

# REINVENTING FAMILY POLICIES IN CEE



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**4LIBERTY.eu**  
REVIEW

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The topic of the publication is in line with the annual theme of the Friedrich Naumann Foundation for Freedom called Reshape Europe. It pursues the topic Europe as an Engine for Progress.

# Reinventing Family Policies in CEE

When we look at the states in Central and Eastern Europe, we may notice that most governments realize the importance of supporting not only their societies in general, but more specifically *families* – especially nowadays, with the numerous crises ravaging the region. However, we should ask ourselves whether the continuing interest of politicians in the matter is guided by their willingness to improve the conditions in which families live or to boost birth rates, or rather are their actions a result of wanting to gain the continuous support of voters.

Recently, we could observe a surge of policies that seem to be influenced by the latter – which may be a cause for concern. When political ambitions overshadow the heart of the matter, the essence of the problems at hand oftentimes becomes blurred, if not distorted altogether by populist agendas. Consequently, some programs become misguided or not inclusive enough. Some families become *invisible* to the system, whereas others are treated favorably – especially when they reflect more ‘traditional’ values. At the same time, it is questionable whether such programs are economically sound.

Meanwhile, in open, supportive, and inspired societies, the rights of each family should be treated equally as much as possible – especially considering policies aimed at providing opportunities or easing various burdens. Indeed, “*To put the world right in order, we must first put the nation in order. To put the nation in order, we must first put the family in order*” as Confucius observed. Unfortunately, the problem is that very often politicians use this rule quite literally and attempt to interfere with the very *vision* of a family’s composition, which should not be up to them. Single parents, grandparents raising their grandchildren, same-sex partnerships – all these, among others, should not be excluded when introducing initiatives that are later dubbed ‘family policies’. Our societies are diverse and so this phenomenon must be reflected in respective programs – especially given the fact that many CEE societies face the issue of declining birth rates.

Therefore, we hereby present to you our latest issue of the *4liberty.eu Review* devoted to the idea of reinventing family policies in Central and Eastern Europe. We have thus collected various national perspectives, taken stock of available social programs and policies in place, and attempted to provide the Reader with possible solutions to improving the *status quo* – which, in most cases, leaves much to be desired. Despite a rather grim picture, we remain hopeful that decision-makers will take notice of available solutions and good practices, and implement policies that are much more inclusive, facts based, and accessible – to ensure that the future of the family in the region becomes bright.

Enjoy your reading,



Editor-in-Chief of *4liberty.eu Review*  
Coordinator of the *4liberty.eu* network



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# The Desired and Actual Effects of Social and Family Policies on CEE Economies



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MACIEJ  
CHMIELEWSKI

**A**mong the many social challenges Europe is currently facing, the issue of demography seems to be the most populist topic. Populism at the level of both political demagoguery and performance is often undertaken by decision-making bodies. Why are demographics so important? The reason is quite simple: the functioning of all public services depends on it; hence completely different infrastructures are needed for a hundred people and 500 million people. Meanwhile, the fundamental demands of young people and the elderly differ.

It is, therefore, vital to understand that the surroundings (from roads, means of transport, schools to hospitals, and the structure of their branches) must be adapted to the characteristics of the population and the resulting needs. In European states, these universal problems are accompanied by a social security system based on financing the current commitments of the elderly by younger people who are active in the labor market. In return, they receive the promise of similar funding by future generations in their declining years. The system works as long as the proportion of generations is kept within safe limits.

### THE WESTERN WORLD

Demographic changes in the so-called European 'Western World' are a fact, both in terms of population size and structure.<sup>1</sup> The latter issue seems to be more important from a long-term perspective. In the period after World War II, the population of Europe grew dynamically until approximately the 1990s, it began to slow down towards the end of the century. In recent years, however, the trend has reversed [See: Table 1 and Figure 1].

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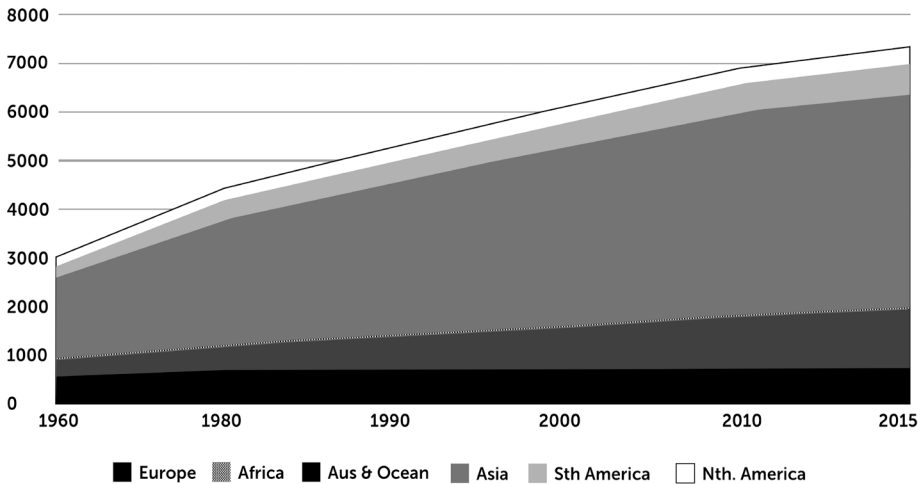
AMONG THE MANY SOCIAL CHALLENGES EUROPE IS CURRENTLY FACING, THE ISSUE OF DEMOGRAPHY SEEMS TO BE THE MOST POPULIST TOPIC

Among individual countries, an identical pattern may be observed, with a noticeable delay in the countries of the eastern part of the European Union. Migration events have a clear impact on the population and social structure. For example, the migration of citizens of the eastern EU to the west of the community after the EU 'Big Bang' enlargement in 2004, and a decade later migration from the countries of Eastern Europe and Western Asia – which somehow complements the earlier outflow from the countries of the eastern EU. At the same time, there is a noticeable decrease in the fertility rate and, as a natural consequence, the aging of the population.

### ASIA AND AFRICA

The thought of a high population was natural for most Chinese people – yet Mao threatened the world that he would reverse the Copernican breakthrough, pushing all Chinese citizens toward a certain direction. Obvious nonsense, but it shows the Chinese awareness of the scale of its greatness. The fact is that in the middle of the 20<sup>th</sup>

<sup>1</sup> Rajendra K. Sharma, *Demography and Population Problems*, Atlantic Publishers & Dist, 2004, p 48.

Figure 1: World population in the 21<sup>st</sup> century [in million people]Source: PAN<sup>2</sup>Table 1: World population in the 21<sup>st</sup> century [in million people]

|                       | 1960  | 1980  | 1990  | 2000  | 2010  | 2015  | 2015 to |       |
|-----------------------|-------|-------|-------|-------|-------|-------|---------|-------|
|                       |       |       |       |       |       |       | 1960    | 1990  |
| World                 | 3,038 | 4,440 | 5,310 | 6,127 | 6,930 | 7,349 | 4,311   | 2,039 |
| Europe                | 608   | 694   | 721   | 726   | 735   | 738   | 130     | 17    |
| Asia                  | 1,708 | 2,626 | 3,202 | 3,714 | 4,170 | 4,393 | 2,685   | 1,191 |
| Africa                | 287   | 478   | 632   | 814   | 1,044 | 1,186 | 899     | 555   |
| North America         | 204   | 254   | 281   | 314   | 344   | 358   | 154     | 77    |
| South America         | 220   | 365   | 447   | 527   | 600   | 634   | 414     | 187   |
| Australia and Oceania | 16    | 23    | 27    | 31    | 36    | 39    | 23      | 12    |

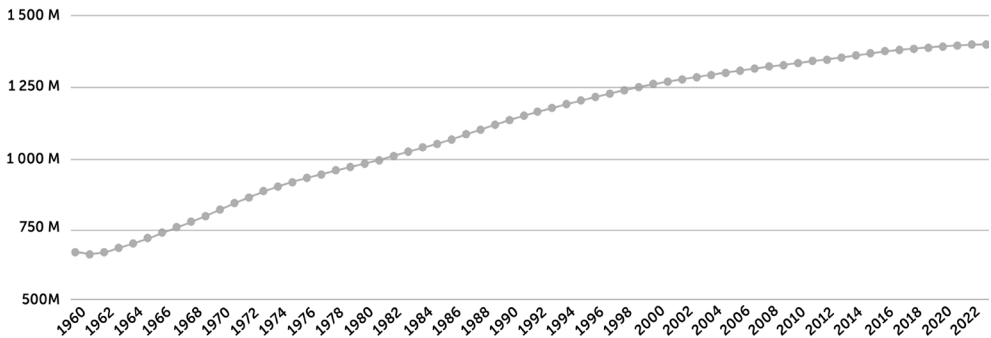
Source: PAN<sup>3</sup>

<sup>2</sup> Stanczak, J. et. al. (2016) "Potencjał ludnościowy Unii Europejskiej", [in]: *Ekonomiczna pozycja Unii Europejskiej*. Available [online]: [https://stat.gov.pl/files/gfx/portalinformacyjny/pl/defaultaktualnosci/5468/29/1/1/potencjal\\_ludnosciowy\\_ue.pdf](https://stat.gov.pl/files/gfx/portalinformacyjny/pl/defaultaktualnosci/5468/29/1/1/potencjal_ludnosciowy_ue.pdf) [in Polish]

<sup>3</sup> Ibid.



Figure 2: The Population of China between 1960 and 2023



Source: <https://www.populationof.net/pl/china/>

century, the Chinese population began to grow rapidly [See: Figure 2] to the extent that the authorities were concerned about economic development. To limit it, having more than one child was subject to penalties and fees, while the desire to have male offspring was dominant in Chinese culture<sup>4</sup>.

As a result, there have been cases of female infants being killed, often to no avail<sup>5</sup>. After 38 years of the law being in force, not only was the natural increase itself limited, but it also led to an excess of men as compared to women, hence limiting the number of births for the next few generations. As a consequence, Chinese society is aging at an unprecedented rate; it is estimated that by 2050 a third of the population will be older than 60, and the country's total population will fall by half over the 21<sup>st</sup> century.

The entirety of the phenomenon is excellent proof of how tragic the consequences for society can be when there's an attempt

to manage and rebuild it into one's ideology. Wherever central control of both the population and the economy is undertaken, it always ends in disaster<sup>6</sup>.

## INDIA IS OVERTAKING CHINA

While China, which is developing economically at an impressive pace, expects significant demographic changes, a different situation is observed in India – a country of unimaginable poverty and extremes. Based on official data on the population of both countries, in 2023 India will become the most populous country in the world – compared to 1960, it is a more than threefold increase, while the population of China has slightly more than doubled. In 1960, China's GDP per capita was USD 90, now it is over USD12,000. At the same time, in India, it increased from USD 82 to less than USD 2,200. Of course, this comparison is distorted by the government's control of the population in China, but it clearly shows that poverty is not an opponent of high fertility, nor is wealth its guarantor.

<sup>4</sup> Jihan, M. (2013) "China's Barbaric One-Child Policy", [in]: *The Guardian*. Available [online]: <https://www.theguardian.com/books/2013/may/06/chinas-barbaric-one-child-policy>

<sup>5</sup> Xinran (2012) *Message from an Unknown Chinese Mother: Stories of Loss and Love*, New York: Scribner.

<sup>6</sup> Jihan, M. (2013) "China's Barbaric One-Child Policy", [in]: *The Guardian*. Available [online]: <https://www.theguardian.com/books/2013/may/06/chinas-barbaric-one-child-policy>

## AFRICA

Although the population of Africa as a whole is not equal to India alone, its level of poverty, economic development, and extremes are comparable. The population of Africa has increased from about 0.3 billion people in 1960 to 1.2 billion today, which is very similar to the change in India. In most African countries, GDP per capita does not exceed several hundred US dollars, and the highest birth rate is observed in Central African countries, which are also the poorest on the continent. Stricken with poverty, famine, and war, Ethiopia, South Sudan, and Somalia have achieved a 5-6-fold increase in population over the past 60 years.

## EFFECTS OF DEMOGRAPHIC CHANGES ON THE ECONOMY

The major reason for concern in terms of the demographic changes appeared in the countries of Western European countries a decade ago, when the shortage of workers on the labor market began to be felt, with a simultaneous increase in the number of elderly citizens. As a result, more people were drawing funds from the system than paying into it.

In principle, regardless of the country in my view, the European model of social security is a socialist menace that haunts its societies from adulthood to death. Of course, there are countries where it works better and those where it works worse, but the idea is the same – the state deprives the citizens of freedom to order them how to live. In addition to all ideological discussions, this model is burdened with two major flaws – susceptibility to current policy decisions and demographic fluctuations in the market.

A century of unrestrained expansion of state social security structures led to a situation where, in the face of demographic changes, this system does not adapt to reality, but is rather adapting reality to its limitations. As a personal example, at age 31 in Poland, I pay

contributions or pension taxes, and I am aware that the current political decision-makers probably will not last until my retirement – for purely natural reasons. Meanwhile, their decisions are motivated not by concern for the shape of the system in 30-40 years, but rather by the upcoming election result.

These decisions are also a response to the needs of elderly citizens who expect the state to fulfill the promise given many years ago when they were still working and providing for pensioners at that time. At the level of transparent justice, these expectations are hardly surprising, and, at the same time, no one can break the vicious circle of turning the system on its head.

Given the obvious change in the demographic environment, counteracting unfavorable demographic changes was adopted as a dogma of social policy. Successive governments in individual countries are racing for ideas to encourage citizens to have as many children as possible. In all this madness of socialist populism, no one is asking the fundamental question: What is the role of the state in all of this? By what right does the government – the property and not the owner of its citizens – mean to model the way of life of people and the shape of society in any way at all?

As taxpayers, we pay salaries to civil servants and politicians – we do not pay them to tell us how to live, only to adapt the surrounding reality to demands of the population, which, in turn, are not easily and clearly defined and politics influence the desires of citizens. Meanwhile, in light of Europe's shrinking and aging population, instead of adapting to these phenomena, most European governments are still wasting time and a lot of money<sup>7</sup>.

<sup>7</sup> [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Government\\_expenditure\\_on\\_social\\_protection#:~:text=In%20the%20EU%20in%202020,relates%20mainly%20to%20pension%20payments](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Government_expenditure_on_social_protection#:~:text=In%20the%20EU%20in%202020,relates%20mainly%20to%20pension%20payments)



## WHEREVER CENTRAL CON- TROL OF BOTH THE POPULATION AND THE ECONO- MY IS UNDERTAK- EN, IT ALWAYS ENDS IN DISASTER

### THE ATTITUDE OF GOVERNMENTS TO DEMOGRAPHIC CHANGE

In theory, the role of the government should be to adapt the public sphere of life to the changing world. In practice, we often observe falsification of reality or attempts to adapt the world to the existing political need. The Polish governing party Law and Justice has a cash distributing system in place for the disadvantaged members of society, but increases taxes for the general public. Hence, the easiest way to referee would be to quote Winston Churchill's famous statement, "*Socialism is the philosophy of failure.*" Unfortunately, what sounds funny in an interview is not as funny in reality, especially when the silence of serious people creates room for populists.

It is easy to have simple solutions and quick answers. It is nice to hear that every problem can be solved, especially in Europe, which has been consumed by the menace of socialism for decades. The state will solve every problem, it will take care of everyone – all solutions must be nice, pleasant, and good. To the eyes and ears.

Most people prefer candy to bitter medicine, and there is no serious voice of reason across political divisions. When the decision was made in Poland to raise the retirement age by only two years back in 2014, the largest opposition party promised to return to the old level. This National Socialist party then won the elections with its populism and has been destroying Poland for seven years. Although we live longer and longer, people are still stuck at the retirement age invented almost 100 years ago. What is worse, this age is shorter for women who live longer on average<sup>8</sup>. Consequences? Lower and lower pensions, higher contributions, and the inevitable problem with financing the system in all of Europe.

Unfortunately, the populism described above is used by both the left and the right. While the ideology is different, the result in both cases is a waste of money, essentially paying your constituents for their votes. An element of right-wing populism is the cult of the family as the basic social unit – the family must be protected, and the family must be helped; man exists only to start a family, and to have children, there is no room for a different model. The reality is that, regardless of the opinions expressed and pious wishes, the aforementioned model seems to become civilizationally obsolete.

Having a family long ago became one of, not the main aspects of life. Marriages are being contracted at an increasingly later age, and still, almost half of them end in divorce<sup>9</sup>. Unmarried couples with children are a normal part of the social landscape, as is remarriage after divorce or single parenting. The fact is that the current lifestyle of Europeans is dif-

<sup>8</sup> <https://www.statista.com/statistics/263736/life-expectancy-of-women-in-the-united-states/#:~:text=The%20life%20expectancy%20of%20women,remained%20at%20around%2080.2%20years>

<sup>9</sup> <https://www.wf-lawyers.com/divorce-statistics-and-facts/>

ferent from that of 50 or 100 years ago, and what used to concern a small percentage of citizens today is an inseparable part of it. In this context, it is difficult to find other than conservative ideology.

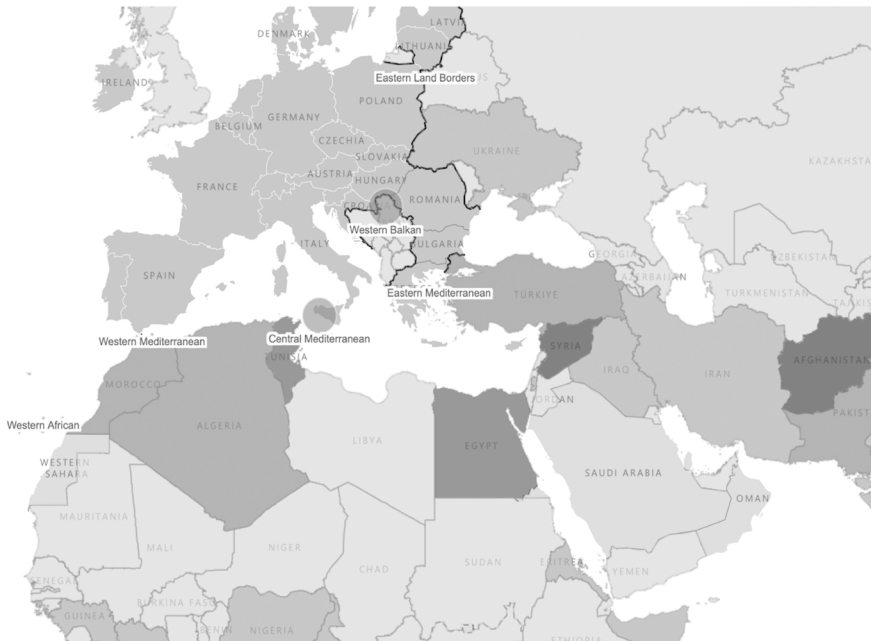
The populism of politicians has many faces, but, in my view, they have two common denominators. The first is to explain all actions with its ideology – the left distributes prosperity to everyone, fights inequalities, and spreads the right to a dignified life. How can you not support such noble causes? The right wing defends us against the invasion of evil lurking in our culture, fights against sexual and religious degeneration, and cherishes racial purity. The second denominator is a complete lack of common sense and a sober assessment of reality.

## IMMIGRATION

Most European countries offer their inhabitants extensive social security systems. This should be understood not only as social programs in the strict sense, but also as free educational and medical benefits, state pensions, or legal systems that make it difficult to dismiss an employee or evict an illegal tenant from an apartment. In essence, this system boils down to the idea that hard-working citizens are to support themselves and those who do not want to or are unable to work.

For obvious reasons, this system requires an appropriate ratio of the working to the non-working. When the proportion becomes unfavorable for the system, the first potentially attractive reaction for the economy is to invite immigrants to the country. By choosing

Figure 3: Migratory directions



Source: <https://frontex.europa.eu/we-know/migratory-map/>



## SUCCESSIVE GOVERNMENTS IN INDIVIDUAL COUNTRIES ARE RACING FOR IDEAS TO ENCOURAGE CITIZENS TO HAVE AS MANY CHILDREN AS POSSIBLE

professions with a market shortage, one can balance the market quickly and cheaply. In theory, this is an easy and safe solution. However, in practice, it can be different.

Most European countries are more or less national, relatively ethnically homogeneous, with a specific identity for their societies. The introduction of a large number of different people into such a community will cause social turmoil to a degree proportional to the number and degree of the cultural diversity of the immigrants<sup>10</sup> [See: Figure 3]. This seems obvious, but in most European countries, no serious attempt to reform the system has been made – in France, Belgium, or the United Kingdom, the market has been opened to former colonies. People brought up in Arab and Hindu cultures were brought in on a massive scale.

Cultural differences and integration difficulties appeared immediately – immigrants were isolated from the social mainstream, and they could only perform the lowest-paid jobs. On the one hand, they were hindered by social integration, on the other hand, it is difficult to say whether they were interested in this integration themselves or not. In districts called immigrant ghettos, crime flourishes to this day at a level incomparable to the rest of the country, on the occasion of sports events there are serious riots or acts of terrorism carried out by people most often born and raised in Europe.

