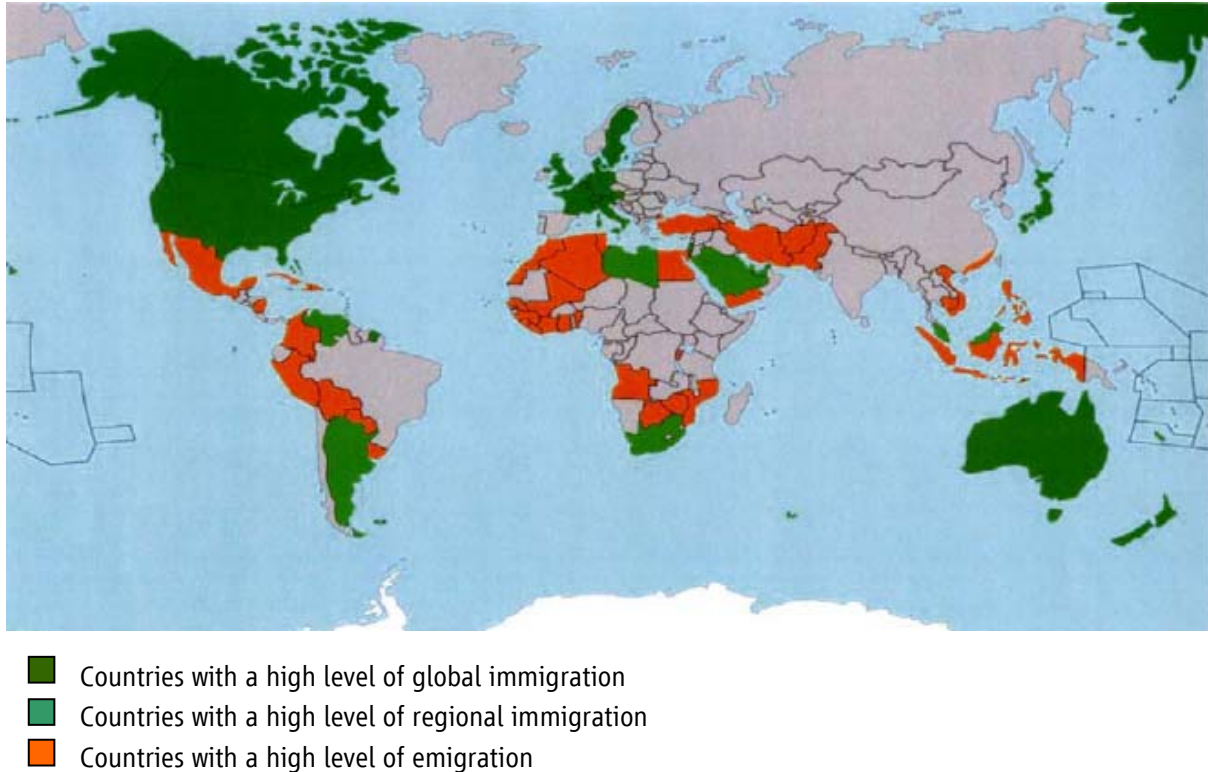
The main point undoubtedly with regard to family policy is the ways and means of conciliating their joint desire to have children and work. In countries where childcare policies are limited, the priority placed on developing a career largely explains the demographic "crash".

1.5. Family mobility

This is a global reality. In this respect, 8 per cent of families receiving benefits in France are foreign nationals. This is also the case at the regional level: French relocation towards the

South of France. This causes serious problems with regard to the right to family reunification upheld by the European Court of Justice.

Map 1. Global migration



2. Family and child poverty

2.1. Difficulty in defining international poverty indicators

Several indicators are used and the extent of their relevance needs to be defined.

2.1.1. Absolute poverty indicator

This indicator is the most often used by the United Nations, i.e., at least one dollar per day of disposable income. In this respect, the level of global poverty exceeds one billion individuals, who include a substantial portion of children, adolescents and their families. We note that the initial consumption scales (the Oxford scale is the most regularly used) and the initial research on the cost of children attempted to quantify the cost of so-called primary needs (food, clothing, housing). This was the case in France in the 1950s with the research conducted by the French National Institute for Demographic Studies (INED).

2.1.2. Human development index

The human development index could be used. Unfortunately, no reliable international comparison exists to the best of our knowledge on this point. It goes without saying that if this were the case, this would mark progress compared to the absolute poverty indicator.

2.1.3. Monetary indicator

Europe uses a purely monetary indicator which is 60 per cent of median income. The advantage of this indicator is that it takes into account the country's wealth and the distribution of this wealth to the population. As a result, economic growth may be accompanied by a growth in poverty levels if such growth is combined with an increase in social inequalities. The marker can obviously be adjusted, and lower or higher percentages than the 60 per cent rate can be applied.

Table 1 below shows the precision of the indicator for several countries in the Organisation for Economic Co-operation and Development (OECD).