Apart from the social impact, the economic benefit is also debatable. From today's perspective, it can be seen that the countries with the highest level of social protection are the most attractive in the eyes of African immigrants. As a result, instead of working and creating the product of the economy, immigrants are an additional burden on the system. At the same time, within the framework of political correctness, there are no broader debates on limiting social support or deporting problematic immigrants in the systemic sense. At the same time, the problems created by culturally different immigration are breeding grounds for extreme nationalist movements.

This is not to say that we should be opponents of immigration – it is a very profitable means of filling the gap in the labor market. Nevertheless, it is difficult to agree to uncontrolled immigration and immigration other than that which is worthwhile for the host country. Yes, it is selfishness, but romanticism cannot influence the decisions made. The heart never has the right to win over the mind, and this mind commands to act selfishly. One cannot accept the lowering of our standard of living, the violation of public safety, or ordinary social turmoil resulting from the large cultural differences between immigrants and the host country. Of course, there are exceptions,

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<sup>10</sup> Kunz, P.R. et al. (1968) "Immigrants and Socialisation: A New Look", [in]: *The Sociological Review*, Vol. 16(3). Available [online]: <https://journals.sagepub.com/doi/abs/10.1111/j.1467-954X.1968.tb01303.x?journalCode=sora>

such as refugees, but this term is misused in the context of Arab immigration.

Firstly, there are very few refugees fleeing persecution in this mass of people, and secondly, most of them stop being refugees in the safe countries through which they travel to Europe. Fleeing from regions distant from Europe, they pass through countries which are close to their culture and safe, where they could settle – they choose Europe for purely economic reasons. Let us remember that the salaries of European politicians and officials are paid by European taxpayers. In their decisions, they cannot be guided by anyone's interest other than the taxpayers who finance the contents of the pots for them.

It is not my intention to reproduce unacceptable racist slogans in this article. However, political correctness cannot replace reason and a sober judgment of the situation and should not distort reality. The effects of multiculturalism leftist demagoguery about 'love for everyone' and the reconstruction of national societies into multicultural ones can be seen today in the countries of southern Europe – most affected by immigration from Arab countries<sup>11</sup>. Social tensions, racism, discrimination, or a dramatic increase in crime. Reality can be easily distorted – one can see the effects of this distortion – in France, nationalist Marine Le Pen receives over 40% of the votes in the presidential election, and the new Prime Minister of Italy is her Italian colleague Giorgia Meloni.

Among left-wing activists or politicians like Angela Merkel or Nicolas Sarkozy, there is of course no civil courage to apologize to Europeans for letting in millions of illegal immigrants from Africa. None of the border guards will even think about giving up their salaries



## AN ELEMENT OF RIGHT-WING POPULISM IS THE CULT OF THE FAMILY AS THE BASIC SOCIAL UNIT

for the time when, instead of defending the borders, illegal immigrants were smuggled to Europe on board the ships of these services, fishing out the pontoons when they barely left the shores of Africa<sup>12</sup>.

The history of Europe and the effects of racial tensions should teach us how to prevent phenomena that, at a certain stage, can no longer be controlled. From today's perspective, this comparison seems downright ridiculous, but every European knows the word 'Holocaust'. The enormity of this crime obliges us to preserve it in the memory of future generations – the memory of both the victims and its causes – so that a similar crime will never happen again. Preventing a similar tragedy in the future requires not only a reminder of its scale and cruelty, but also an emotionless sociological analysis of the social movements that led to it. In direct terms, it is of course the Nazis who incited German society by blaming the Jews for all the problems of the world at that time.

<sup>11</sup> [https://ec.europa.eu/migrant-integration/library-document/muslims-germany\\_en#:~:text=Roughly%20four%20million%20Muslims%20live,second%20most%20followers%20in%20Germany](https://ec.europa.eu/migrant-integration/library-document/muslims-germany_en#:~:text=Roughly%20four%20million%20Muslims%20live,second%20most%20followers%20in%20Germany)

<sup>12</sup> <https://www.nbcnews.com/news/world/african-migrants-rudder-ship-rescued-spanish-coastguard-11-day-voyage-rcna59196>

But did Anti-Semitism start at the beginning of the 20<sup>th</sup> century? No, its history spans several hundred years everywhere in Europe. The Holocaust was the bloody culmination of centuries of conflict between the ethnically dominant population and the Jewish minority. Throughout Europe, it was preceded, with greater or lesser intensity, by centuries of Anti-Semitism and pogroms against the Jewish population. Depending on the period and region, the persecution of Jews gained the approval of a large part of European societies.

By imposing the German death machine on the map of Europe, we will see concentration of extermination camps in Poland. This organization is purely logistical, and its causes go back several hundred years. It was in Poland at that time where the largest number of Jews in Europe lived – from the Middle Ages they settled on the Vistula River, aware that it was the only country that guaranteed them freedom and tolerance.

Where does the memory of the Holocaust come from in the commentary on immigration? The Nazis did not start with the Holocaust, they ended by it. It began almost two decades earlier with Anti-Semitic rhetoric, setting some citizens on others, hooligan attacks, restrictions on civil rights, stigmatization, labeling, resettlement. The Holocaust came when the appropriate social attitudes towards it were developed. The shameful truth is that in most cases it took place with, at the very least, the tacit approval of European societies.

The described events began only 100 years ago – today we can see the renaissance of National Socialism on the streets of Europe more and more often. Contempt for immigration, nationalist marches, racism, and phobias of anything different. All evil is to blame for aliens, implicitly immigrants with a different skin color. Horrible? Yes, but these regrettable slogans have always been present in every society, to a marginal extent. The fact that today

they come out of the margins, gaining support not from a percentage, but from a dozen or more percent of the society, should make us think not only about how to fight them, but what happened that more and more people are beginning to agree with them.

Preventing such phenomena is not only the fight against scandalous demands, but also a reasonable immigration policy that will not create a favorable ground for such xenophobic demands. Unfortunately, the current migration policy of European governments towards Africa and the Middle East looks as if someone wanted to set Europe on fire on purpose.

### **THE BIGGEST WASTE OF MONEY IN WORLD HISTORY**

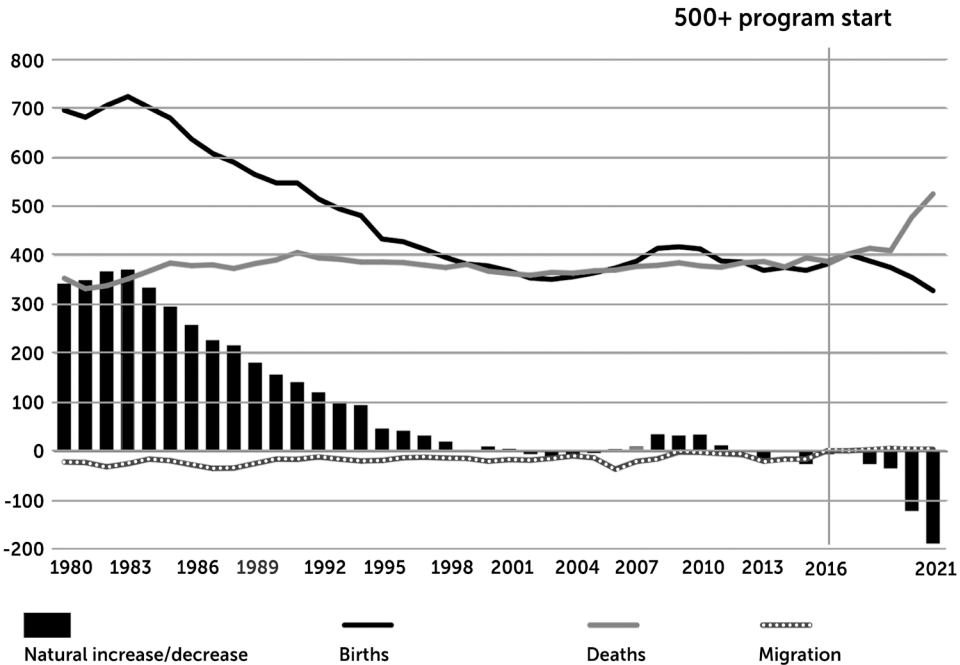
Apart from (and sometimes slightly in opposition to) immigration, a part of the political scene put forward a thesis about the economic cause of the low fertility rate of citizens. Solution? Let us pay for a child – that is what various programs seemingly pro-procreation come down to. In all EU countries, there are lower or higher cash benefits for parents with children<sup>13</sup>. From one-off birth grants to tax credits, to monthly allowances.

Of course, it would be naive to say that the real purpose of all these programs is to translate into procreation. One does not need to do any research to know that no one will decide to have a child because of the possibility of receiving a few hundred euros at its birth from the government. Similarly, no one will be motivated by such a relatively low regular benefit. Even by slightly increasing the amount, the opponents of the excessive childcare benefits are only able to persuade people from the margins of society, for whom this benefit will often be the only source of income.

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<sup>13</sup> [https://europa.eu/youreurope/citizens/work/unemployment-and-benefits/family-benefits/index\\_en.htm](https://europa.eu/youreurope/citizens/work/unemployment-and-benefits/family-benefits/index_en.htm)

Figure 4: Poland's natural population change



Source: Statistics Poland (GUS)

A separate question is whether we want such people to raise the next generation of citizens of our countries. Meanwhile, only in Poland, about 8% of the annual state budget is allocated to the 500+ program. Poland's expenditure for 2022 is PLN 41 billion for the 500+ program, while the state allocated PLN 28 billion for science and higher education, PLN 15 billion for road construction, and PLN 134 billion for health care. What effects on the development of the state would be the redirection of the 41 billion from the spirits industry and the import of Chinese junk for the development of science, infrastructure, or health care?

We can only guess. And this is only Poland – where in the world would Europe be without this wasting of money? There is no doubt, however, that the impact of this program on the fertility rate of Poles is negligible – if there was any, it was only in the first year of its operation and it resulted in the acceleration of births, not their growth. Those who would have decided to have a child did it earlier, after a while everything returned to normal<sup>15</sup>.

So that the carrot does not lack a stick, the right joins the left and also shares its financial ideas. The right-wing respects money, and

<sup>14</sup> Statistics Poland (GUS) (2022) *Demographic Situation in Poland up to 2021*. Available [online]: [https://stat.gov.pl/files/gfx/portalinformacyjny/pl/defaultaktualnosci/5468/40/2/1/sytuacja\\_demograficzna\\_polski\\_do\\_2021\\_r\\_w\\_formacie\\_pdf.pdf](https://stat.gov.pl/files/gfx/portalinformacyjny/pl/defaultaktualnosci/5468/40/2/1/sytuacja_demograficzna_polski_do_2021_r_w_formacie_pdf.pdf)

<sup>15</sup> Tyrata, M. (2020) „Wpływ populizmu na funkcjonowanie demokracji w Polsce na przykładzie partii PiS w latach 2015–2018”, [in:] *Polski system ochrony praw człowieka w dobie kryzysu demokracji liberalnej*, (eds.) J. Jaskiernia and K. Spryszak, Toruń: Wydawnictwo Adam Marszałek. [in Polish]





## MOST EUROPEAN COUNTRIES OFFER THEIR INHABITANTS EXTENSIVE SOCIAL SECURITY SYSTEMS

usually respects the most sacred of human rights, which is the right to property. Unfortunately, they forget that the right to freedom is nothing more than a specific form of property right. The right likes values, after all, a citizen must know how to live. A man to have a wife and a woman a husband. And if they do, they must have a child. They won't? Then let them pay a tax! Taxes for childless bachelors have not disappeared from Europe – true, they do not exist directly. But what is the difference between the tax for not having children and the tax credit for having so? The result is the same – you do not have a child? Pay!

Ensuring the availability of crèches or even evening care, especially on weekends, is something the state could do which I believe would eliminate most of the economic brakes on pregnancy planning. Meanwhile, the actions taken took on a quasi-religious dimension to a thesis that is not disputed. The thesis is put forward by political decision-makers aged 40-60, for whom planning a child is a memory of youth, and for whom this problem no longer applies. A thesis that is completely detached from the needs of young people and the implementation of which has no chance of success nowadays.

The omission of the aspect of the comfort of life and the understanding of the use of life other than in previous generations

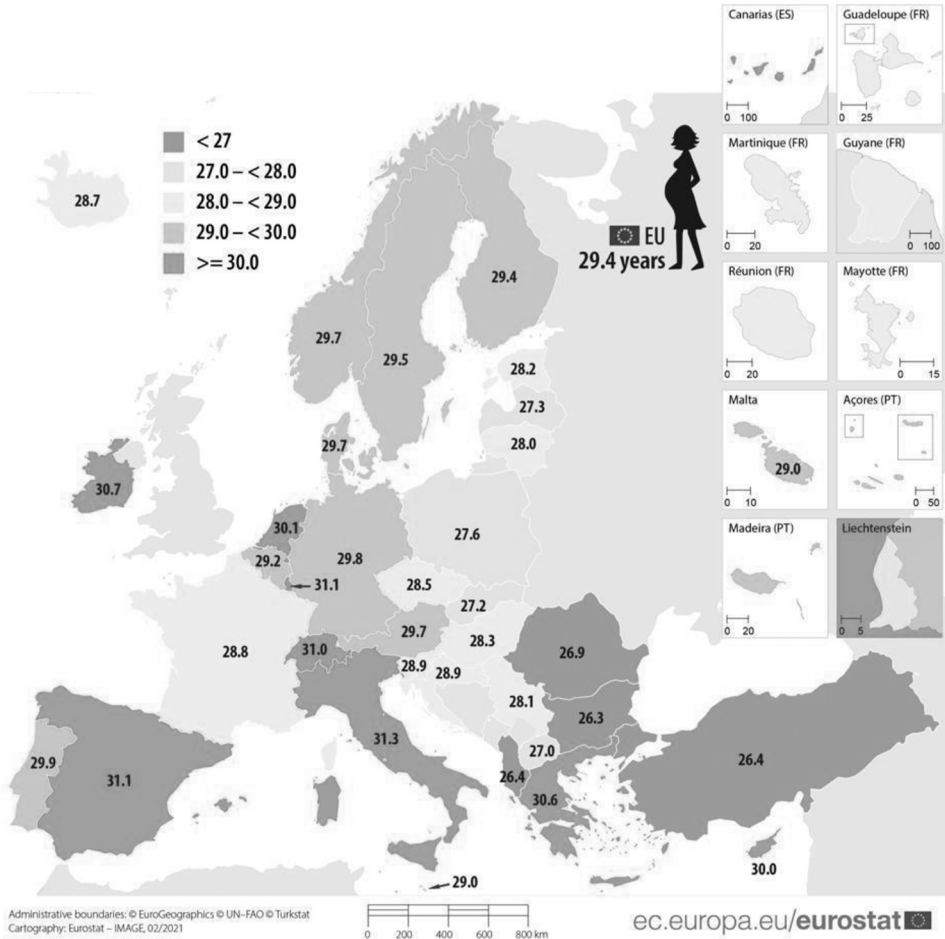
is reflected in other social policies implemented by governments at various levels. The state as a system, from the guardian of the common sphere of life, consistently becomes an attacker attacking subsequent spheres of citizens' lives. Under the laudable pretext of concern for ecology, further restrictions on transport are introduced. In the city, people will ban cars, and to ensure you are not driving long distances, electronic cars will be introduced that will not go further than the suburbs. Air travel is undesirable too, which leaves only trains, which are always late. Transport in Europe goes back to the early 20<sup>th</sup> century.

It is important to note that leftist extremists who are fighting motorists are also consequentially fighting parents of small children, who depend on car travel. Traveling even short distances with a small child, needing to pack everything from a stroller to a change of clothes, is hard enough as it is, let alone going away for several days using public transport, having to transfer, change platforms, wait for delayed trains all while looking out for the needs of the child(ren). It is paradoxical that leftists who claim to want to aid parents and want the state to make life easier for all, also condemn the very thing (automobiles) that made life with children so much easier.

The same paradox is present in the right wing thinking as well. Claiming that the most important thing is family and ensuring a healthy labor market while banning abortion, therefore forcing many young women not to pursue a career, while kicking out immigrants who could substitute, and even taxing the childless, on the basis of a Christian-conservative ideology.

Sometimes it is hard not to get the impression that Lenin and Kim Il Sung are laughing from beyond the grave. Not only is Europe implementing their ideas, but also to the joy of the crowd, which, like a frog, enjoys being

Figure 5: Mean age of women at birth of first child (2019)



Source: Eurostat

unaware of its cooking. The beautiful idea of a united Europe, one of the greatest civilizational achievements of our continent, is being destroyed by bureaucrats interested only in extending their power and depriving people of their humanity.

Instead of a global pattern of unification and freedom, we get a monstrosity regulating the curvature of a banana, types of light bulbs, smartphone plugs, or how to smoke sausage. We receive totalitarian dictates of how to

move, systems of alleged safety in cars, and finally, we are taxed for what we have produced – to keep millions of freeloaders on benefits and clerical jobs.

### CULTURAL SHIFTS

Is there any basis for the thesis about the economic reasons for the low fertility rate of young Europeans<sup>16</sup>? On a personal note, the

<sup>16</sup> <https://4liberty.eu/polish-governments-demographic-strategy-2040-will-not-help-with-demographic-crisis/>



## ESCAPING THE PAINFUL TRUTH INTO POPULISM WILL DO NO GOOD

author of this article lives in a big Polish city, is 31 years old, has a university degree, and more than a good economic situation – he has everything that socialists believe should bring him a bunch of children. Meanwhile, there is none.

What is more, his attitude is that he wants to have children, but someday, in a few years, certainly not today. My attitude to the subject would not matter if it was not for the fact that I am a typical representative of my generation's mentality – instead of diapering a child, I prefer to enjoy life and youth. I would rather go on a vacation than a nursery interview. This is our right and we use it.

Meanwhile, successive governments in Europe, instead of ensuring the development of our future, prefer to waste the money we have earned on further support programs for those who do not want or who, at best, do not need this support. Of course, it is not that economic factors have no influence.

We live at a certain level of development, we have completely different expectations towards life than the inhabitants of Central African countries, and we also have different obligations. The lack of life stability may discourage you from having children when you must think about providing your child with a roof over their head or babysitting for the time of work. Not everyone has the comfort of entrusting their children to their grand-

parents or another family – either due to the distance from home or the time availability of these people – who are still active in life and professionally.

Current social trends go against biology. While the best female reproductive age is 18-25, the average age at which women in Europe get pregnant for the first time is increasingly delayed, reaching 30 years [See: Figure 5]. Observing this on the map of Europe coincides with the general demographic trends, which are somewhat delayed in the countries of the Eastern European Union.

The fact is that lifestyle and expectations are changing. For example, traveling in the 21<sup>st</sup> century is not only easy, but also an obvious part of young people's lives. Comparing the expectations of successive generations among generations X and Y, one can see a noticeably different approach to family relations than in previous generations – there is no social pressure or other expectations to start a family in their twenties. Representatives of these generations also show a higher tendency to migrate, they do not become attached to one place. People are also living longer, and the relative age of youth, maturity, and motherhood is shifting in time. Today's 50-year-old is not the same 50-year-old one's grandfather was.

Lifestyle changes affect not only young people themselves, but also older generations and intergenerational cooperation. Today's grandparents are working people, they do not participate in raising children to the extent that took place 1-2 generations earlier. In a dynamic life focused on fulfilling dreams, there might not be room for a child.

One can deny this phenomenon or try to prevent its effects. Actions taken in Europe are aimed at reversing the trend and, *de facto*, changing the lifestyle of young people. In the current study, we determine the trend of

population development, but it is difficult to take for granted a purely mathematical calculation based on regression lines. Why? Apart from extreme phenomena, trends, fashions, and lifestyles change. Population trend studies performed 60 years ago produced different results than current studies. Thus, it is difficult to assume that the tendency and lifestyle of people in 50 years, also in the context of having children, will be the same as today. In a dynamic life focused on fulfilling dreams, there is simply no room for a child.

Regardless of the naivety behind the claim that a small monthly cash benefit will encourage a large number of people to give up their dreams, ethical and ideological questions arise.

**1. The first concerns the role of the state and the permissibility of the government to influence people's way of life.**

I would ask a fundamental question here – like a clerk – someone living only because I pay taxes – in general, how dare someone like that tell me how I should live. The role of the government is to adapt the public sphere to the existing reality, and any attempt to create this reality should be treated as a serious crime.

**2. The second question concerns the ethics of spending billions on programs with no guarantee of success.**

If nothing changes, there is no doubt that the population will get older and smaller. As a result, the current social system is unsustainable – fewer and fewer people will be of working age. At the same time, we live longer and longer, medicine allows us to enjoy health and strength for longer. Either the trend or the system we live in must change. Money spent on trying to reverse the trend would allow for the necessary changes in the system – raising the retirement age, and gradual reconstruction of the infrastructure.

Hence, among the decision-makers and leaders of public opinion, an almost identical narrative about the need to counteract the inevitable changes in the population is dominant. It is very nice to say, but why are we lying to ourselves? Why is the drive to protect the social base of state systems so strong as to displace reason? The old saying about socialism is that it ends when the money runs out. Money will inevitably run out as demographics change.

With the end of money, we will find ourselves in a different society – different in age, but also in needs. An older society means different needs, different infrastructure, and different services. Such prosaic things as fewer playgrounds and more benches also mean fewer schools and more hospitals, fewer employees, and more benefits and pensions. There are also other diseases, different drug production, or other transport needs. When building large cities, one should bear in mind that today young people with children have to get to school from a young housing estate – in a few dozen years the same people will have to be transported to the hospital. People who can use public transport and run around the floors of subway stations today will need a lift to the entrance of the building tomorrow.

However, these aspects are not just hard infrastructure. A hospital or a school is not only a building that can be built in a few years – it is also staff that needs to be provided and for whom work needs to be provided. Educating thousands of teachers today with the prospect of their functioning in the labor market for the next 30 years is, firstly, a waste of money, and secondly, cheating these people. We educate them today, knowing that many of them will not get a job in the profession – they will simply not be needed.

At the same time, when the demand for education decreases, the demand for medical services will increase – we must work today to increase the number of nurses and doctors. These are decisions for decades, which will not be made up for in a few years by building a building.

### KEEP THE WOLF (POPULISTS) AWAY FROM THE DOOR

Escaping the painful truth into populism will do no good. One can naively believe that a miracle will happen and suddenly more children will appear. We can bring millions of immigrants to Europe. Apart from all other aspects, this solution is short-term – we have no guarantee that the problem of low fertility will not affect immigrants in 1-2 generations, when they will already be native citizens of the countries that welcomed their parents or grandparents. At best, we are postponing the problem without getting any closer to solving it.

The actions undertaken today in Central-Eastern Europe are not new solutions. In the same (or a very similar) form, they have been functioning for years in Western countries. Their disadvantages, advantages and, above all, effects have been examined – we know that they do not work, or at least do not bring effects in the form of reversing demographic trends<sup>17</sup>. So why do we reinvent the wheel instead of learning from the mistakes of others?

The only solution that resolves anything is to openly debate the coming future and prepare for it. Prevention is always cheaper than cure, and to prevent social events 20-30 years from now, we need to start preparing today. Already today we need to forecast the nec-

essary quantities of relevant professions and openly communicate what we expect to potential students. Already today we must talk honestly about pensions – it is impossible to work shorter hours, draw longer pensions, and have a high one. The politician who promises this is simply lying.

It is impossible to shorten working time believing that it will be made up for by efficiency or automation. The mythical automation of everything may one day come, maybe someday people will not have to work, robots will do everything for us. However, so far, there is no indication that this will happen in our lifetime. In addition, each industrial revolution in the past eliminated some jobs, but at the same time created other, better ones. Why should it be any different now?

It is also impossible to function on credit indefinitely, maintaining that the money will be found somewhere. The lack of fair debate and the populist promises of both socialists and the right wing are leading to an inevitable catastrophe, the greatest consequences of which will be suffered by the coming generations rather, all generations following, with each one having it worse off than the last if the trend continues.

<sup>17</sup> Tyrata, M. (2020) „Wpływ populizmu na funkcjonowanie demokracji w Polsce na przykładzie partii PiS w latach 2015–2018”, [in]: *Polski system ochrony praw człowieka w dobie kryzysu demokracji liberalnej*, (eds.) J. Jaskiernia and K. Spryszak, Toruń: Wydawnictwo Adam Marszałek. [in Polish]



\*

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# Fewer Babies in Bulgaria: Several Possible Explanations



\*

ADRIAN  
NIKOLOV

**D**uring the 20<sup>th</sup> and early 21<sup>st</sup> century, Bulgaria's population exploded rapidly, only to quickly decline at an equally rapid pace. The best illustration of this phenomenon is the fact that the country's peak of growth happened in the times of the Peoples' Republic, when the Bulgarian population more than doubled in the census period between the 1900 and 1985 (a growth from 3.75 to 8.95 million people)<sup>1</sup>. However, it was soon followed by a rapid decline after the fall of the Iron curtain, when the population dropped to 6.52 million according to the last count, conducted at the end of 2021<sup>2</sup>.

If the last two decades can be any indication, the rate of the decline is accelerating – the loss of population was 564,000 people between 2002 and 2011, and 845,000 between 2012 and 2021. While it is at best unwise to assume that projections inevitably become reality, the Eurostat projects<sup>3</sup> that Bulgaria's population will drop further to 5.6 million people in 2050 and 4.7 in 2100, essentially returning to the numbers from the interwar period of the 20<sup>th</sup> century<sup>4</sup>.

This trend might not be worrying in itself, but it is accompanied by changes in age structure, towards a rapid increase in the number of old-age pensioners compared to the working-age population and children. In the past ten years, the decline in the working-age population (aged 15-64) has been even greater than the overall

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decline, by an almost 950,000 people<sup>5</sup>. The Bulgarian population pyramid has essentially flipped since the beginning of the transition in the 1990s – back then the share of children (aged 15 and below) was 21% and the share of pensioners (65 and up) was 14%. Recently, in 2021, the children formed 14% of the population, whereas pensioners – a staggering 24%<sup>6</sup>.

These developments inevitably lead to economic consequences. A lower number of workers mandates increases in labor productivity and high capital investments serve both as an effective brake on the development of certain labor-intensive

<sup>1</sup> See: <https://guides.loc.gov/bulgarian-statistics/censuses>

<sup>2</sup> [https://www.nsi.bg/sites/default/files/files/pressreleases/Census2021\\_population\\_en.pdf](https://www.nsi.bg/sites/default/files/files/pressreleases/Census2021_population_en.pdf)

<sup>3</sup> See: <https://ec.europa.eu/eurostat/statistics-explained/index.php?oldid=497115>

<sup>4</sup> One might argue that after the larger-than-expected decline between the last two censuses will push those projections even further down.

<sup>5</sup> [https://www.nsi.bg/sites/default/files/files/pressreleases/Census2021\\_population\\_en.pdf](https://www.nsi.bg/sites/default/files/files/pressreleases/Census2021_population_en.pdf)

<sup>6</sup> Ibid.



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sectors and a strong disincentive to investment in the most rapidly depopulating regions. The higher number of retirees puts further strain on an already exhausted pensions system, which systematically struggles to maintain a basic standard of living for its recipients and imposes increases in social security payments just to maintain the *status quo*. At the same time, the declining number of children may only exacerbate these issues in the future.

It is all-too easy to look for a single driving force behind the declining and aging population, and the *ad nauseam* repeated formula has been the emigration of many of the young and capable in (at least) two waves – the first, after the fall of the Iron

curtain and the removal of the most brutal restraints to free movement, and, the second, after Bulgaria's accession to the European Union (EU), when the lucrative labor markets of Western Europe became easily accessible. While this migration has certainly played a significant role in this process (which shall be examined in a greater detail later), the usual univariate analysis provides nothing but a flawed and incomplete explanation.

While emigration was going on, internal demographic factors were also worsening rather quickly – birth and fertility rates falling, mean number of children per family declining, which signifies that there are drivers of the decline to be found within the country itself. For this reason, let us focus not on the external factors that drive Bulgaria's population decline, but rather on the internal ones – economic conditions, income, the basic social preconditions for having children, and, most importantly, policies focused on family, youth, and childcare.

### FEWER BABIES IN BULGARIA

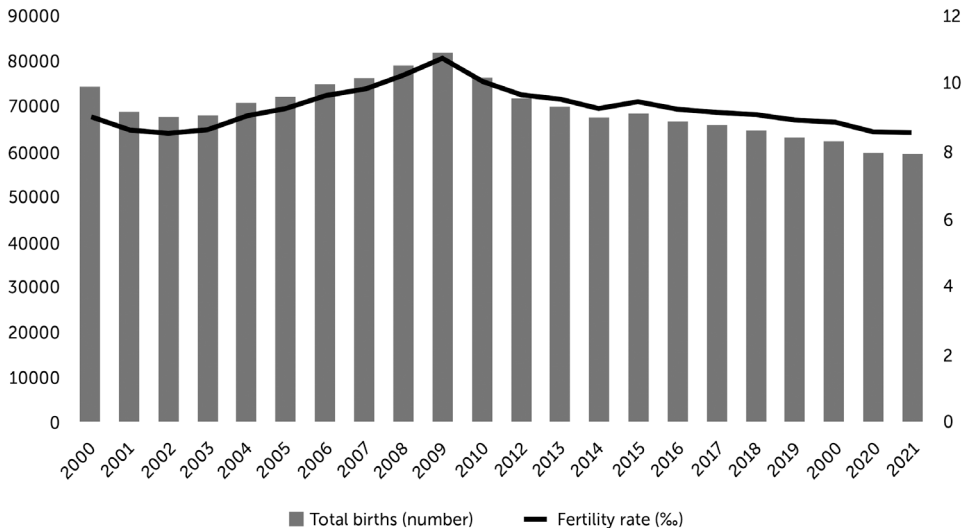
Due to focusing on family growth and family policy, the dynamics and particularities of natural growth and fertility in Bulgaria will first be examined. Since the start of the century, two trends concerning the total number of births can be observed. In the first decade until the start of the global economic crisis in 2009, there was steady growth, from 67 to almost 82 thousand births per year<sup>7</sup>. This was, however, followed by a continuous decline that lasts until today, to just slightly over 59 thousand births in 2021. In relative terms, this means that the fertility rates registered a drop from over 10‰ to 8.5‰<sup>8</sup> [See: Figure 1].

<sup>7</sup> <https://www.nsi.bg/en/content/2956/births-place-residence-statistical-regions-districts-and-sex>

<sup>8</sup> <https://www.nsi.bg/en/content/2967/birth-rates>



Figure 1: Total births and fertility rate in Bulgaria (2000-2021)



Source: NSI

Nationwide trends, however, hide very different dynamics on the regional level. The differences in birth rates between the 28 districts of Bulgaria are significant, as those vary from a meagre 5.8‰ in Gabrovo and Smolyan to 11.9‰ in Sliven and 10‰ in the capital as of 2021. Decreases in the birth rate are ubiquitous, but vary quite a lot between the districts, from -4 per mille points in Kardzhali and -3.1 points in Targovishte in 2021 compared to 2010 to less than 1 point in the better faring regions. In total numbers, there are 10 regions with less than 1,000 newborns in 2021, and only the capital city region has over 10,000. These visible disparities, in turn, mean that analyzing the issue on the subnational level is also necessary, as there may be different drivers.

This declining birth rate, combined with the excess mortality of the COVID-19 pandemic has resulted in a quick deterioration of natural growth rates. While on the national level the natural growth was -6.5‰ in 2019, it became more than twice as bad

in 2021, to a -13.2‰, and over -20‰ in some of the regions of the country. While data are not yet available for the post-peak pandemic 2022, it is rather safe to say that the combination of covid-19 and declining growth rates have led to a significant increase in the medium-term negative demographic developments.

## THE INCOME AND ECONOMIC DEVELOPMENT ARGUMENT

The most basic premise to be examined first is the economic argument – namely that high income and the associated standard of living is the primary determinant of fertility. The standing academic literature presents both arguments – that higher income creates more stability and better family environments, thus allowing a ‘budget’ for more children<sup>9</sup>, and that higher incomes allow families to be more

<sup>9</sup> See, among others, Freedman, D. S., and A. Thornton (1982) ‘Income and Fertility: The Elusive Relationship’, [in]: *Demography*, Vol. 19(1), pp. 65-78; Simon, J. L. (1969) ‘The Effect of Income on Fertility’, [in]: *Population Studies*, Vol. 23(3), pp. 327-341.

selective and better educated, thus leading to lower fertility<sup>10</sup>. While the negative relationship is more prominent in lower-income countries, one might hypothesize that in the case of Bulgaria (which falls in the middle-income country group), higher income should be associated with higher fertility.

While it is beyond the scope of the current analysis to test this relationship on individual-household data, this can be done both on the regional- and municipal levels. This approach omits the impact of the income structure within the units, but it is sufficient to estimate the direction (and, with the above considerations in mind, strength) of the relationship. In order to test this hypothesis, we examine the impact both of the overall economic development (as measured by added value per capita) and income (average employee salaries). While those indicators are far from ideal, their selection is a consequence of the availability of data on the municipal level. The explanatory variables are given in their decimal logarithms in order to eliminate possible nonlinearities and the impact of extreme outliers [See: Figure 2].

With this setup, it is essentially impossible to claim that there is a relationship of any sort between income, local economic conditions, or wages and birthrates. There is an extremely modest effect of higher wages, but in no way can it be claimed that this is the key driver of demographic processes. This is also visible in the dynamics on the national level, as the rapid decreases in birth rates in the late 2010's coincide with the most rapid economic development and

<sup>10</sup> See: Bollen, K. A., Glanville, J.L., and G. Stecklov (2007) "Socio-Economic Status, Permanent Income, and Fertility: A Latent-Variable Approach", [in:] *Population Studies*, Vol. 61(1), pp. 15-34;

Borg M. (1989) "The Income-Fertility Relationship: Effect of the Net Price of a Child", [in:] *Demography*, Vol. 26(2), pp. 301-310.



THE FERTILITY RATES REGISTERED A DROP FROM OVER 10% TO 8.5%

growth in wages and incomes in the post-communist period of the country. This can even be interpreted as an argument in favor of an inverse relationship. In any case, it is more than evident that looking for reasons beyond economic development and living standards is necessary – such in institutions, social conditions, and policy.

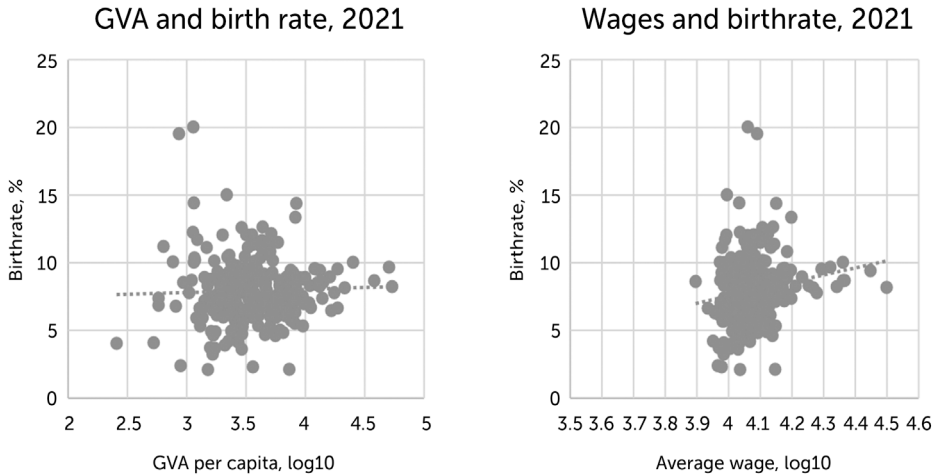
### MATERNITY AND FINANCIAL SUPPORT – IS MONEY ENOUGH?

A common argument in Bulgaria, especially among politicians<sup>11</sup>, is that providing extra material resources and paid leave to families is a significant factor in the decision to have children, and, therefore, more upfront spending and longer paid leave for parents will lead to increases in birthrate. This is assumed to be particularly true<sup>12</sup> among the poorer parts of the population and the lower middle class, for whom supporting a child forms a significant additional household expense and, as a result, monetary considerations are of significant importance in the decision-making process.

<sup>11</sup> An analysis of child policy proposals in the latest general election campaign is available here: [https://m.offnews.bg/news/Politika\\_8/Kade-sa-detcata-v-predizbornite-programi-na-polititcite\\_785986.html](https://m.offnews.bg/news/Politika_8/Kade-sa-detcata-v-predizbornite-programi-na-polititcite_785986.html) [in Bulgarian]

<sup>12</sup> Ibid.

Figure 2: Relationship between income, economic development, and birthrates at the municipal level in Bulgaria (2021)



Source: NSI<sup>11</sup>, author's calculation

This being said, Bulgaria already has an incredibly generous maternity scheme. Mothers are allowed a total of 410 days of maternity leave<sup>13</sup>, starting 45 days before the birth due date. After the first six months, during which the care of the mother is considered essential, either parent can assume care until the full period of the leave is finished, which makes the scheme quite flexible (although according to data from the National Insurance Institute<sup>14</sup>, fathers taking over is quite rare); the same is true for grandparents.

While on maternity leave, the parent is provided with 90% of the income they received from employment in the prior two years. Afterwards, the parent is allowed to take further leave until the child is two

<sup>13</sup> See a full description here: <https://ec.europa.eu/social/main.jsp?catId=1103&langId=en&intPageId=5037#:~:text=After%20completion%20of%20the%20410,the%20amount%20is%20BGN%20650>

<sup>14</sup> See here: <https://clinica.bg/7091-Poveche-bashti-s-otpusk-po-maichinstvo>

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THE RAPID DECREASES IN BIRTH RATES IN THE LATE 2010'S COINCIDE WITH THE MOST RAPID ECONOMIC DEVELOPMENT AND GROWTH IN WAGES AND INCOMES IN THE POST-COMMUNIST PERIOD OF THE COUNTRY

years of age, receiving the minimum wage (at present, EUR 390 a month). Parents are also entitled to another eleven months' unpaid leave between the age two and eight years of every child.

The Bulgarian maternity benefit is among the most extensive in the world – among the countries covered in the OECD database<sup>15</sup> on the subject, only Hungary and Finland have longer overall available leave time. Bulgaria has the longest available paid leave time, significantly longer compared to Greece and the United Kingdom<sup>16</sup>. The payment rate is also among the highest, apart from countries which provide benefits equal to the previous income of the parent<sup>17</sup>. This means that the poor demographic performance of the country is not countered by generous child-rearing support.

It is worth pointing out that maternity is only available for working parents, and there is insufficient support for those who desire to have children but do not participate in formal employment or self-employment. While maternity is explicitly aimed as a replacement for work income, a scheme that would be aimed at non-working parents would have very low coverage – employment rates in the groups that typically<sup>18</sup> have children (20 to 44 year olds) are very high, between 75 and 80% of the relevant cohorts. Moreover, in many cases mothers inactive in the labor market are supported by the income of other family members, usually the father.

One might argue (and rightfully so) that childcare does not end at the age of two, and, therefore, lackluster support from the government from that point onwards is what dissuades prospective parents. For that reason, it is worthwhile to simply enumerate other types of governmental financial support provided to children in Bulgaria in some form or another:

- one-off pregnancy benefit – BGN 150
- one-off benefit upon childbirth – BGN 250 for first child, BGN 600 for the second child, BGN 300 for the third child, and BGN 200 for each subsequent child,
- one-off benefit for raising twins – BGN 1200 for each twin,
- one-off benefit for the raising of a child by a mother (adoptive mother) who is a full-time university student – BGN 2880,
- one-off benefits for pupils enrolled in first grade – BGN 300,
- one-off benefits for students enrolled in eighth grade – BGN 300,
- one-off allowance for free railway and bus transport to mothers of multiple children – based on the cost of particular travel,
- one-off benefit upon adoption of a child – BGN 250,
- monthly support for child-rearing – income-based calculation<sup>19</sup>.

On top of these programs, parents are eligible for a discount on income taxes up to EUR 3,000 for up to three children each<sup>20</sup>. Again, this has an impact only on working families, but, as demonstrated, that covers

<sup>15</sup> [https://www.oecd.org/els/soc/PF2\\_1\\_Parental\\_leave\\_systems.pdf](https://www.oecd.org/els/soc/PF2_1_Parental_leave_systems.pdf)

<sup>16</sup> Ibid.

<sup>17</sup> Ibid.

<sup>18</sup> Data here <https://www.nsi.bg/en/content/4009/employed-and-employment-rates-national-level-statistical-regions-districts>

<sup>19</sup> European Commission (2022) *Bulgaria – Other Family Allowances and Benefits*. Available [online]: <https://ec.europa.eu/social/main.jsp?catId=11036&langId=en&intPagelId=5060>

<sup>20</sup> A thorough description of this scheme here: [https://nra.bg/wps/portal/nra/taxes/godishen-danak-varhudohdite/Danuchni\\_oblekhenia\\_zadeca-za-2022](https://nra.bg/wps/portal/nra/taxes/godishen-danak-varhudohdite/Danuchni_oblekhenia_zadeca-za-2022)



THE OVERALL PACKAGE MAKES FOR A SIZABLE SUPPORT SCHEME FOR PARENTS, COVERING BOTH THE PERIOD IN WHICH THEIR CHILDREN ARE DEPENDENT ON THEM AND KEY MOMENTS IN THE LIFE OF A CHILD WHEN EXTRA SPENDING IS INEVITABLE

a significant majority of potential parents. The overall package makes for a sizable support scheme for parents, covering both the period in which their children are dependent on them and key moments in the life of a child when extra spending is inevitable. Given all this spending, and especially the particularly generous maternity leave, it is difficult to argue that Bulgaria is doing little – at least public

budget-wise – to support parents, especially compared to other countries which fare significantly better in terms of fertility and birthrates.