Table 1. *Child poverty levels depending on different poverty thresholds*

Country	Percentage of children living below		
	50 per cent of the national median income	40 per cent of the national median income	60 per cent of the national median income
Finland	2.8	1.3	8.0
Norway	3.4	1.6	7.5
Sweden	4.2	1.8	9.2
Belgium	7.7	3.2	13.7
Hungary	8.8	4.4	16.9
Luxembourg	9.1	2.1	18.3
The Netherlands	9.8	5.9	14.2
Germany	10.2	6.2	16.9
Austria	10.2	6.1	21.4
Poland	12.7	6.5	17.3
Canada	14.9	7.7	23.3
United Kingdom	15.4	5.5	27.0
Italy	16.6	10.6	26.5
United States	21.9	14.1	30.2
Mexico	27.7	20.9	35.0

Source: United Nations International Children's Emergency Fund.

2.2. Impact of social redistribution on family and child poverty

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Table 3. Child poverty rankings: Percentage of children living below national poverty thresholds

Denmark	2.4						
Finland	2.8						
Norway	3.4						
Sweden	4.2						
Switzerland		6.8					
Czech Republic		6.8					
France		7.5					
Belgium		7.7					
Hungary		8.8					
Luxembourg		9.1					
The Netherlands		9.8					
Germany		10.2					
Austria		10.2					
Greece			12.4				
Poland			12.7				
Spain			13.3				
Japan			14.3				
Australia			14.7				
Canada			14.9				
United Kingdom			15.4				
Portugal			15.6				
Ireland			15.7				
New-Zealand			16.3				
Italy			16.6				
United States					21.9		
Mexico						27.7	
	0	5	10	15	20	25	30

Table 4. Impact of taxes and redistribution: Percentage of children living below national poverty thresholds

Denmark	2.4		11.8				
Finland	2.8			18.1			
Norway	3.4		15.5				
Sweden	4.2		18				
Switzerland		6.8	7.8				
Czech Republic		6.8	15.8				
France		7.5				27.7	
Belgium		7.7	16.7				
Hungary		8.8			23.2		
The Netherlands		9.8	11.1				
Germany		10.2		18.2			
Austria		10.2		17.7			
Greece			12.4	18.5			
Poland			12.7	19.9			
Canada			14.9		22.8		
United Kingdom			15.4		25.4		
Portugal			15.6	16.4			
Ireland			15.7		24.9		
New-Zealand			16.3			27.9	
United States					21.9	26.6	
Mexico						27.7	29.5
	0	5	10	15	20	25	30

3. Which family policies should be adopted?

Two major themes need to be explained:

- Should the aim be the introduction of measures resulting in the right of the child or the development of a right of the family?
- In particular in the scope of the social security scheme, should focus be placed on monetary redistribution (by means of family benefits) or should families be offered services and equipment?

3.1. Right of the family and right of the child

Table 5 provides details of the amount of actual family allowances in Europe. We highlight the differences in the variations in the amount of benefits depending on the family size: linear in Spain (fixed amount per child), highly adjusted in France and slightly adjusted in Sweden.

Table 5. Amount of actual family allowances in Europe (monthly amount in euros as at 31/12/2006)

Country	1 child	2 children	3 children
France	–	119	271
Monaco	124	124	124
Belgium	77	143	217
Czech Republic	27	54	81
Denmark	152	304	456
Germany	154	308	462
Estonia	10	20	30
Greece	8	25	56
Spain	24	48	72
Ireland	150	300	485
Island	155	340	525
Cyprus	32	65	194
Latvia	11	14	18
Liechtenstein	161	322	483
Lithuania	15	30	45
Luxembourg	185	440	802
Hungary	44	95	146
Malta	87	131	131
The Netherlands	89	189	439
Norway	118	236	354
Austria	130	260	390
Poland	17	34	51
Portugal	24	48	72
Finland	100	210	341
Slovenia	48	103	165
Slovakia	16	32	48
Sweden	116	127	166
United Kingdom	112	187	262
Bulgaria	9	19	29
Romania	11	23	37
Croatia	23	23	23
Macedonia	29	29	29

It would be very simplistic to refer to an “individual-focused” system or, on the contrary, a “family-focused” system, but this is a current trend. It is at least advisable to take into account other factors: adjustment of family allowances based on age, existence of income criteria or not, age limit for receiving benefits and existence of several types of family benefits other than family allowances, which place the portion of family allowances into perspective in the redistribution process (c.f. Table 6).