An interesting alley for exploration is the fact that most of the support provided for parents is not means-tested and available to everyone, regardless of income and living conditions. The rationale behind this approach is non-discrimination among families. This, however, means that the government provides equal financial assistance to parents which *may* or *may not* need it in order to successfully take care of children. It can be argued that this approach leaves families that actually need assistance with insufficient aid, while *wasting* public resources on well-off parents.

The literature on means-tested versus universal social support tends to be quite divided on the subject of effectiveness and outcomes of the two approaches, but lately, evidence in favor of the former is gaining traction<sup>21</sup>. Therefore, a reform proposal of this part of the social security system may be a move towards introducing means-tested elements in order to provide more aid to the lower social strata.

#### **THE PROBLEM WITH SERVICES: KINDERGARTENS, SCHOOLS, HEALTHCARE, INFRASTRUCTURE, ENVIRONMENT**

Another way to explain the visible reluctance to have children in Bulgaria is a lack of faith in the social support system necessary to successfully build families. These environmental factors can take many forms – proper access to kindergartens

<sup>21</sup> See, among others, Nelson, K. (2004) "Mechanisms of Poverty Alleviation: Anti-Poverty Effects of Non-Means-Tested and Means-Tested Benefits in Five Welfare States", [in]: *Journal of European Social Policy*, Vol. 14(4), pp. 371-390.

and childcare, good quality and reliable healthcare, schooling, even clean and safe cities. Many of these factors are to an extent measurable, which allows for an attempt to estimate their impact.

The first social institution that parents necessarily have to interact with – a long time before the birth of a child – is healthcare. Quality, responsive, and timely care is a must when it comes to proper child-rearing. A recent analysis by the IME<sup>22</sup> outlines the primary issues with the Bulgarian healthcare system, and many of those can be relevant to prospective families.

First off, as a whole, the country does not invest a whole lot in health – the total amount of healthcare spending hovers slightly over 7% of GDP in most years, compared to about 10%, which is the EU average<sup>23</sup>. This in itself would not be a problem – less money can buy a good product with good optimization, but this seems not to be the case. A peculiarity of the Bulgarian system is that it has a very high out-of-pocket spending – almost 40% of all expenses for care and medicine are covered by patients. This adds significant – and unpredictable – financial costs to having children. As a result, finances are often stated as the most important reason for unmet medical needs.

It is also notable that the bulk of the spending is focused on in-hospital treatment, and little on preventative care, which means that the health system works to treat, and not prevent illness<sup>24</sup>. At the same time, the

<sup>22</sup> Available here: [https://ime.bg/var/images/Report-Patients-29\\_April-2022\\_final-1.pdf](https://ime.bg/var/images/Report-Patients-29_April-2022_final-1.pdf)

<sup>23</sup> For an alternative overview from the OECD, see here: [https://read.oecd-ilibrary.org/social-issues-migration-health/bulgaria-country-health-profile-2021\\_c1a721b0-en#page3](https://read.oecd-ilibrary.org/social-issues-migration-health/bulgaria-country-health-profile-2021_c1a721b0-en#page3)

<sup>24</sup> See: [https://ime.bg/var/images/Report-Patients-29\\_April-2022\\_final-1.pdf](https://ime.bg/var/images/Report-Patients-29_April-2022_final-1.pdf)



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system is ill-provided with medical personnel, especially nursing staff<sup>25</sup>. Overall, the effectiveness of the system is low – Bulgaria's citizens have the shortest life expectancy in the EU (at 75 years and a high rate of preventable mortality). Notably, the country also has high child mortality (over 0.5%).

The availability of childcare can also pose an issue – if parents are convinced that having children means having to put their careers on hold not for two years, but until the children reach school age, this may be much more of a deterrent. It is rather

<sup>25</sup> See: Шаламанов, А. (2022) “Недостиг от над 30 000 медицински сестри, 32% от работещите са над 65 години”, [in]: bntnews.bg. Available [online]: <https://bntnews.bg/news/nedostig-ot-nad-30-000-medicinski-sestri-32-ot-raboteshtite-sa-nad-65-godini-1192638news.html> [in Bulgarian]

difficult to paint a single picture of the country as a whole, however, as regional differences are very large.

On the surface, it seems that there is more supply than demand for childcare – in the country as a whole, there were 112 places in kindergartens per 100 children in the appropriate cohort<sup>26</sup> in 2022, compared to 106 per 100 children five years earlier. This is a consequence of the extremely uneven distribution of kindergartens – in the most extreme cases, the number of available spots exceeds the number of children of kindergarten age more than 2.5 times<sup>27</sup>. At the same time, there is undersupply in some of the best-developed areas in the country, including the capital. It must be noted that over the five-year period availability in Sofia has been improving, from 92 to 98 slots per 100 kids<sup>28</sup>.

Analysis on the sub-city level, however<sup>29</sup>, demonstrates that in large parts of the city, particularly in the southern districts, there are available spaces for only 40% of children – and this share drops below 20% in certain areas. This is a consequence of the increased attractiveness of the newly-developed parts of the city to younger people and couples, combined with poor provision of public services in them – including childcare<sup>30</sup>. Major issues are visible in other large cities, such as Plovdiv (83 spaces per 100 children, and declining) and Varna (89/100)<sup>31</sup>. In the absence of availability of public options, families are forced to turn

to private alternatives, which often cost as much as half the average salary – particularly, in the demand-saturated market in Sofia, which is out of the reach of a significant number of would-be parents.

When it comes to education – a system that every child and parent must interact with, in one form or another – the issue is not one of availability, but rather the quality and outcomes. Just like with healthcare, child education in Bulgaria is deemed underfunded compared to the EU averages<sup>32</sup>, but the real issues lay with its quality and outcomes. While the country's own matriculation exams and standardized testing is by design strictly not comparable over the years<sup>33</sup>, broad trends have shown regression in student achievement in recent years, with very large disparities in results in different geographical locations, particular in terms of 'failed' grades<sup>34</sup>. While high-quality instruction can be found in the leading schools in the largest economic sectors, quality quickly starts declining outside of these.

The same is evident in the PISA rankings of the country<sup>35</sup> – Bulgaria falls far behind the averages, but the distribution of results show very high educational inequalities, with elite students performing well, but the rest falling far behind their peers. Overall,

<sup>26</sup> Data here: <https://www.nsi.bg/en/content/3414/kindegartens-pre-primary-education>

<sup>27</sup> Ibid.

<sup>28</sup> Ibid.

<sup>29</sup> See here, in Bulgarian: <https://tinyurl.com/4wzn2ewz>

<sup>30</sup> Ibid.

<sup>31</sup> Data available here: <https://www.nsi.bg/en/content/3414/kindegartens-pre-primary-education>

<sup>32</sup> See here: <https://www.unicef.org/bulgaria/media/12616/file/BGR-Sit-An-Public-Finance-and-children-ENG.pdf>

<sup>33</sup> This is a design choice by the Bulgarian Ministry of Education – matriculation exams are tweaked for difficulty between the different years, particularly in the early years of their implementation. This in turn means that grades are not necessarily comparable between cohorts. Furthermore, in 2022, a new scale with increased barrier to passing the exam was introduced.

<sup>34</sup> See here: <https://ime.bg/bg/articles/nad-edna-etvyrtot-obshтините-v-stranata-imat-sreden-rezultat-slab-2-na-maturata-po-bylgarski-ezik/>

<sup>35</sup> Data here: <https://gpseducation.oecd.org/CountryProfile?primaryCountry=BGR&threshold=10&topic=PI>



PROVIDING GOOD OPPORTUNITIES MAY VERY WELL BE AMONG THE IMPORTANT FACTORS CONSIDERED IN MAKING THE DECISION TO HAVE KIDS

access and coverage are considered to be good, less so for minority groups. This, again, poses questions for would-be parents – should their children be brought up in a country where there is a chance that good education could be found, but only for the most talented, whereas the rest will receive poor, substandard schooling? Providing good opportunities may very well be among the important factors considered in making the decision to have kids.

### THE WAY FORWARD

The drivers of Bulgaria's demographic misfortune pose some very difficult questions. Since – at least to the author – it appears that the most convincing explanation lies in the broad institutional environment surrounding children, their health and education. This means that, in order to achieve a demographic turnaround, wholesale reform in essentially all services and institutions pertaining to children and families is necessary.

As can be seen clearly, it is neither good economic development and incomes that is sufficient, nor is it a matter of providing the most generous social support package and maternity leave. While neither of these appear to be actively harmful, should Bulgarian authorities decide that reversing demographic trends is an important priority, their true focus needs to be on improving the overall social environment – in other words, making the country more *liveable*.

It also must be noted that any measures taken in that direction would likely take years – if not decades – to resolve and have any meaningful impact, much beyond the scope of any present-day politician. This is just the nature of demographic processes: they take a long time to pick up a shift in a visible way. Nonetheless, having more Bulgarian babies, and keeping them from leaving the country, seems to be the most important medium- and long-term goal of social policy, as failure on this front may invalidate any other economic success.



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# Flawed Family Laws in Hungary



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VERONIKA  
KONTSEK

**F**amily. It is supposed to be a group of people where all individuals can find safety, acceptance, and limitless care whatever their temperament or special needs are. However, there are situations, in which all of these things which bind a group of people into a family become impossible, and nothing remains – only a nightmare. A nightmare, which cannot be seen by other people, it is just a deep, and shameful secret: domestic violence. There are countless spouses who live their everyday life in an alternate reality suffering from unspeakable pain under physical and psychological violence. On the other hand, there are those who do escape, but thereafter cannot survive the brave choice to live. At the moment, according to statistics, one woman is killed every week in Hungary because she tried to leave an abusive relationship.<sup>1</sup>

The Charter of Fundamental Rights of the European Union (EU)<sup>2</sup> declares the right to security, the equality of men and women, and the rights of the child. However, at the end of November 2022, the Hungarian government passed a new law, which proclaims that from then on, the state would only help the vulnerable as a last resort, when both the family and the local government have already failed.

In Hungary, the family is legislatively declared in the constitution<sup>3</sup> as a unit where the father is a man and the mother is a woman, and – according to the new

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social law<sup>4</sup> – the families should attempt to first solve the problem among themselves. But what if the issue is a dysfunctional family? Therefore, this is the official background where the survivors must fight for themselves, because the government has turned a blind eye to a lot of social needs.

These issues in society still remain invisible and, as such, they should be addressed. Because it does not matter that the government is blind to a problem, the society can make changes on its own if taboos are broken, and blind spots identified.

### WHAT IS DOMESTIC VIOLENCE?

Domestic abuse, also known as ‘intimate partner violence’, is a pervasive problem in many countries around the world, including Hungary. According to a report by the

<sup>1</sup> Borbola, L. (2020) *Legyen Nőnap! Legyen cíki a bántalmazás!*. Available [online]: <https://noivalto.hu/ezvan/legyen-nonap-legyen-ciki-a-bantalmazas/> [in Hungarian]

<sup>2</sup> Council of the European Union (2000) *Charter of Fundamental Rights of the European Union*. Available [online]: <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:12012P/TXT&from=EN>

<sup>3</sup> <https://www.euractiv.com/section/politics/news/mother-woman-father-man-now-a-law-in-hungary/>

<sup>4</sup> <https://hungarymatters.hu/2022/11/23/lawmakers-approve-changes-to-provisions-on-social-care/>

Hungarian Central Statistical Office, more than one in three women in Hungary experience physical or sexual violence from an intimate partner during their lifetime<sup>5</sup>. Domestic abuse is a complex problem that can have multiple causes. One of the most common factors is power and control. Abusers may use violence and other forms of abuse to assert their dominance over their partners and maintain control over them. Other factors that can contribute to domestic abuse include poverty, substance abuse, and mental health problems<sup>6</sup>.

Research has also found that cultural attitudes and gender norms can contribute to domestic abuse. In many cultures, men are expected to be dominant and controlling in relationships, while women are supposed to be submissive and obedient. These attitudes can create a power imbalance in relationships, which can make it more likely that abuse will occur<sup>7</sup>.

Domestic abuse can have serious consequences for the victims. Physical injuries are common, and victims may also experience psychological trauma, including anxiety, depression, and post-traumatic stress disorder (PTSD). Victims may also struggle with feelings of guilt and shame, which can make it difficult for them to seek help<sup>8</sup>. Domestic abuse can also have long-term consequences for children who witness it. Children who grow up in households with domestic violence are more likely to experience mental health problems, such as anxiety and depression, and are at increased risk

of being victims or perpetrators of violence themselves<sup>9</sup>.

But what is domestic violence? An important work on the topic identifies several types of domestic violence:

1. **Physical violence:** This is the most common form of domestic violence and involves the use of physical force against an intimate partner, such as hitting, slapping, punching, kicking, choking, or using weapons.
2. **Sexual violence:** This type of violence includes any non-consensual sexual activity between intimate partners, such as rape, forced sexual acts, and sexual coercion.
3. **Psychological violence:** Also known as emotional or mental abuse, this type of violence involves the use of verbal and non-verbal tactics to control, manipulate, and belittle an intimate partner, such as insulting, criticizing, humiliating, threatening, and isolating them from friends and family.
4. **Economic violence:** This type of violence involves controlling an intimate partner's finances and economic resources, such as preventing them from working or accessing money, and using economic coercion to maintain power and control over them.
5. **Spiritual violence:** This type of violence involves using religious or spiritual beliefs to control, manipulate, or belittle an intimate partner, such as using religious doctrines to justify violence or to prevent the partner from practicing their own spiritual beliefs<sup>10</sup>.

<sup>5</sup> Németh, E. (2012) "Hozzátartozók sérelmére elkövetett erőszakos cselekmények", [in]: *ksh.hu*. Available [online]: <https://www.ksh.hu/szamlap/életunk.html> [in Hungarian]

<sup>6</sup> Herman, J. (2019) *Trauma és gyógyulás*, Budapest: Háttér Kiadó.

<sup>7</sup> Ibid.

<sup>8</sup> Ibid. See also: Tisza, K. (2021) *Most*, Budapest: Scolar Kiadó.

<sup>9</sup> Rodriguez, N., Kempe, H. V., and D.W. Foy (1998) "Posttraumatic Stress Disorder in Survivors of Childhood Sexual and Physical Abuse: A Critical Review of the Empirical Research", [in]: *Journal of Child Sexual Abuse*, Vol. 7(2), pp. 17-45.

<sup>10</sup> Kemp, A. (2011) "Typologies of domestic violence: Categories and correlates in two national surveys", [in]: *Journal of Interpersonal Violence*, Vol. 26(10), pp. 2066-2085.



## CHILDREN WHO ARE EXPOSED TO DOMESTIC VIOLENCE MAY EXPERIENCE ANXIETY, DEPRESSION, POST-TRAUMATIC STRESS DISORDER, AND OTHER MENTAL HEALTH PROBLEMS

It is worth noting that these types of violence often overlap and may occur simultaneously in a single abusive relationship. It is also important to recognize that domestic violence is a serious problem that affects people of all genders and backgrounds, and that it can have long-term physical, emotional, and psychological effects on its victims.

Domestic violence also affects children: they also can be controlled and abused, and even in those cases where they are not the direct targets, seeing and hearing violence against their parent also causes bad influences<sup>11</sup>. These sources suggest that expo-

sure to domestic violence can have negative effects on children's mental health, behavioral functioning, and interpersonal relationships. Specifically, children who are exposed to domestic violence may experience anxiety, depression, post-traumatic stress disorder, and other mental health problems. They may also exhibit behavioral problems such as aggression, social withdrawal, and substance abuse. Additionally, children who witness domestic violence may have difficulty forming and maintaining healthy relationships with others and might be more likely to experience violence in their own intimate relationships as adults<sup>12</sup>.

### STATISTICS ON DOMESTIC VIOLENCE IN HUNGARY

The COVID-19 pandemic also had a significant impact on the lives of families: the confinement brought to the surface deep-rooted problems that intensified and burst to the surface behind the completely closed doors of the family home<sup>13</sup>. After the lockdown, the number of child protection reports about domestic violence increased by 30% in Europe. In Hungary, the number of emergency calls during the lockdown increased by the same percentage<sup>14</sup>. Katalin Novák, who was at that time Hungary's minister responsible for families, announced in 2020 that abuse is not

<sup>12</sup> Altena, A. M., Brilleslijper-Kater, S. N., and P. Ter Horst (2011) "Children's Exposure to Domestic Violence: A Meta-Analysis of Longitudinal Associations with Child Adjustment Problems", [in]: *Development and Psychopathology*, Vol. 23(1), pp. 283-295.

<sup>13</sup> Kofman, Y. B. and D.R. Garfin (2020) "Home Is Not Always a Haven: The Domestic Violence Crisis Amid the COVID-19 Pandemic", [in]: *Psychological Trauma: Theory, Research, Practice, and Policy*, Vol. 12(S1), p. 199.

<sup>14</sup> Pósfai, O. (2020) "A járvány kezdete óta Magyarországon is jelentősen megugrott a családon belüli erőszak bejelentéseinek a száma", [in]: *Mérce.hu*. Available [online]: <https://merce.hu/2020/03/28/a-jarvany-kezdetek-ota-magyarorszagon-is-jelentosen-megugrott-a-csaladon-beluli-eroszak-bejelenteseinek-a-szama/> [in Hungarian]

<sup>11</sup> Révész, G. (2004) *Szülői bánásmód – Gyermekbántalmazás Új Mandátum*, Budapest: Kiadó.

a private matter and that the government is taking steps to help victims of domestic violence<sup>15</sup>.

Although shelters helping abused people were operating, no government strategy was developed on the issue, and action was still determined by the customary law and local mode of operation of the local family support centers and guardianship offices. A new law came into force on January 1, 2021, which is linked to the name of the Minister of Justice, Judit Varga. Pursuant to the law, in child custody lawsuits during the divorce, it is possible to order shared custody at the request of one of the parents, henceforth no parental consent is required for this.

Hungary's largest women's rights organizations (NANA, PATENT, Hungarian Women's Lobby) sharply criticized this amendment, pointing out that this proposal favors the abusers, on the one hand, and further despairs those living in an abusive relationship, as they see even fewer opportunities to protect their children from the abusive party by leaving the abusive relationship<sup>16</sup>. The lawyers of the organizations drew attention to the fact that even before the amendment of the law, it was a problem in court practice that the abusive party had to continue to be visited, despite the fact that this also caused considerable anxiety for the child. In cases where the party leaving the abusive relationship did not give the child

<sup>15</sup> Novák, K. (2020) "A járvány idején is számíthatnak segítségére a családon belüli erőszak áldozatai", [in]: *Mandiner.hu*. Available [online]: [https://mandiner.hu/cikk/20200327\\_novak\\_katalin\\_a\\_jarvany\\_idejen\\_is\\_szamithatnak\\_segitsegre\\_a\\_csaladon\\_beluli\\_eroszak\\_aldozatai](https://mandiner.hu/cikk/20200327_novak_katalin_a_jarvany_idejen_is_szamithatnak_segitsegre_a_csaladon_beluli_eroszak_aldozatai) [in Hungarian]

<sup>16</sup> Mizsur, A. (2021) "Tényleg a bántalmazóknak kedvez Varga Judit törvényjavaslata a válásról?", [in]: *Telex.hu*. Available [online]: <https://telex.hu/belfold/2021/11/03/valas-szulok-kozos-felugyelet-varga-judit-torveny-modositas-hintalovon-nane-patent-magyar-noi-erde-kervenyesito-szovetseg-kapcsolaton-beluli-erosztak-bantalmazasj>



THE COVID-19 PANDEMIC ALSO HAD A SIGNIFICANT IMPACT ON THE LIVES OF FAMILIES: THE CONFINEMENT BROUGHT TO THE SURFACE DEEP-ROOTED PROBLEMS THAT INTENSIFIED AND BURST TO THE SURFACE BEHIND THE COMPLETELY CLOSED DOORS OF THE FAMILY HOME. AFTER THE LOCKDOWN, THE NUMBER OF CHILD PROTECTION REPORTS ABOUT DOMESTIC VIOLENCE INCREASED BY 30% IN EUROPE

to the abuser for visitation, they are usually at a disadvantage in court and during the guardianship proceedings<sup>17</sup>. Moreover, in those cases where – after several years of court and guardianship proceedings, mental and/or physical violence against children was established – the party, who acting according to the court decision provided due visitation rights to the abuser was identified as the one who endangers the child by exposing it to abuse<sup>18</sup>. According to the data published by the Hungarian Statistical Office, the number of the domestic violence cases treated in the family support services were already showing significant growth before COVID-19. In 2011, judicial statistics registered nearly 6,400 violent crimes committed against relatives<sup>19</sup>. At first sight, this data suggests that *only* 6,400 violent crimes committed against relatives happened in Hungary in 2011, but knowing the police and family services case management suggests that more crime happened, and only 6,400 of them reached the court level. According to the FRA's representative research covering the whole of Europe, the following statistics are also representative for Hungary<sup>20</sup>.

According to Jakab-Aponyi and Németh's paper, only 5% percent of the cases get to the court level and 0.5% appear in police

statistics [See: Figure 1] – which, if true, there are 128,000 cases. In their study, Jakab-Aponyi and Németh present that current statistics shows that 760,000 women are affected by domestic violence, and 226,000 of the women still live in a violent relationship<sup>21</sup>.

There were some cases that received a lot of publicity in Hungary. For example, the Zöldlomb Street family murder in 2019. The father abused his family through the years in a very reputable district of Budapest. The day before the 31-year-old mother and her four-year-old son were dead, she called the police again. Despite the family's history with abuse, the police did not treat the case as a priority. Since there was no blood, they left the family alone. Behind the closed doors of the 'decent' environment in Buda, the abusive father killed his wife and their little boy, and then took his own life. After the tragedy, the neighbors told the journalists that everybody knew that the family had problems, the fights were constant<sup>22</sup>.

In 2020, another case received a lot of infamy: in Győr, during a visitation, a father killed their older child, and then committed suicide. In 2016, the same father (who was also physically violent with the mother of his children, according to the opinions of forensic experts) was qualified to have contact with his children, so according to the court decision, the mother had the duty to take

<sup>17</sup> Spronz, J. (2016) *A jog hálójában*, Budapest: Patent Egyesület. Available [online]: [https://patent.org.hu/dokumentumok/kozpolitika\\_kutatas/joghalojaban\\_webre.pdf](https://patent.org.hu/dokumentumok/kozpolitika_kutatas/joghalojaban_webre.pdf) [in Hungarian]

<sup>18</sup> Jakab-Aponyi, N. and D. Németh (2022) "A szeretet nem árt, az állam pedig nem segít", [in]: *Szabad Európa*. Available [online]: <https://www.szabadeuropa.hu/a/a-szeretet-nem-art-az-allam-pedig-nem-segit/31744389.html> [in Hungarian]

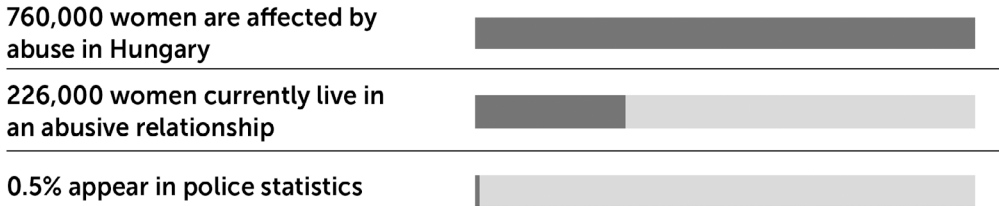
<sup>19</sup> Németh, E. (2012) "Hozzá tartozók sérelmére elkövetett erőszakos cselekmények", [in]: *A Központi Statisztikai Hivatal Színes On-line Magazinja*. Available [online]: <https://www.ksh.hu/szamlap/eletunk.html> [in Hungarian]

<sup>20</sup> NANE Egyesület (2015) *Miért marad?*. Available [online]: [https://nane.hu/wp-content/uploads/miert\\_marad\\_2015.pdf](https://nane.hu/wp-content/uploads/miert_marad_2015.pdf) [in Hungarian]

<sup>21</sup> Jakab-Aponyi, N. and D. Németh (2022) "A szeretet nem árt, az állam pedig nem segít", [in]: *Szabad Európa*. Available [online]: <https://www.szabadeuropa.hu/a/a-szeretet-nem-art-az-allam-pedig-nem-segit/31744389.html> [in Hungarian]

<sup>22</sup> Jámbor, A. (2019) "A rendőrség azt kéri, ha rosszul járnak el egy bántalmazási ügyben, akkor ezt az érintett jelezze a rendőrkapitányságon", [in]: *Mérce.hu*. Available [online]: <https://merce.hu/2019/08/26/a-rendorseg-azt-keri-ha-rosszul-jarnak-el-egy-bantalmazasi-ugyben-akkor-ezt-az-erintett-jelezze-a-rendorkapitanysagon/> [in Hungarian]

Figure 1: Statistics of abused women in Hungary



Source: Women for Women Together Against Violence Association (NANE)

her children to the father in any case<sup>23</sup>. After this incident, Judit Varga announced that she would order an investigation into the matter, and that everything would be done at the government level to prevent such tragedies from happening in the future.<sup>24</sup>

## THE SYSTEMS – A NEVER ENDING CIRCLE

According to the sector-neutral child protection signaling system protocol, everyone who comes into contact with an abused child is considered a member of the signaling system<sup>25</sup>. The Child Protection Act in Hungary lays down what to do if domestic violence is suspected in relation to a child. Below I list the tasks required by law<sup>26</sup>:

<sup>23</sup> HVG (2019) *Győri családi tragédia: órákig halott testvérei mellett lehetett a hatéves kislány*. Available [online]: [https://hvg.hu/itthon/20191216\\_gyor\\_csaladi\\_tragedia\\_testverek\\_kislany](https://hvg.hu/itthon/20191216_gyor_csaladi_tragedia_testverek_kislany) [in Hungarian]

<sup>24</sup> HVG (2019) *A bírósági szakértő fél éve írásba adta: minden rendben az apával, aki most megölte gyerekeit*. Available [online]: [https://hvg.hu/itthon/20191216\\_gyeregyilkosság\\_gyor\\_birosag\\_wirth\\_gyamuqy](https://hvg.hu/itthon/20191216_gyeregyilkosság_gyor_birosag_wirth_gyamuqy) [in Hungarian]

<sup>25</sup> Módszertani Útmutató (2017) *A gyermekvédelmi észlelő- és jelzőrendszer működtetése kapcsán a gyermek bántalmazásának felismerésére és megszüntetésére irányuló szektorsemleges egységes elvek és módszertan*. Available [online]: <shorturl.at/pwFZ5> [in Hungarian]

<sup>26</sup> See: <https://net.jogtar.hu/jogszabaly?docid=997000-31.tv> [in Hungarian]

- **Reporting:** If a suspicion of violence arises, the reporting party must immediately report to the competent guardianship authority or child protection institution.
- **Child protection procedure:** The guardianship authority immediately starts the child protection procedure, in the framework of which the suspicion of violence is investigated and, if needed, the necessary measures are taken for the sake of the child.
- **Temporary placement:** If the child is at risk at home, the guardian authority responsible for the case may order the child to be placed in temporary placement. Temporary placement can be with family members, foster parents, or in a foster care institution.
- **Expert examination:** The guardian authority responsible for the case can order an expert examination to be carried out in order to find out the physical and psychological state of the child, as well as the causes of the violence.
- **Institutional placement:** If the child's life, physical, mental, or sexual integrity is in danger, and other measures do not provide adequate protection, the guardian authority responsible for the case may order the child to be institutionalized.



- **Family support services:** The guardianship authority responsible for the case can provide the family with the opportunity to participate in family support services aimed at dealing with family conflicts and problems.

The above tasks include the measures that the competent guardianship authority must take in the case of domestic violence for the sake of the child. During the procedure, the interests of the victim, i.e., the child, must always be kept in mind.

The idea is good in theory, but in many cases the administration gets stuck at the beginning. Employees of educational institutions are often afraid to file a report, for several reasons: they are afraid that the child will be taken from both parents, and they are also afraid of the person who committed the violence. Usually, school social workers help the institutions to write the first reports to the local child protection institution.

The social system plays a critical role in responding to domestic abuse in Hungary. The government has implemented a number of policies and programs aimed at preventing domestic abuse, providing support and treatment for victims, and holding perpetrators accountable for their actions. Prevention and education programs, support and treatment for victims, as well as legal interventions are all important components of the social system's response to domestic abuse and can be effective in reducing the prevalence of this issue.

The Hungarian government has implemented a number of programs aimed at promoting healthy relationships and preventing domestic abuse from occurring in the first place<sup>27</sup>.

<sup>27</sup> See: <https://nane.hu/wp-content/uploads/Szivdobbanas-1.pdf> [in Hungarian]



THE HUNGARIAN GOVERNMENT HAS IMPLEMENTED A NUMBER OF PROGRAMS AIMED AT PROMOTING HEALTHY RELATIONSHIPS AND PREVENTING DOMESTIC ABUSE FROM OCCURRING

Research has shown that prevention and education programs can be effective in reducing the prevalence of domestic abuse. A study conducted by the World Health Organization found that comprehensive interventions, which included education and awareness-raising programs, were associated with significant reductions in the prevalence of intimate partner violence in several countries, including Hungary<sup>28</sup>.

Despite all of these, the prevention programs organized by social workers and external organizations, which dealt with sexuality, maintaining boundaries and early recognition of abusive relationships, were discontinued in schools. This is due to Hungary's new 'child protection' law declared in 2021, which, according to the government's interpretation, was intended to protect children

<sup>28</sup> Ibid.

under age 18 from homosexuality<sup>29</sup>. This law did not address domestic abuse at all, neither did it take any measures regarding child abuse. On a systemic level, however, it violates basic human freedoms as essentially acting as an anti-gay propaganda law that makes it impossible for young people with a sexual orientation other than heterosexual to seek professional help<sup>30</sup>. Programs aimed at healthy, i.e., equality-based relationships and sexual education cannot therefore be implemented in educational institutions, this was the only 'benefit' of the new law, and in addition, the non-heterosexuals were marginalized.

As it can be seen, the new law has no focus on domestic violence. Child protection services operate from the perspective of social workers, thus the focus is on the children and not on the parents. Social services do not criminalize, but work with a helping attitude. In some cases, criminalization has benefits, but not in terms of domestic violence<sup>31</sup>. Investigating the signals and then establishing professional contact can take weeks and a lot depends on the training and personal experience of the individual helpers. Uniform training aimed at recognizing abuse is not mandatory, so the fact of abuse may remain hidden even from professionals.

Knowing the dynamics of abuse, i.e., the fact that the confrontation with the perpetrator poses a serious physical and mental danger to the victim of violence, during the

<sup>29</sup> Előd, F. and K. Janecskó (2021) "Melegellenesse tett pedofil törvény gyorstalpaló", [in]: *Telex.hu*. Available [online] <https://telex.hu/belfold/2021/06/29/melegellenesse-tett-pedofil-torveny-gyorstalpalo> [in Hungarian]

<sup>30</sup> BBC (2021) *EU Votes for Action over Hungary's Anti-LGBT Law*. Available [online]: <https://www.bbc.com/news/world-europe-57761216>

<sup>31</sup> Sproncz, J. and J. Wirth (2006) "A nők elleni erőszak áldozatainak integrált ellátása", [in]: *Nane.hu*. Available [online]: [https://nane.hu/wp-content/uploads/integralt\\_magyar\\_nane\\_hcm.pdf](https://nane.hu/wp-content/uploads/integralt_magyar_nane_hcm.pdf) [in Hungarian]



UNIFORM TRAINING AIMED AT RECOGNIZING ABUSE IS NOT MANDATORY, SO THE FACT OF ABUSE MAY REMAIN HIDDEN EVEN FROM PROFESSIONALS

joint discussion at the case conferences the victim often does not even dare to accept everything that they experienced, since after this they must go home with the perpetrator again behind closed doors<sup>32</sup>. When domestic abuse (especially psychological violence) remains hidden, the social services usually recommend or prescribe family therapy or mediation between the abuser and the abused, which is highly contraindicated in the abusive relationships.

On the other hand, the first part of the cooperation with the family helper is primarily voluntary, so they can only work with the party who is willing and able to cooperate with others. And this is typically the abused party. At first, the abuser manipulates their environment, but knowing the cycle of violence, this is not a permanent state. In the end, the abused remains in contact with the staff of child protection, who prescribe

<sup>32</sup> NANE Egyesület (2015) *Miért marad?*. Available [online]: [https://nane.hu/wp-content/uploads/miert\\_marad\\_2015.pdf](https://nane.hu/wp-content/uploads/miert_marad_2015.pdf) [in Hungarian]

things to be done for them, such as ensuring the conditions for the child's healthy physical and mental development, but these have not been realized so far and cannot be realized with the abusive partner. However, thanks to the regulations, the social system also makes expectations towards the abused party individually – it does not sanction the abuser, hence everything becomes the sole responsibility of the abused<sup>33</sup>.

In the cases where the abuse is recognized and official (i.e., protection, procedure is initiated), the guardianship office can order a forensic psychological expert examination of the entire family. This test is a clinical psychologist competency and typically projective tests (Rorschach and Szondi) are used. The start of the procedure is hampered by the lack of specialists. If there is a specialist, the examination itself is highly traumatizing for the victim of abuse, as the abuser and victim wait together during the examination of the child/children. By the time the procedure reaches this stage, the victim is already very exhausted and afraid, so the anxiety tendencies are more strongly reflected in the tests, and the incompetence of the abuser is rarely stated directly, since the expert opinion can be challenged by both parties<sup>34</sup>.

In Hungary, people living in or leaving an abusive relationship can enter the social care system because of their own request for help or as a result of signals from members of the signaling system. Since the social sector tries to avoid criminalization, victims of abuse can mostly get information from civil legal aid services that they can file a complaint against their abuser. It is a common misconception that a report cannot be filed unless *blood is flowing*. Unfortunately, as the example of the family violence cases

presented above also shows, the attitude of the police also strongly depends on the attitude and training of the officials acting in the case<sup>35</sup>.

As part of a criminal procedure, a restraining order can be brought against the abusive party, but it is a lengthy process to initiate and the presentation of evidence is difficult – especially in the case of psychological violence. In such cases, according to the current valid procedure, domestic violence is treated as if it had been committed by a stranger, which does not take into account the specifics of domestic violence, and further complicates the ability to prove it. If the abused party perseveres, they often fall victim to a defamation lawsuit themselves, if they stand up for their rights, and in these cases it is much easier for the abused party to maneuver in the web of law<sup>36</sup>. If (despite all of the hardship) the victim perseveres until they can prove their right during a police procedure, it can have criminal consequences<sup>37</sup>.

The situation could end here if there are no kids in common. If children are affected too, the parents – both the abused and the abuser – will find themselves in a never-ending child custody case. As mentioned previously, the law changed in January of 2022. The court must strive to establish shared care, which can be terminated at the request of either party; there is no need for a consensus between the parents in this matter. The basic aspiration of the court is

<sup>35</sup> Ibid.

<sup>36</sup> NANE (2020) *System Failure: Male Violence against Women and Children as Treated by the Legal System in Hungary today*. Available [online]: [https://nane.hu/wp-content/uploads/System\\_failure.pdf](https://nane.hu/wp-content/uploads/System_failure.pdf)

<sup>37</sup> Módszertani Útmutató (2017) *A gyermekvédelmi észlelő- és jelzőrendszer működtetése kapcsán a gyermek bántalmazásának felismerésére és megszüntetésére irányuló szektorsemleges egységes elvek és módszertan*. Available [online]: <shorturl.at/pwFZ5> [in Hungarian]

<sup>33</sup> Tisza, K. (2021) *Most*, Budapest: Scolar Kiadó.

<sup>34</sup> See: [https://nane.hu/wp-content/uploads/rendszerbe\\_zarva.pdf](https://nane.hu/wp-content/uploads/rendszerbe_zarva.pdf) [in Hungarian]

for the child to be with both parents. This, as was seen in the cases presented above, can lead to tragedies. It is important to note that this premise could basically have good dowries in cases where domestic violence is not present. However, for parents to jointly exercise custody rights, it would be important to recognize domestic abuse and sanction it appropriately. Also, this would require interprofessional cooperation and proper training of professionals<sup>38</sup>.

### THE ONES THE SYSTEM SHOULD TALK ABOUT

*Do not speak – nobody believes you. Do not feel – the feelings will destroy you.* These are the main rules of those who live in an abusive relationship. But when someone finally becomes strong and economically independent enough to leave an abusive relationship, even after many years, they are faced with several challenges: first of all, the leaving is the most fearful and dangerous period of the relationship. The abuser experiences a loss, the loss of their property, which they try to prevent (with words, promises, and/or physical violence). Most of the casualties are claimed during this stage of making an escape<sup>39</sup>. When someone sees it is high time to leave the abusive relationship, they are also faced with social indifference and victim blaming.

In neighboring countries, such as Austria, integrated victim assistance has been introduced. This makes the situation easier for the victims, as it entails fewer losses for them: during the case management, the victim does not have to leave their home

<sup>38</sup> Csengel, K. (2021) "Nőjogi szervezetek szerint Varga Judit törvényjavaslata újabb eszközt ad a bántalmazók kezébe", [in]: *Mérce.hu*. Available [online]: <https://merce.hu/2021/10/20/nojogi-szervezetek-szerint-varga-judit-torvenyjavaslata-ujabb-eszkoz-ad-a-bantal-mazok-kezebe/> [in Hungarian]

<sup>39</sup> Bancroft, L. (2022) *Mi jár a bántalmazó fejében?*, Budapest: Gabo Kiadó.



IN NEIGHBORING COUNTRIES, SUCH AS AUSTRIA, INTEGRATED VICTIM ASSISTANCE HAS BEEN INTRODUCED

and look for a sublet or a sheltered house for themselves or their children, but the perpetrator is singled out<sup>40</sup>. If the abuser is considered 'able to change', there are programs available for those who do not want to be abusers anymore. These programs, in contrast to the mediation and family therapy recommended in domestic child protection services, do not try to improve the relationship between the abuser and the abused. They rather provide the abuser with professional help, during which they can learn new behavior patterns instead of their previous one, which they can use in a new relationship. Meanwhile, the victim of the previous relationship is helped to recover and process the trauma, without forcing them to reconcile with their abuser<sup>41</sup>.

The Istanbul Convention is a treaty aimed at preventing and combating violence against women and domestic violence. It was opened for signature in 2011 and came into force in 2014. The Convention requires states to take a comprehensive approach to

<sup>40</sup> The guideline is available online: [https://eucpn.org/sites/default/files/document/files/po\\_at\\_dv\\_0.pdf](https://eucpn.org/sites/default/files/document/files/po_at_dv_0.pdf)

<sup>41</sup> Spronz, J. and J. Wirth (2006) "Anőkellenierőszakáldozottainak integrált ellátása", [in]: *NANE.hu*. Available [online]: [https://nane.hu/wp-content/uploads/integralt\\_magyar\\_nane\\_hcm.pdf](https://nane.hu/wp-content/uploads/integralt_magyar_nane_hcm.pdf) [in Hungarian]

Image 1: Campaign against domestic abuse



Source: Alexsandro Palombo<sup>42</sup>

prevent and combat all forms of violence against women, including domestic violence, and to provide support and protection for victims<sup>43</sup>. Despite all these benefits, the Hungarian government has not yet ratified the Convention<sup>44</sup>.

By ratifying the Convention, Hungary would commit to meeting international standards for preventing and combating violence

against women. It would ensure that women in Hungary are protected from all forms of violence, and they receive the support they need. This would help Hungary to bring its laws and the best practices of other European countries. The Convention requires states to provide comprehensive support to victims of violence. Ratifying it would help Hungary improve its response to violence against women and provide better services to victims. This would demonstrate Hungary's commitment to promoting human rights and gender equality, subsequently enhancing Hungary's image on the international stage and position it as a country that takes the issue of violence against women seriously.

<sup>42</sup> Ibid.

<sup>43</sup> Council of Europe Convention on Preventing and Combating Violence against Women and Domestic Violence. See: <https://rm.coe.int/168008482e>

<sup>44</sup> Istanbul Convention. See: <https://nokjoga.hu/wp-content/uploads/isztambuli-egyezmeny-forditas-nane-patent-ne-2017-hu.pdf> [in Hungarian]

Image 2: Campaign against abuse in Hungary<sup>45</sup>Source: ZKNP<sup>46</sup>

However, the issue of Hungary's non-ratification of the Convention has been a matter of concern for the European Union and has led to criticism and calls for action from various organizations and officials. In July 2021, the European Parliament adopted a resolution calling on the EU to use all available means, including the infringement procedure, to ensure that Hungary ratifies and fully implements the Istanbul Convention. The resolution expressed concern about the high levels of violence against women and domestic violence in Hungary and the negative impact of the country's non-ratification on the fight against these issues<sup>49</sup>.

<sup>45</sup> In English, the poster reads: "The stronger NO" (in Hungarian, 'no' and 'gender' are signified by the same word) to domestic abuse. "If you are a man, also strive for cooperation at home" – Peter Scherer, an actor.