Table 6. Features of family allowances in Europe

Country	Income criteria	Age-related adjustment	Age limit	Number of benefits other than family allowance
France	no	yes	20	approximately 20
Monaco	yes	yes	21	2
Belgium	no	yes	25	4
Czech Republic	yes	yes	26	4
Denmark	no	yes	18	11
Germany	no	no	27	5
Estonia	no	no	19	8
Greece	no	no	22	5
Spain	yes	no	18	4
Ireland	no	no	22	4
Island	yes	yes	20	5
Cyprus	yes	no	25	1
Latvia	no	no	20	5
Liechtenstein	no	yes	18	3
Lithuania	no	yes	24	5
Luxembourg	no	no	27	5
Hungary	no	no	23	6
Malta	yes	no	21	5
The Netherlands	no	yes	17	2
Norway	no	no	18	8
Austria	no	yes	26	6
Poland	no	no	24	7
Portugal	yes	yes	24	3
Finland	no	no	17	8
Slovenia	yes	no	26	6
Slovakia	no	no	25	6
Sweden	no	no	16	6
United Kingdom	no	no	19	5
Bulgaria	yes	yes	20	5
Romania	no	yes	25	6
Croatia	yes	no	27	2
Macedonia	yes	yes	21	2

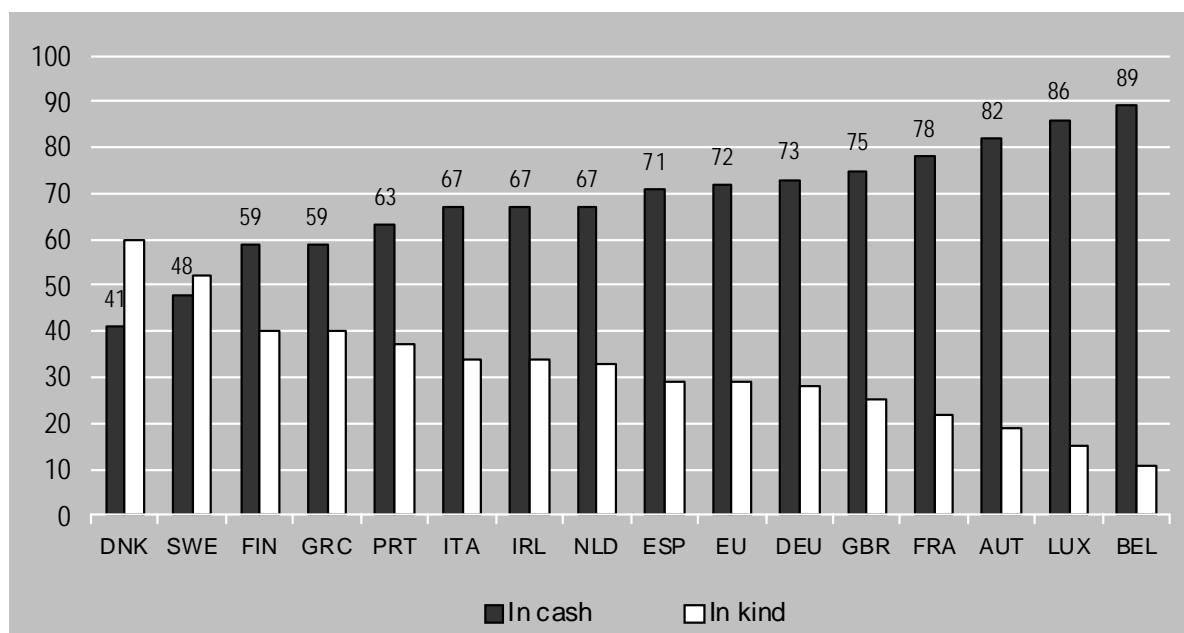
3.2. Monetary aid or services and equipment?

This is undoubtedly a major problem, in particular in emerging countries. The chart below shows the situation in Europe. We clearly note that Scandinavian family policy places more

emphasis on services and equipment than countries on the European continent. If we consider that in many emerging countries, family benefits provided to employees or civil servants are limited, the problem of a social security scheme offering services to rural populations seriously needs to be dealt with.

This is a structural choice with regard to family policy, which furthermore does not spare developed countries in relation to childcare for young children in particular and the development of a work-life balance.

Figure 1. Breakdown of family/child benefits in cash or in kind as a per cent of total social protection expenditure (1999)



Source: Eurostat

Conclusion

The family unit is undergoing profound demographic, sociological and economic changes, although occurring in varied cultural contexts. Family policies and, in particular, social protection schemes, have been forced to and can often consequently adapt in order to be:

- slightly more flexible towards new models of the family unit;
- more neutral towards changes in women's status; and
- more redistributive to tackle family and child poverty.

The fact remains that these social protection policies are undergoing the impact of population ageing in terms of healthcare expenditure, retirement expenditure and future large-scale dependency expenditure. In Europe, the additional financing requirements will be 4.2 points of GDP on average by 2050.

Two major reasons give grounds to consider that family policies need to be supported. The first reason stems from the fact that they may be a demographic regulator by enabling women's joint wish to work and have children. Moreover, this is not limited to developed countries. The second reason is due to family policies' redistribution efforts in the fight against family and child poverty.

Even universal benefits level out unequal income. For all that, focusing on large families and one-parent families partially enables the eradication of poverty affecting the most modest families.

In the interest of social justice, there is a need to increase the share of ISSA members specializing in family matters, obviously based on continental and regional cultures and taking advantage of ISSA benchmarking to clarify the choices. Where this family specialization does not yet exist, it needs to be immediately relevant to the requirements. Where it exists, flexibility and ongoing adaptation need to be accepted, since family policy is an investment in the future, with a near-guarantee of a return on investment.