<sup>46</sup> Vincze, B. (2023) "Remek ötlettel: férfiakkal rukkolt elő Zugló a családon belüli erőszak ellen", [in]: Telex.hu. Available [online]: <https://telex.hu/elet-mod/2023/02/04/bekes-otthon-program-plakatkampany-a-csaladon-beluli-eroszak-ellen-scherer-peter-berki-krisztian> [in Hungarian]

<sup>47</sup> In English, the poster reads: "The stronger NO" (in Hungarian, 'no' and 'gender' are signified by the same word) to domestic abuse. "If you are a man, don't try to win at home" – Krisztian Berki, an Olympic athlete.

<sup>48</sup> Ibid.

<sup>49</sup> Nagy, A. (2020) *The Non-Ratification of the Istanbul Convention – Gender Inequality in Hungary*. Available [online]: [https://www.centrumlidskaprava.cz/sites/default/files/attachement/bulletin/v4humanrightsreview-autumn2020\\_0.pdf#page=19](https://www.centrumlidskaprava.cz/sites/default/files/attachement/bulletin/v4humanrightsreview-autumn2020_0.pdf#page=19)

Image 3: Campaign against abuse in Hungary



Source: ZKNP

The European Commission has also been monitoring Hungary's compliance with EU law, including the EU Charter of Fundamental Rights, which prohibits discrimination on the basis of sex and includes provisions on the rights of women and the protection against violence. If Hungary's non-ratification of the Istanbul Convention is found to be in violation of EU law, the European Commission could launch infringement proceedings against Hungary, which could ultimately result in sanctions.

In summary, while the EU has not yet imposed sanctions on Hungary for its non-ratification of the Istanbul Convention, the issue remains a matter of concern and could lead to action, including infringement proceedings and possible sanctions, if Hungary is found to be in violation of EU law<sup>50</sup>. Good practice is to come across outside the EU as well, where attention is drawn to the fact that domestic violence exists, and appropriate procedures for victim protection must be established<sup>51</sup> [See: Image 1]. A photo campaign in the United Kingdom draws attention to both the presence of domestic violence and the flaws in the system.

<sup>50</sup> Ibid.

<sup>51</sup> <https://www.tmc.com/2021/11/25/kamala-harris-kate-middleton-photos-domestic-violence-campaign/>

In Hungary, there are some positive initiatives, like the *Love does no harm* campaign from the Ökumenikus Segélyszervezet<sup>52</sup>, and the latest Zugló municipal poster campaign, which draws attention to the existence of domestic violence, especially male violence. The innovation of the initiative is that the images of beaten women and children are not shown, but of men who convey the importance of non-violent male roles and the disapproval of violence against a female partner. In Hungary, this is the first non-civil, but local government initiative, where the responsibility of the perpetrator of violence is thus presented<sup>53</sup> [See: Images 2 and 3].

## CONCLUSIONS

In summary, although there are certain positive initiatives in Hungary that acknowledge the existence of domestic violence and the magnitude of the problem, isolated campaigns cannot bring about a systemic change. On the one hand, this is due to the lack of recognition of the issue at the national level, the social attitude, and the complete separation of the system elements that have already been presented: the social system, the police procedure, and the divorce, while child placement is lost among the three. It is difficult to connect these circles within the family survivors of violence as they rarely meet. This situation could be solved by training, informing, and shaping attitudes of the respective professionals, to which the adoption of the Istanbul Convention would have greatly contributed.

This is not to downplay the system's responsibility, since a country pursuing a family-friendly policy in its name would have an obligation to protect those who are abused in their own families. However, for this to happen, it is necessary to admit that the problem exists and that in the web of the social system, judicial practice, and police interventions (or even in the complete absence of their support) the survivor is lost as a person, becoming a *file* that must be closed and set aside. Professionals in the above fields do not receive adequate training in the recognition and prevention of intimate partner violence. The survivors thus remain stuck in the role of victims or are dehumanized during the procedures, becoming mere numbers in the various state documentation systems. They lose the sense that they survived and protected their child. That they are all heroes.

I recommend this paper to those heroes who have left their abusive relationship, thereby entering the path of healing and showing light to those for whom the time has not yet come. I dedicate in memory of all the known and unknown victims who did not survive the withdrawal.

<sup>52</sup> The website is available here: <https://segelyszervezet.hu/kiknek-segitunk/aszeretnemart/> [in Hungarian]

<sup>53</sup> Vincze, B. (2023) "Remek ötlettel: férfiakkal rukolt elő Zugló a családon belüli erőszak ellen", [in]: *Telex.hu*. Available [online]: <https://telex.hu/élet-mod/2023/02/04/bekes-otthon-program-plakatkampany-a-csaladon-beluli-eroszak-ellen-scherer-peter-berki-krisztian> [in Hungarian]



VERONIKA  
KONTSEK

Special needs educator, school social worker, parent-infant consultant, and student of psychology based in Budapest"

# Children in the 21<sup>st</sup> Century: The Case of Hungary



\*  
MÁTÉ  
HAJBA



**W**hen I was born, the population of the world was a little over 5 billion. By the time I started avidly browsing the back of atlases in primary school, with all the information about populations, it had reached 6 billion. We reached 8 billion in 2022, and – according to estimations – around 2058 the world will be inhabited by 10 billion humans<sup>1</sup>. Yet, we constantly hear how the birth rate is dwindling in the European Union (EU) and the United States<sup>2</sup>. Countries therein are trying desperately to incentivize people to boost the population –to little avail. This phenomenon, in turn, leads to an aging population, which increasingly burdens social systems.

On the other hand, there is talk<sup>3</sup> about the cost of every new human life with regards to the climate change, how Earth's resources are gobbled up faster than they can reproduce, and how a Malthusian catastrophe<sup>4</sup> is imminent. These might seem like paradoxes. How can birth rate be a problem in higher-income regions, when it takes only slightly over a decade to add another 1 billion to Earth's population? Why do measures to reverse population decrease in areas such as the EU more likely than not to fail? Would it not be better for the planet to sustain fewer people? And how come, that despite the increasing numbers, not only is there no sign of a looming catastrophe, but the number of those suffering from hunger are declining throughout the world as are the number of conflicts (at

<sup>1</sup> <https://populationconnection.org/blog/world-population-milestones-throughout-history/>

<sup>2</sup> [Data of the World Bank: https://data.worldbank.org/indicator/SP.DYN.TFRT.IN?locations=EU-US](https://data.worldbank.org/indicator/SP.DYN.TFRT.IN?locations=EU-US)

<sup>3</sup> <https://www.bbc.com/future/article/20220905-is-the-world-overpopulated>

<sup>4</sup> [https://www.economicsonline.co.uk/managing\\_the\\_economy/what-is-the-malthusian-theory-of-population.html/](https://www.economicsonline.co.uk/managing_the_economy/what-is-the-malthusian-theory-of-population.html/)

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THE INTRODUCTION OF THE STATE, WHICH TAKES ON THE JOB TO TAKE CARE OF YOU, ALSO TAKES AWAY AN INCENTIVE TO HAVE CHILDREN

least up until the war in Ukraine), while life expectancy in general is increasing? What exactly is the tally of positive and negative developments in our world, and how do they affect people's propensity to want to have children? Let us, therefore, examine these questions, with the aim to provide proposals on changes that need to be brought about in order to boost birth rates in the West.

### A COMPLEX ISSUE

Most of the current policies in the European Union and the United States fail to acknowledge how complex the matter is, and by focusing only on single measures (such as tax benefits), the excluded other issues (such as climate anxiety, prospects for the future, career choices, mental well-being, and many others) are left neglected. Nowadays, information is more readily available than ever. Before a major decision (such as deciding to have children), couples will consider matters such as healthcare, schooling, careers, housing, and security. These complex systems all need to align to bring people to a decision.

Then there are adoption and abortion laws, education on family planning, the matter of abuse in the family, divorces, and a plethora of other matters that sway birth rates. Most importantly, why does it really matter? Should there be incentives to boost birth rates, or should governments retreat completely from this decision?

This very complex issue is worth investigating with its different perspectives and best practices. The situation in the EU – with a particular focus on Hungary – could provide a better understanding of birth rates all over the world. Different sectors (such as healthcare, the job market, academia, or policy makers) have various relationships to the matter – though interconnected, they need to be looked at individually.

### WHAT'S THE BIG DEAL?

One thing must be said early on: low birth-rate is inherent to any developed society<sup>5</sup>. One can tweak the numbers or recognize complex systems, the birth rate, however, will remain lower than in less-developed countries<sup>6</sup>, due to obesity and other health issues that come with more prosperity, along with housing issues and women delaying having children for career opportunities. Globally, policy makers must aspire to at least balance the death rate and the birth rate, without taking away the opportunities for men and women to have as many children as they want, to have career opportunities and to prosper.

<sup>5</sup> [World Population Prospects 2022 Available \[online\]: https://www.un.org/development/desa/pd/sites/www.un.org.development.desa.pd/files/wpp2022\\_summary\\_of\\_results.pdf](https://www.un.org/development/desa/pd/sites/www.un.org.development.desa.pd/files/wpp2022_summary_of_results.pdf)

<sup>6</sup> Nargund, G. (2009) "Declining Birth Rate in Developed Countries: A Radical Policy Re-Think Is Required", [in]: *Facts, Views & Vision in ObGyn*, Vol. 1(3), pp. 191–193. Available [online]: <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4255510/#:~:text=In%20addition%20there%20are%20socio,current%20low%20fertility%2Fbirth%20rates>



## THE PROBLEM OF AN AGING SOCIETY IS HERE TO STAY

There are two major factors leading to the fertility crisis of today: the Industrial Revolution and welfare<sup>7</sup>. The culprit of the former is difficult to pinpoint. Thanks to complex socio-economic developments, the cost of production got cheaper, innovation got faster, and, in turn, life became exponentially better. True, there were terrible road bumps (dismal working conditions, child labor, and pollution), but humankind slowly figured it out. The Industrial Revolution led to a system of free market economics, which could guarantee progress and, as a consequence, better healthcare, more food, and less war.

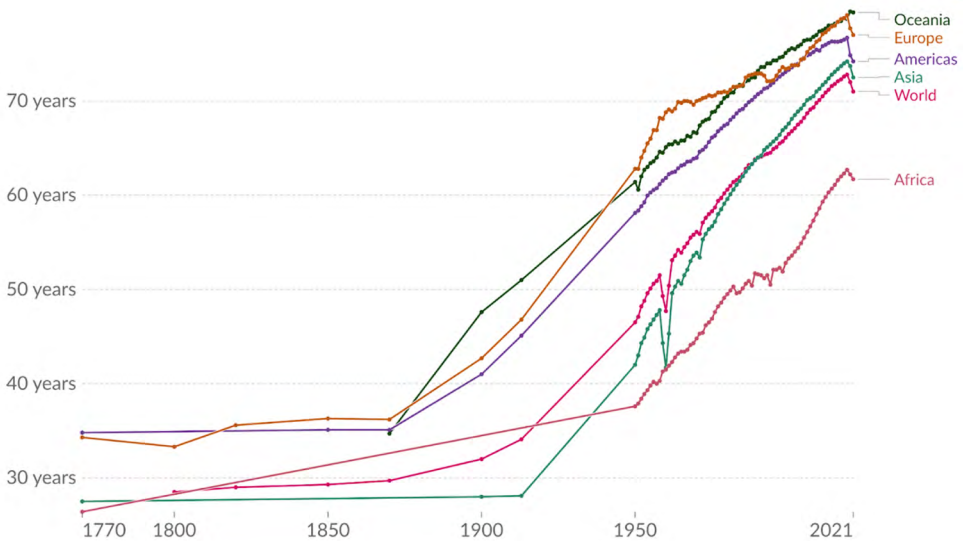
There is a common misconception that before the modern era people only lived until they were in their 30s<sup>8</sup>. It is not true. Although the average life expectancy was around 35, it was mainly due to a very high child mortality rate<sup>9</sup>.

<sup>7</sup> Fenge, R. and B. Scheubel (2014) "Pensions and Fertility Back to the Roots: The Introduction of Bismarck's Pension Scheme and the European Fertility Decline", [in]: *European Central Bank's Working Paper Series*. Available [online]: <https://www.ecb.europa.eu/pub/pdf/scpwps/ecbwp1734.pdf>

<sup>8</sup> Cave, C. (2018) "Did Ancient People Die Young?" Available [online]: <https://www.sapiens.org/biology/human-lifespan-history/>

<sup>9</sup> Roser, M. et. al. (2013) "Life Expectancy", [in]: *Our World in Data*. Available [online]: <https://ourworldindata.org/life-expectancy#:~:text=Globally%20the%20life%20expectancy%20increased,more%20than%20twice%20as%20long>

Figure 1: Life expectancy between 1770 and 2021



Source: Our World in Data

Over the years, the number of those who died of protein-energy malnutrition also showed a steady decline<sup>10</sup> – so did the number of lives claimed by an armed conflict<sup>11</sup>. This has led to an ever-aging population. With life expectancy increasing, more and more young people would be needed who, when entering the job market, could pay for the care for the elderly.

This brings us to the second reason the birth rate is slowing: welfare. Here, one can name exactly who was responsible. An elderly, austere looking mustachioed man, by the name of Otto von Bismarck, who is considered to be the father of the welfare state. He introduced insurances and pensions, which is great, but there is a catch. It leads to people wanting fewer children.

<sup>10</sup> <https://ourworldindata.org/grapher/malnutrition-deaths-by-age>

<sup>11</sup> <https://ourworldindata.org/war-and-peace>

It used to be that one needed children, so they can take care of you when you are old. Given the high mortality rate among children, the more, the better – just to be sure. The introduction of the state, which takes on the job to take care of you, also takes away an incentive to have children<sup>12</sup>,

The welfare state only works well if it can roll the burden of paying for the welfare before itself, constantly burdening future generations. When future generations decrease in size, the problem is imminent.

As the world will keep getting better and better at medical sciences, developing more resilient and nutritious foodstuff,

<sup>12</sup> Fenge, R. and B. Scheubel (2014) "Pensions and Fertility Back to the Roots: The Introduction of Bismarck's Pension Scheme and the European Fertility Decline", [in]: *European Central Bank's Working Paper Series*. Available [online]: <https://www.ecb.europa.eu/pub/pdf/scpwps/ecbwp1734.pdf>

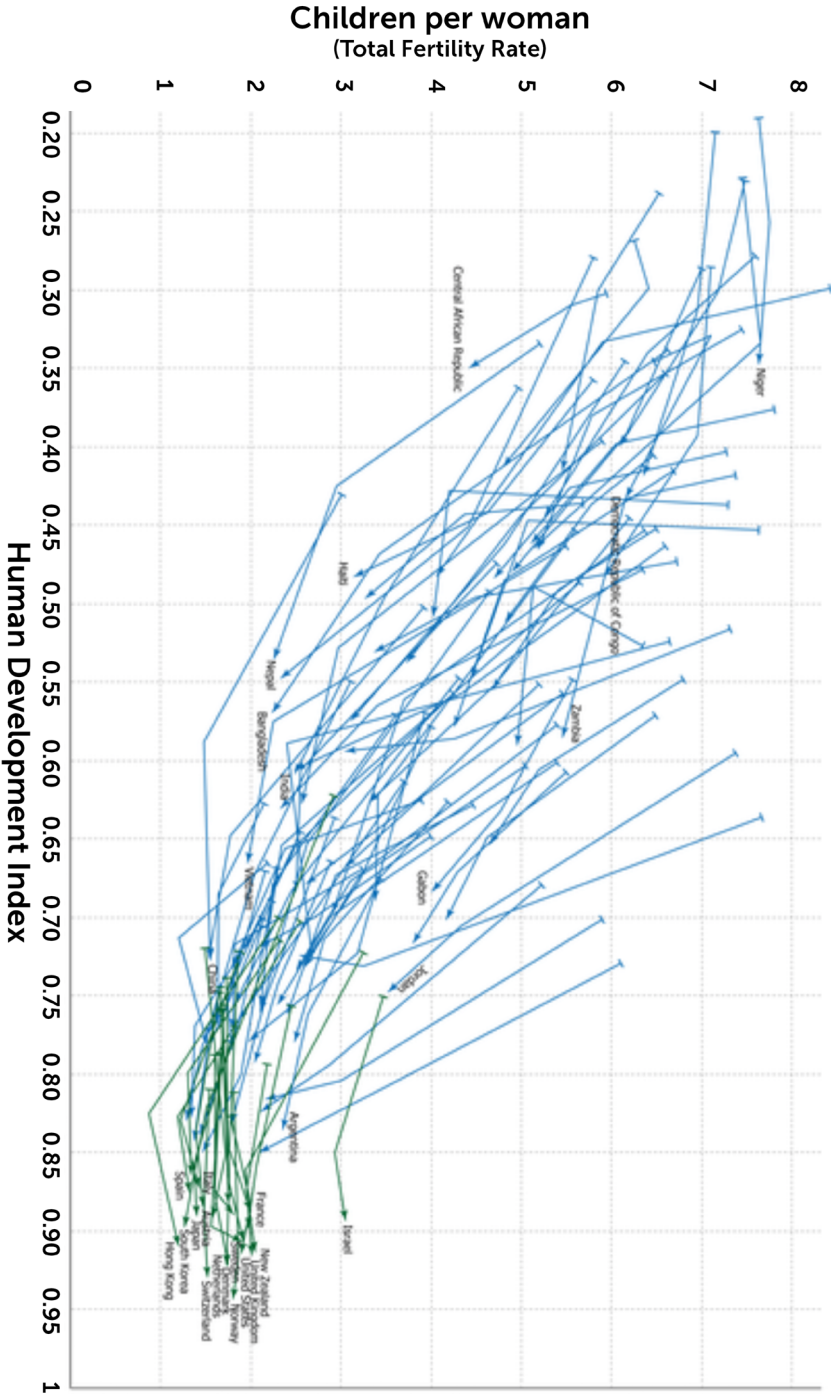


Figure 2: Relationship between fertility and the Human Development Index

Source: Our World in Data



## HEALTHCARE PLAYS A KEY ROLE IN BOTH THE PRO- SPERITY OF PEOPLE TO HAVE CHILDREN, AND THEIR ABILITY TO DO SO

and all in all in prolonging life expectancy, which is excellent, the problem of an aging society is here to stay. There are two options to mitigate this: tackling the welfare state or addressing basically everything.

Since no politician would cut back on welfare in the required levels at the current climate, as that would mean the end of their career, this leaves us with the tackling of 'everything else' – from education to schooling to nudge people to have more children.

### PROSPERITY

There seems to be a trend in economics, according to which, the more developed a country is, the lower the birth rate. Although the birth rate is decreasing the world over, it seems to be an even bigger problem in the developed world. It is only true up to a point. When a certain amount of development is reached, birthrate slowly increases again<sup>13</sup> [See: Figure 2].

<sup>13</sup> <https://ourworldindata.org/fertility-rate#fertility-is-first-falling-with-development-and-then-rising-with-development>

In more developed countries, schooling is higher for women, and job opportunities are better. These are welcome developments; however, they lead to a lower birth rate<sup>14</sup>. When wanting to boost the number of newborns, opportunities for women to learn and work must not be taken away – in fact, efforts to grant and improve these opportunities must redouble.

Data actually shows that people want to have more children than they have. All across the EU and the United States, there is a large gap between the actual and ideal number of kids [See: Figure 3].

When the Institute of Family Studies conducted a survey in the United States among those who do not have the 'ideal number' of children, the main reason was that the right partner was not yet found (44%), followed by not being able to afford having children (36%), and that it is due to lifestyle or career (25%)<sup>15</sup>.

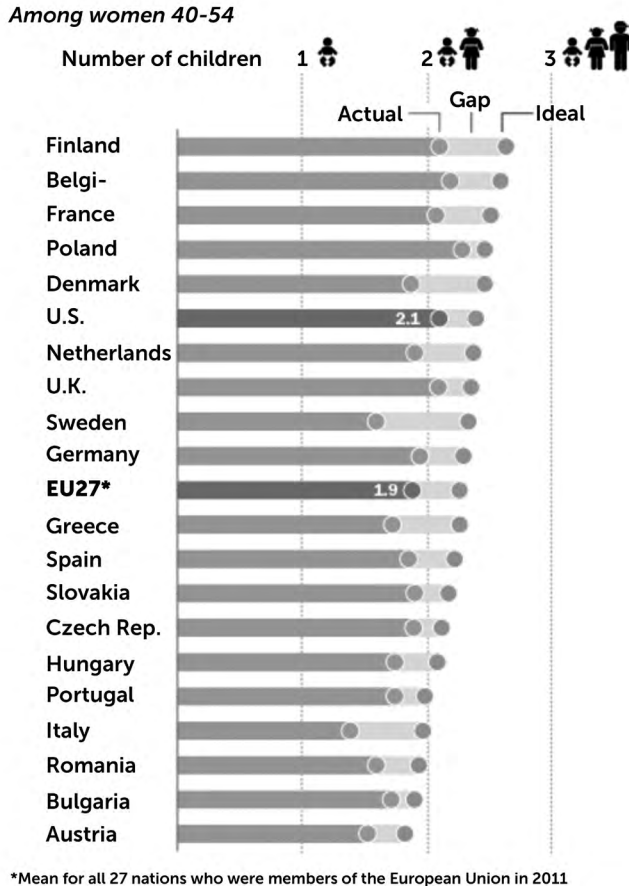
Just throwing money at the problem does not seem to work. For example, Hungary spends a lot of money on subsidies for families planning children. Housing subsidies, government loans, tax credits, and a load of propaganda engineered to boost birthrate did not manage to reach its desired effect. It benefited wealthier families but not the poor it should have helped. The number of marriages indeed grew, but the number of babies born did not increase significantly<sup>16</sup>.

<sup>14</sup> <https://blogs.worldbank.org/health/female-education-and-childbearing-closer-look-data>

<sup>15</sup> See: Table 1.

<sup>16</sup> <https://telex.hu/english/2022/07/07/hungarys-current-family-policy-draws-a-dividing-line-between-the-deserving-and-the-undeserving>

Figure 3: Actual and ideal number of children



Source: PEW Research<sup>17</sup>

The Swedish model might be more promising. There, the government is not running an ideological propaganda on families, but instead supports people on an individual (and not family) basis<sup>18</sup>. Although this model was popular among numerous family policy experts, such as Jonas Him-

melstrand<sup>19</sup>, the Swedish birth rate is constantly fluctuating, making it difficult to assess how well their policies are working<sup>20</sup>.

The Hungarian government's notion that a couple must get married in order to have children is outdated, not based on evidence, and shifts the focus from family

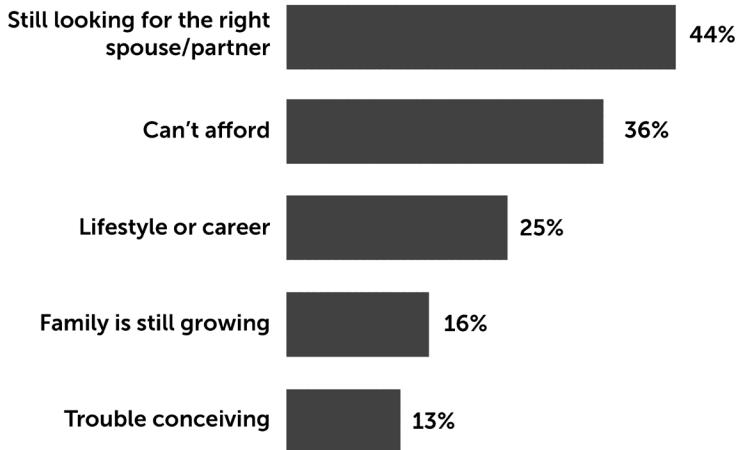
<sup>17</sup> <https://www.pewresearch.org/fact-tank/2014/04/11/birth-rates-lag-in-europe-and-the-u-s-but-the-desire-for-kids-does-not/>

<sup>18</sup> <https://www.forbes.com/sites/ebauer/2019/08/09/is-sweden-our-fertility-boosting-role-model/?sh=104b458613cb>

<sup>19</sup> United Nations (2011) *Work Family Balance*. Available [online]: <https://www.un.org/esa/socdev/family/docs/egm11/jonasppt.pdf>

<sup>20</sup> Ibid.

Table 1: Reasons for not reaching desired fertility



Source: IFS

planning to an ideologically charged ‘need to get married’. In fact, according to the Cohort ‘18 survey, only 54.4% of expecting women are married in Hungary<sup>22</sup>.

Existing societal expectations also hinder women in having an independent income. Although 83.3% of the expectant women were employed – according to the same study, – and 5.7% of them are self-employed, six months after giving birth only 3.6% were actively working, mainly because it is expected of them not to work, just stay with the child for 3 years<sup>23</sup>.

<sup>21</sup> <https://ifstudies.org/blog/no-honey-no-baby-the-relational-and-economic-factors-associated-with-having-children-in-america>.

<sup>22</sup> Veroszta, Z. et.al. (2021) *Pregnancy in Hungary: Report on the First Wave of the Cohort ‘18 - Growing Up in Hungary*, Hungarian Demographic Research Institute. Available [online]: <https://demografia.hu/en/publicationsonline/index.php/workingpapers/article/view/975/760>

<sup>23</sup> Veroszta, Z. et.al. (2021) *Infancy in Hungary: Report on the Second Wave of Cohort ‘18 – Growing Up in Hungary*, Hungarian Demographic Research Institute. Available [online]: <https://demografia.hu/en/publicationsonline/index.php/workingpapers/article/view/976/761>

The Labor Code in Hungary requires employers to provide part-time jobs for those employees with children who request it<sup>24</sup>. 75.8% of mothers who were working when their child was six months old, retired to their previous jobs<sup>25</sup>. However, a great possibility for stay-at-home moms to boost their income and help their financial independence is to create a business environment in which it is easy to enterprise. This is not the case in Hungary. A new law<sup>26</sup> increased the opportunity cost rather than lowering it when Hungary is already in 52<sup>nd</sup> place of the Ease of Doing Business Index<sup>27</sup>.

The current financial situation is one thing, it is another thing entirely to consider how

<sup>24</sup> Ibid.

<sup>25</sup> Ibid.

<sup>26</sup> <https://yveu.org/blog/f/hungarys-new-tax-law-at-tacks-small-businesses-and-entrepreneurs>

<sup>27</sup> World Bank (2021) *Ease of Doing Business Rank*. Available [online]: [https://data.worldbank.org/indicator/IC.BUS.EASE.XQ?most\\_recent\\_value\\_desc=false](https://data.worldbank.org/indicator/IC.BUS.EASE.XQ?most_recent_value_desc=false)

well-off future children would be. Citizens of many Western countries, Hungary included, think<sup>28</sup> that their children would be worse off than they are. This pessimism is also a hurdle in wanting children and it is something that is not easy to change – but change it must.

## FREEDOM

Freedom might not be an obvious contributing factor to the birthrate, but as we demonstrated in the previous chapter, prosperity is, and thus anything that bears an effect on prosperity will influence the birth rate. Freedom and prosperity are clearly demonstrated to be correlates<sup>29</sup>. Conditions with a high commitment to rule of law, media plurality, democratic values, and a safe business environment help life to be more predictable. Let us see through the example of Hungary how complex a task governments have in tackling the issue of low birth rates. Instead of indoctrination that it is moral to have children, the policies should focus on creating a nurturing environment.

Hungary comes dead last in the Atlantic Council's Freedom and Prosperity Index<sup>30</sup> in the freedom category compared to other EU countries with its rank of 58<sup>th</sup>. Its prosperity rank is not much better at 45<sup>th</sup>. The index draws data from a myriad of other indices, in which Hungary is doing awful, and the country tends to be in the bottom place among EU countries. Wages are low (third lowest in the EU)<sup>31</sup>, and due to a mismanaged economy, prices are increasing

<sup>28</sup> <https://www.pewresearch.org/fact-tank/2022/08/11/large-shares-in-many-countries-are-pessimistic-about-the-next-generations-financial-future/>

<sup>29</sup> <https://www.atlanticcouncil.org/content-series/the-big-story/the-freedom-and-prosperity-indexes-how-nations-create-prosperity-that-lasts/>

<sup>30</sup> Ibid.

<sup>31</sup> [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Wages\\_and\\_labour\\_costs](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Wages_and_labour_costs)

so much that Hungary has the worst inflation in the EU<sup>32</sup>.

Hungary has 4.95 points in Fraser's index in the protection of property rights category. The size of the government received 5.92<sup>33</sup>. This shows that the government is expanding at the cost of the private sector, yet the public sector is not doing its job adequately as demonstrated in the next chapter. Businesses in Hungary are not in the greatest environment either.

Credendo, a European credit insurance group, gave the Hungarian business environment an E out of an A to G scale, where A is the best. The expropriation risk out of 1-7: is 3 in the same index<sup>34</sup>. A good business environment would also aid young mothers in finding an extra source of income – but the worse it is in indices, with a risk of expropriation, the more dissuading it is for people to start business. Moreover, due to an unfair competition (usually in the form of state intervention), competition is not based on merit, but on how close to the government a business is.

The World Justice Project's Rule of Law Index gave Hungary 73 points, the worst in the EU<sup>35</sup>. Freedom House defines Hungary as partly free<sup>36</sup>. Political rights are given 26 points out of 40, civic liberties 43 out of 60. The Corruption Perception Index of Transparency International shows Hungary has the worst corruption in the EU<sup>37</sup>.

<sup>32</sup> <https://www.portfolio.hu/en/economy/20230119/hungarys-sky-high-inflation-in-eu-perspective-591272>

<sup>33</sup> Economic Freedom of the World. See: <https://www.fraserinstitute.org/studies/economic-freedom>

<sup>34</sup> <https://credendo.com/en/country-risk/hungary#>

<sup>35</sup> <https://worldjusticeproject.org/rule-of-law-index/>

<sup>36</sup> <https://freedomhouse.org/country/hungary>

<sup>37</sup> Corruption Perceptions Index. See: <https://www.transparency.org/en/cpi/2022>





## THE FOCUS OF POLICY SHOULD NOT BE TO PUSH THE BIRTH RATE AT ANY COST

This environment does not give too much hope for the future. Some of these indices, such as the Corruption Perceptions Index or sub-indicators in other indices are based at least partially on perception, such as the corruption index, showing a dismay from the part of the population as well. In these conditions it is no wonder young couples do not want to have children or want to have them abroad. There is a widespread problem of emigration from Hungary<sup>38</sup>, so part of the problem is not that people do not want children, but that they do not want to have them in bad environments.

### HEALTH

Healthcare plays a key role in both the propensity of people to have children, and their ability to do so. The healthier a society is, the higher its fertility.

Education is an important aspect to teach people about a healthy lifestyle. Sex education helps reduce teenage pregnancies, education on contraceptives and STIs promotes a better understanding that leads to

people having the number of children they want, when they want. Education helps choice and allows sexes to understand each other better.

The importance of education is recognized by the people as well. A good public school can increase property prices in the area. Education is the first step in a healthy lifestyle<sup>39</sup>. However, states can fall into the error of trying to interfere too much into what otherwise would be a free choice of individuals, that is, how healthily they chose to live.

Countries that decide to take a greater hand in controlling the health of people fall short of their goals. There is no correlation between health measures, and the actual health of people<sup>40</sup>. Hungary for instance is fourth in the list of countries with most nanny state policies<sup>41</sup>. Yet Hungary is one of the most obese and overall unhealthiest countries in the European Union<sup>42</sup>. Obesity, for example, has been linked with infertility, among other health problems<sup>43</sup>.

Inadequate healthcare can also lead to issues when deciding to have children. The Hungarian healthcare system is so bad that preventable deaths are the highest in

<sup>39</sup> <https://societyhealth.vcu.edu/work/the-projects/why-education-matters-to-health-exploring-the-causes.html#:~:text=Education%20can%20also%20lead%20to,and%20may%20improve%20cognitive%20ability>

<sup>40</sup> <http://nannystateindex.org/>

<sup>41</sup> Ibid.

<sup>42</sup> European Commission and World Health Organization (2013) *Nutrition, Physical Activity and Obesity – Hungary*. Available [online]: [https://www.euro.who.int/\\_data/assets/pdf\\_file/0014/243302/Hungary-WHO-Country-Profile.pdf](https://www.euro.who.int/_data/assets/pdf_file/0014/243302/Hungary-WHO-Country-Profile.pdf)

<sup>43</sup> Gambineri, A., et al. (2019) "Female Infertility: Which Role for Obesity?", [in]: *International Journal of Obesity Supplements*, No. 9, pp. 65–72 Available [online]: <https://www.nature.com/articles/s41367-019-0009-1>

<sup>38</sup> Horváth, T. (2022) *Erősödik a kivándorlás Magyarországról*. Available [online]: <https://index.hu/gazdasag/2022/04/20/kivandorlas-ausztria-lakashelyzet-fiatalok/> [in Hungarian]



POLITICIANS  
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Hungary<sup>44</sup> in the EU and deaths avoidable through adequate care is much higher than the EU average. It is no surprise that a lot of people would choose private healthcare, and on average Hungarians spend around EUR 263 annually<sup>45</sup> on private healthcare while still having to pay taxes that fund the public health sector. In comparison the monthly average net wage in Hungary is around EUR 888<sup>46</sup>.

Pregnant women in Hungary would also opt for private solutions. 30.5% of them used only private gynecological care, yet 97.6% of women gave birth in a public

hospital.<sup>47</sup> The expectancy period comes with its own costs as well. Families spent around EUR 330 on expenses associated with pregnancy, and an additional EUR 474 on baby equipment. This is already a lot compared to the average wages, yet if a woman would decide to give birth in a private hospital, it could cost somewhere between EUR 2,184 and 5,262, depending on whether women want to choose their doctors or not, and what services they require<sup>48</sup>.

Most people cannot afford such expenses and must go to a public hospital, where services are not what one calls comfortable or friendly. Obstetric violence<sup>49</sup> is still a major problem. Doctors often do not respect the basic human rights of women, and do not seek their consent when giving them medications or when examining them. Doctors often see the interests of the baby only, disregarding the wellbeing of the mothers, when both are important. These are common problems, and they infantilize and submit women, rather than treating them as a human with rights<sup>50</sup>.

<sup>44</sup> European Commission (2021) *State of Health in the EU – Hungary*. Available [online]: [https://health.ec.europa.eu/system/files/2022-01/2021\\_chp\\_hu\\_hungarian.pdf](https://health.ec.europa.eu/system/files/2022-01/2021_chp_hu_hungarian.pdf) [in Hungarian]

<sup>45</sup> Political Capital (2022) *Overt and Covert Privatization in Healthcare – Whose Interest Is It?*. Available [online]: [https://politicalcapital.hu/pc-admin/source/documents/FES\\_PC\\_Healthcare\\_Summary\\_EN\\_220622.pdf](https://politicalcapital.hu/pc-admin/source/documents/FES_PC_Healthcare_Summary_EN_220622.pdf)

<sup>46</sup> <https://dailynewshungary.com/here-is-how-much-the-average-hungarians-salary-is/>

<sup>47</sup> Veroszta, Z. et al. (2021) *Pregnancy in Hungary: Report on the First Wave of the Cohort '18 - Growing Up In Hungary*. Available [online]: <https://demografia.hu/en/publicationonline/index.php/workingpapers/article/view/975/760>

<sup>48</sup> Haiman, É. (2021) *Aki magánkórházban szeretne szülni, annak most változatos árakra kell készülnie*. Available [online]: <https://novekedes.hu/elemezsek/aki-magankorhazban-szeretne-szulni-annak-most-valtozatos-arakra-kell-keszulnie> [in Hungarian]

<sup>49</sup> <https://www.lamaze.org/Giving-Birth-with-Confidence/GBWC-Post/what-is-obstetric-violence-and-what-if-it-happens-to-you>

<sup>50</sup> Enikő, B. (2022) "Amit tapasztalunk a szülőszobán, azt éljük meg nőként is a társadalomban. Kizárnak a minket érintő döntésekből", [in]: *Marie Claire*. Available [online]: <https://marieclaire.hu/riporter/2022/05/20/masallapot-a-szuleszetben-magyar-szuleszet-problemak/?fbclid=IwAR0Z6U8dITCqtJ8cTKXeDC6bIW6PqFpXxTrlT9lypufJQhGx55ehldnSnow> [in Hungarian]

Then there is the problem of mental health. Evidently more attention should be given to mental health globally, but even more care should be given to pregnant women and those with a newborn.

A study found that anxiety and depression are both present in around half of pregnant women<sup>51</sup> and around the same have newly onset anxiety right after childbirth. We should do away with the notion that childbirth is all great, and a mother should be overwhelmed by joy at the arrival of their child. They are, but they should not be embarrassed by having postpartum depression or anxiety and seek help. Mental health issues are even 40% more prevalent in young mothers (21 years old, or younger). A study found that three out of four of them have some kind of mental health issue<sup>52</sup>.

Furthermore, there are other kinds of anxieties that can hinder people from having children. For instance, dread about the future, such as in the form of climate anxiety. According to a study, 75% of young people have serious concerns about the future, moreover half of the people said that their everyday lives are negatively affected by climate anxiety<sup>53</sup>.

This can affect the birth rate given the fact that there is an ongoing debate about the moral obligation of well to do areas to have fewer children so that they do not

impact the environment negatively. A study claimed that parents are responsible for the emission of their children which will be five times more than their own. This finding, however, did not consider falling emissions, and is now considered to have been incorrect<sup>54</sup>.

## WHAT WE NEED TO TALK ABOUT

There are several sensitive topics that need to be discussed when talking about birth rate policies. The focus of policy should not be to push the birth rate at any cost. The health and wellbeing, mental and physical health of people should not be negatively affected.

For instance, there is the topic of abortion. A study conducted in the United States shows<sup>55</sup> that banning abortion would increase the birth rate, but it would also increase poverty and health issues of children by not giving at risk people access to terminate pregnancy.

Then there is the issue of women's health. In places where abortion is banned, maternal death rates are 24% higher<sup>56</sup>. Also, some women will seek illegal abortions or go elsewhere, often with a dubious reputation to perform abortion placing them and their reproductive health at risk. These should be factored in the debate on abortion, beside the morality of the issue at hand, which is – no doubt – also important.

Adoption should also be an area of focus. 'Unwanted' children should not suffer from policies that hinder providing children with a warm and nurturing home.

<sup>51</sup> <https://www.mentalhealthjournal.org/articles/an-overview-of-maternal-anxiety-during-pregnancy-and-the-post-partum-period.html#:~:text=In%20fact%2C%20a%20study%20by,51.4%25%20immediately%20after%20childbirth10>

<sup>52</sup> <https://www.forbes.com/sites/claryestes/2020/02/25/mental-health-challenges-are-4-times-higher-among-young-mothers-study-finds/?sh=110e9f7d7a4b>

<sup>53</sup> <https://www.smithsonianmag.com/sciencenature/how-to-deal-with-the-anxiety-caused-by-the-climate-crisis-180980093/>

<sup>54</sup> <https://theconversation.com/why-parents-shouldnt-be-saddled-with-environmental-guilt-for-having-children-189933>

<sup>55</sup> <https://www.prb.org/articles/are-the-states-banning-abortion-truly-pro-child-or-just-pro-birth/>

<sup>56</sup> <https://www.americanprogress.org/article/abortion-bans-will-result-in-more-women-dying/>

For instance, most western countries allow same sex couples to adopt. Yet, globally speaking, there are still numerous barriers. Hungary, for example, banned adoption rights of same sex couples in a recent law<sup>57</sup> and introduced a law mandating women to listen to the fetal heartbeat before abortion<sup>58</sup>.

Adoption rights and abortions should be considered together because not only the birth rate should matter, but also the future wellbeing of the newborns as well.

If the reduction in the size of the population of countries is a problem, there is another way of fixing the problem, that is much quicker than the family policies that often do not work, yet take a long time to have an effect, if any: the solution could be immigration. Although in the US the fertility rate among immigrants is also dropping, it is still higher than among the native-born population<sup>59</sup>. Immigrants themselves can supplement the number of people that are missing from the economy.

## CONCLUSION

Birth rate is a hard nut to crack. There are many seemingly unconnected issues that can affect birth rates directly or indirectly. The reason birth rate is a matter of concern is primarily not ideological or moral (meaning that it is the moral duty of people to reproduce), but, nowadays, the problem is more economic. The welfare state in its current form requires a steady or growing



## BIRTH RATE IS A COMPLEX MATTER WITH NO QUICK FIX, OR A 'ONE SIZE FITS ALL' SOLUTION

number of population in order to sustain itself and provide benefits for those who are incapable of producing wealth for themselves – either because they are too young, too old, are ill, or have disabilities.

Politicians would not dare touch the welfare system radically, although, at one point, they will be forced to. In the short term, however, it would mean taking away money from people, and it would require a major overhaul to supplement the current welfare system with another one that allows the same or more wealth to people. So, if the welfare states are here to stay, solutions are needed to tackle the problem of falling birth rates. It is a complex issue, and simply 'throwing money' at it is not working at all.

There are several areas that need attention. Primarily a good economic environment must be created, even if this means in the short term that birth rates will fall even more. After a certain point, more development will mean more children because the concerns about money and opportunities will cease.

<sup>57</sup> Same-sex adoption. See: <https://www.equaldex.com/issue/adoption>.

<sup>58</sup> <https://www.theguardian.com/global-development/2022/sep/13/hungary-tightens-abortion-access-with-listen-to-foetal-heartbeat-rule>

<sup>59</sup> <https://cis.org/Report/Fertility-Among-Immigrants-and-NativeBorn-Americans#:~:text=Thus%2C%20the%20presence%20of%20immigrants,has%20also%20declined%20somewhat%20more>

Closely related to the economy is freedom. They correlate, and more freedom gives more hope and an overall better environment in which people would be keener to have children. Giving people the freedom to choose is much better than essentially forcing them through economic means to have children in order to receive money.

It shows that freer countries attract more immigrants that boost the birth rate, so people will flock (or at least want to) to places with more liberty. Increasing freedom could stop emigration and would increase the birth rates of the country.

Birth rate is not the only focus. It should go hand in hand with wellbeing, both of the parents and the children. Women should not be forced to give birth, whatever the cost. They should have the opportunity to study even if it would negatively affect the birth rate. Their health, both physical and mental, should be a priority, rather than their assumed duty of giving birth. So, a pregnant woman must be given better treatment in the hospital and should not be objectified as a mere vessel for the future generation. The mental health of mothers should not be a taboo topic, but rather something that people can talk openly about.

It is also important to consider the wellbeing of children. It is not enough that they are born, they should be born with the opportunities to prosper and live in peace.

Birth rate is a complex matter with no quick fix, or a 'one size fits all' solution. The bottom line is that states should focus on giving all people a good opportunity to live in freedom and prosperity, with opportunities rather than throwing money at the problem, and if these conditions are met, more people will be happy to have children. If

there are people still choosing not to, they should not be demonized. After all, it is their choice, and choice is what freedom is all about.



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MÁTÉ  
HAJBA

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# *Good and Bad* Families: Discriminatory Family Policy of Polish Right-Wing Populists



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MIŁOSZ  
HODUN



In Poland, the word 'family' is tossed around by Law and Justice (PiS) politicians all the time. It has become their trademark, and a buzzword woven into every single political activity – both in areas of economy and cultural worldview. For the PiS party, like for many other right-wing populists around the globe, the word 'family' is a surrogate of the words 'nation' or 'society'. A good, healthy one, which must be supported by the state. Clearly, it only applies to a particular model of the family, consistent with the vision and ideology of the ruling party.

This is the reason why the family policies of PiS should be seen rather as *shell-policies*, somewhat shiny from the outside, and yet, very empty on the inside. They are very limited, both objectively and subjectively. On the one hand, the Law and Justice party reduced family policies to handing out benefits, skipping all systemic reforms much needed to achieve the goals of a comprehensive social policy. On the other hand, PiS noticeably outlines the range of families it is willing to support. Among different family categories, the only valued are those corresponding to a conservative order, promoted by the catholic church, those that reconfirm that fertility is their supreme priority.

In this paradigm, there is no room for other types of families, thus, in other words, *non-traditional* families. They are commonly treated as non-matching elements and removed from the definition of a family with all social and economic consequences. Among this group there are rainbow families, which assume a special place, because they are established by LGBTQI+ people, who are officially discriminated against and attacked by the populist right wing in Poland. As a consequence, they are not only invisible for the Polish government, but also their rights and needs are intentionally neglected.

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OF A COMPREHEN-  
SIVE SOCIAL POLICY

This issue has been noticed by European institutions (e.g., in the *Baby Sofia* decision of the European Court of Justice (ECJ) or in the European Commission's proposal to harmonize the rules on recognizing parenthood across the European Union), which are trying to improve rainbow families' situation in Poland – at least when it concerns the freedom of movement. But the PiS government torpedoes European efforts. Of course, for the sake of their alleged 'pro-family' stance.

#### WISHFUL THINKING

The propaganda surrounding the ruling party's supposedly successful family policy never sleeps. "A modern state, a welfare state, a state based on concern for human

*dignity, must above all take care of families*”, said Prime Minister Mateusz Morawiecki while announcing one of the social programs, recalling that the opposition “*very often considers families, especially those with several children, as something unusual... or even pathological, [yet] it is families that make the greatest contribution to our society, creating the future of our nation*”<sup>1</sup>. Thus – in the governmental propaganda – the axis of the divide is clear: PiS is with the families and the opposition against.

Moreover, as stated by Deputy Minister Kazimierz Kuberski in the ultra-conservative College of Social and Media Culture in Toruń, “*Family first! It may sound like a slogan, but for the Law and Justice government it is a motto we believe in. In 2015 we changed the name of the Ministry [of Social Policy - M.H.] adding a new first word – Family. From one side it is a symbolic gesture, but it shows our direction, our priorities. Family first because everything starts with a family*”<sup>2</sup>. Then he listed pro-family programs introduced by his party’s government (Family 500+, Toddler+, and Mama 4+)<sup>3</sup>. Minister Marzena Małag proudly reminded that in one year the PiS government spent over PLN 85.5 billion (ca. EUR 18.25 billion) on pro-family programs.<sup>4</sup>

<sup>1</sup> <https://visegradpost.com/en/2021/08/21/poland-pis-reinforces-its-pro-family-policy/>

<sup>2</sup> Więctawski, T. and J. Rausz (2019) “Kuberski: Nasz główny cel to polityka rodzinna”, [in]: *Polish Press Agency*. Available [online]: <https://www.pap.pl/aktualnosci/news%2C410189%2Ckuberski-nasz-glowny-cel-polityka-prorodzinna.html> [in Polish]

<sup>3</sup> Ministry of Family and Social Policy (2019) *Główny cel – polityka prorodzinna*. Available [online]: <https://www.gov.pl/web/rodzina/glowny-cel-polityka-prorodzinna> [in Polish]

<sup>4</sup> Polish Press Agency (2022) *Minister Małag: W tym roku na politykę prorodziną przeznaczymy 858 mld zł*. Available [online]: <https://www.pap.pl/aktualnosci/news%2C1273379%2Cminister-malag-w-tym-roku-na-polityke-rodzinna-przeznaczymy-858-mld-zl> [in Polish]

The word ‘family’ is the key to understanding how PiS seized the power and to comprehend its blueprint that is supposed to ensure the now ruling party also wins the next elections<sup>5</sup>. Already in 2015, PiS knew well the fears and hopes of big groups of the society regarding the lack of participation and the overall economic success of the transition and ran a campaign that offered social spending unseen in Poland after 1989<sup>6</sup>. The axis of this campaign was the family, whereas the vital promise was the Family 500+ program<sup>7</sup>. In other words, the Law and Justice party stretched out its hand to families, especially large and underprivileged ones, far from big cities, and grabbed all power in the country in return.

The family minister became the key figure in the government. Never in a democratic Poland has any minister responsible for social affairs had such a strong position. The ministry (mass-) produced new programs, strategies, and ideas to prove that the family is the center of attention of the right-wing coalition. Among others, the government

<sup>5</sup> Parliamentary elections will be held in Poland in late 2023. According to most of the polls, the democratic opposition has a real chance to win majority in both chambers of the parliament and form the next government. However, it can be expected that PiS will use all means available, including the state apparatus and state budget, to support its own campaign. What is more, it is anticipated that PiS will make several new campaign promises, in particular announcements of additional social spending.

<sup>6</sup> Brzeziński, M., Sałach, K., and J. Gromadzki (2022) “Wpływ programu „Rodzina 500+” na wyniki wyborów w Polsce”, a working paper, [in]: *Instytut Badań Strukturalnych*. Available [online]: <https://ibs.org.pl/publications/wpływ-programu-rodzina-500-na-wyniki-wyborow-w-polsce/> [in Polish]

<sup>7</sup> Under the program, parents can receive a tax-free benefit of PLN 500 (ca. EUR 120) per month for all children until they reach the age of 18. The additional support is roughly 12% of the average gross wage in Poland in 2016. Find out more: European Commission (2018) *First Results of Poland’s Family 500 programme*. Available [online]: <https://ec.europa.eu/social/main.jsp?langId=en&catId=1246&newsId=9104&furtherNews=yes>



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presented the *Demographic Strategy 2040*<sup>8</sup>, which assumes getting out of the trap of the low fertility rate and moving closer to a level that guarantees the replacement of generations. The government plans “to achieve this objective by means of long-term, multi-area measures removing the barriers which discourage the Poles from pursuing their family aspirations. Among the priority areas of intervention, there are the programs of the Polish Deal and new initiatives supporting flexibility and stability of work and

<sup>8</sup> *Demographic Strategy 2040*. Available [online]: <https://www.gov.pl/web/demografia/strategia#:~:text=Strategia%20Demograficzna%202040%20to%20pierwszy,poziomu%20dzietno%C5%9Bci%20gwarantuj%C4%85cego%20zast%C4%99powalno%C5%9B%C4%87%20pokole%C5%84>. [in Polish]

improvement in the quality of health care<sup>9</sup>. As such, *Demographic Strategy 2040* has three main objectives: strengthening the family, removal of barriers for parents who want to have children, and improvement in the quality of policy management and implementation.

The strategy itself was criticized by the Committee on Demographic Studies of the Polish Academy of Science (KND PAN), with its members accusing its authors of ‘wishful thinking’ and ‘lack of factual knowledge’ about demographics<sup>10</sup>. They also pointed out errors in the document itself – for example, mixing scientific terminology with informal language and ideology<sup>11</sup>.

In fact, the entire family policy of PiS has been under heavy criticism<sup>12</sup>. Even though some experts stress that Family 500+ and other projects are important because they are the first extensive social initiatives in 30 years, important mechanisms for eliminating poverty among children<sup>13</sup>, and they contributed to higher consumption and saving rates (while debt levels have decreased<sup>14</sup>), most voices indicate that they did not play their declared role at all – namely, focusing on demographics.

<sup>9</sup> Ibid.

<sup>10</sup> Golata, E. (2022) “Głos Komitetu Nauk Demograficznych Polskiej Akademii Nauk w dyskusji o sytuacji demograficznej w Polsce”, [in: *Nauka*, Vol. 1(10)], pp. 187–197. Available [online]: <https://journals.pan.pl/Content/122343/PDF/N%23122-12-Prezydium%20KND%20PAN.pdf> [in Polish]

<sup>11</sup> Ibid.

<sup>12</sup> See, for example: <https://for.org.pl/en/publications/for-reports/report-family-500-program-evaluation-and-proposed-changes>

<sup>13</sup> <https://notesfrompoland.com/2020/07/01/extreme-poverty-in-poland-fell-by-over-a-fifth-in-2019/>

<sup>14</sup> European Commission (2018) *First Results of Poland's Family 500 programme*. Available [online]: <https://ec.europa.eu/social/main.jsp?langId=en&catId=1246&newsId=9104&furtherNews=yes>

Demography is, indeed, a serious problem for Poland, where a very low birth rate is mixed with a failure to adopt a responsible migration policy. At current rates, according to Eurostat, Poland's population could have shrunk to 34.1 million by 2050 and to 27.65 million by 2100<sup>15</sup>. Regardless of the government's intentions, the number of births in 2020 was the lowest since 2003. This data clearly shows that the program's effects are weaker compared to pro-natalist interventions in other countries, at a relatively high cost<sup>16</sup>. And, as a matter of principle, reducing the family policy to demography is questionable, as the challenges go beyond population growth, and should be addressed by the state.

Law and Justice, just like any other populist party, focuses primarily on slogans and spending. They are unable to design long-term solutions that will change the system to support Polish families in a complex way. Meanwhile, limiting family programs to benefits will not solve essential social problems. Interconnected changes in childcare infrastructure, the tax system, employment, and social security laws, introduced together with sympathy for rapid changes in the society, are necessary to label an initiative 'a modern family policy'.

New programs with tacky names, with limited cash transfers only behind them, do not absolve the government from the responsibility to create full-scale reforms. Also, they have an additional disadvantage – they lose their

<sup>15</sup> Szaltys, D. (ed.) (2014) *Population Projection 2014-2050*, Warsaw: GUS. Available [online]: [https://stat.gov.pl/files/gfx/portalinformacyjny/pl/defaultaktualnosci/5469/1/5/1/prognoza\\_ludnosci\\_na\\_lata\\_\\_\\_\\_2014\\_-\\_2050.pdf](https://stat.gov.pl/files/gfx/portalinformacyjny/pl/defaultaktualnosci/5469/1/5/1/prognoza_ludnosci_na_lata____2014_-_2050.pdf) [in Polish]

<sup>16</sup> Bartnicki, S. and M. Alimowski (2022) "W poszukiwaniu demograficznych efektów rządowego programu 'Rodzina 500 Plus'", [in]: *Studia Socjologiczne*, Vol. 1(244), pp. 193-219. Available [online]: <https://yadda.icm.edu.pl/yadda/element/bwmeta1.element.desklight-b571d119-65bf-4af7-8b9a-b4978b1f70b5> [in Polish]



## THE ENTIRE FAMILY POLICY OF PIS HAS BEEN UNDER HEAVY CRITICISM

value quickly. How much is PLN 500 from 2015 worth in 2023? Around PLN 350 (inflation in Poland reached 17.9% y/y in December 2022)<sup>17</sup> – costs of living, in particular costs of early education services, are rising at a dizzying pace. Parents who dare to ask about the degradation of public services still hear one answer "but we gave you 500+ benefits"; in other words, "you took the cash, so you should not expect anything more from us...".

### A DEEPER PROBLEM

The problem with PiS's family policies runs even deeper. It starts with the definition of 'the family'. According to catholic social teachings, "a basic structure of family is marriage understood as an unbreakable union between a man and a woman"<sup>18</sup>. The Church, therefore, condemns 'free relationships' as the "denial of the original plan of God"<sup>19</sup> and thus does not tolerate children

<sup>17</sup> Bartnik, N. (2022) "Inflacja dobrała się do 500+. Nie spodoba ci się, ile dostajesz naprawdę", [in]: INN: Poland. Available [online]: <https://innpoland.pl/186508,ile-jest-warte-500-plus-ile-zabiera-inflacja> [in Polish]

<sup>18</sup> Can. 1055 §1. The matrimonial covenant, by which a man and a woman establish between themselves a partnership of the whole of life, and which is ordered by its nature to the good of the spouses and the procreation and education of offspring, has been raised by Christ the Lord to the dignity of a sacrament between the baptized (Code of Canon Law).

<sup>19</sup> See, for example: Graczyk, K. (2004) "Życie w wolnym związku bez sakramentu", [in]: *Niedziela.pl*. Available [online]: <https://www.niedziela.pl/arttykul/29890/nd/Zycie-w-wolnym-zwiazku-bez-sakramentu> [in Polish]

born outside of marriage. Polish bishops actively and zealously fight against all non-traditional family choices<sup>20</sup>.

Meanwhile, the Law and Justice party pursues family policy in this spirit, which has been confirmed by Jarosław Kaczyński, the party leader<sup>21</sup>. The official definition of the family he offers is that it consists of one man and one woman in a durable relationship, with children<sup>22</sup>. A broader definition was, however, presented, for example, in a 2021 draft law titled *Local Government for the Family*, which states that a family is “a community bound by kinship, affinity, adoption or marriage”<sup>23</sup>. Needless to say, the main role such definitions play is the exclusion of certain types of families deemed unconventional as well as entire social groups. This exclusion is tailored to inflame public conflicts and build political campaigns on polarization.

The ruling party divides families into *good* and *bad ones*. Married couples with children belong to the former category, all others – to the latter. According to the Polish government, only traditional families are entitled to full state support. NKD PAN underlines that the already mentioned *Demographic Strategy*

2040 discriminates extra-matrimonial unions, ignores women’s needs and new trends in the area of family-making<sup>24</sup>. Acknowledged demographer Professor Irena Kotowska said, “In a discussion about supporting families, we cannot ignore other forms of families, addressing solutions only to married couples”, adding that “statistics show that almost ¼ of children are born by an unmarried woman, and more and more women decide to marry for the first time after having their first baby”<sup>25</sup>. At the same time, according to Statistics Poland (GUS), the number of marriages shrinks every year<sup>26</sup>. Similarly, in the early 1990s, ca. 7% of children in Poland were born outside of marriage, whereas in 2019 – over 25%<sup>27</sup>.

According to populists, women are divided into categories based not only on their marital status. Since Polish right-wing politicians believe that the woman’s place is in the home, they have dedicated special attention and funds to those women who fulfill their expectations.<sup>28</sup> This approach demonstrates

<sup>20</sup> See, for example: <https://www.euractiv.com/section/freedom-of-thought/news/catholic-church-battles-against-lgbt-in-visegrad-four-continues/>

<sup>21</sup> Dziennik Gazeta Prawna (2019) *Kaczyński: Rodzina to kobieta, mężczyzna i dzieci. I dobrze, żeby te dzieci były, bo muszą być kolejne pokolenia*. Available [online]: <https://wiadomosci.dziennik.pl/polityka/artykuly/607659.kaczynski-rodzina-mezczyzna-kobieta-dzieci.html> [in Polish]

<sup>22</sup> Another definition was given by PiS in a 2016 declaration from: “a durable union between a man and a woman open to transfer life”. See: Poptawska, E. (2016) “Definicja rodziny według postów PiS w ustawie o Dniu Praw Rodziny budzi wątpliwość opozycji”, [in]: wp.pl. Available [online]: <https://wiadomosci.wp.pl/definicja-rodziny-wedlug-poslow-pis-w-ustawie-o-dniu-praw-rodziny-budzi-watpliwosc-opozycji-6049725370475137a> [in Polish]

<sup>23</sup> *Local Government for the Family Act*. See: [http://orka.sejm.gov.pl/Druki9ka.nsf/Projekty/9-020-365-2021/\\$file/9-020-365-2021.pdf](http://orka.sejm.gov.pl/Druki9ka.nsf/Projekty/9-020-365-2021/$file/9-020-365-2021.pdf) [in Polish]

<sup>24</sup> Golata, E. (2022) “Głos Komitetu Nauk Demograficznych Polskiej Akademii Nauk w dyskusji o sytuacji demograficznej w Polsce”, [in]: *Nauka*, Vol. 1(10), pp. 187–197. Available [online]: <https://journals.pan.pl/Content/122343/PDF/N%2023122-12-Prezydium%20KND%20PAN.pdf> [in Polish]

<sup>25</sup> Theus, J. (2021) “Strategia Demograficzna PiS ignoruje potrzeby kobiet i dyskryminuje”, [in]: *OKO.press*. Available [online]: <https://oko.press/strategia-demograficzna-pis-dyskryminuje> [in Polish]

<sup>26</sup> Polskie Radio (2022) *Spada liczba nowych małżeństw, wzrasta liczba rozwodów*. Available [online]: <https://www.polskieradio.pl/196/3534/Artykul/3082832,spada-liczba-nowych-malzenstw-wzrasta-liczba-rozwodow#:~:text=ni%C5%BC%20rok%20wcze%C5%9Bniej,-W%20latach%2090...%2C%20na%20wsi%2082%25> [in Polish]

<sup>27</sup> GUS (2020) *Sytuacja społeczno-gospodarcza kraju w 2020 r.* Available [online]: <https://stat.gov.pl/obszary-tematyczne/inne-opracowania/informacje-o-sytuacji-spoeczno-gospodarczej/sytuacja-spoeczno-gospodarcza-kraju-w-2020-r-1,104.html> [in Polish]

<sup>28</sup> See, for example: Siemiończyk, G. (2017) “Program 500+ obniżył skłonność kobiet do pracy”, [in]: *Rzeczpospolita*. Available [online]: <https://www.rp.pl/rynek-pracy/art2354361-program-500-obnizyl-sklonnosc-kobiet-do-pracy> [in Polish]

unequal treatment, but it is not at all unusual for the ruling party.

It is also worth mentioning that PiS ignores the rights and the role of fathers, their participation and involvement in family life too. New pro-family programs, primarily *Family 500+*, have enabled tens of thousands of mainly younger women to stop working<sup>29</sup>. The government believes that the fertility rate should be improved at the expense of professional activity of women, together with their economic independence, personal prosperity, and future financial security. It is estimated that approximately half a million Polish women between 25 and 49 years old cannot work because of care-taking obligations<sup>30</sup>. This trend could be changed, but there is no political will within the ruling coalition.

Finally, the Law and Justice party neglects to include single parents in their family policies. Jarosław Kaczyński labels everything that in his opinion is not *“a normal, a constitutional family”* as *“anti-culture”*<sup>31</sup>. As previously stated, in Poland, already ¼ of all children are born outside of marriage. 2.5 million Poles raise their children alone. 19.4% of Polish families are single mothers with children (one of the highest number in Europe; it is higher only in the Baltic states and Slovakia); 2.8% - single fathers. Also, the

number of single parents who have never been married has grown significantly<sup>32</sup>. The government not only does not help single parents, but it also makes their situation worse – for example, in the flagship Polish Deal program, the possibility of filing a joint tax return by single parents together with their children (meaning that the single parent can use the tax-free allowance of PLN 30,000 twice) was eliminated – only to be later restored after protests of single parents and the opposition<sup>33</sup>.

PiS does not (want to) see that the family model in Poland has changed, that Polish society has changed. This can be perfectly illustrated by Jarosław Kaczyński's recent words that received wide coverage in autumn 2022, raising eyebrows in Poland and beyond. During a party rally in the Etk city, the party leader stated that not all pro-natalist programs can be fully successful because there is *“cultural resistance”* to having children among some sections of the society. *“[N]ecessary to say openly some bitter truths: if it continues to be the case that, by the age of 25, girls, young women, drink as much as their male peers, there won't be children”*, he added. *“Remember that to develop alcoholism, a man must drink excessively on average for 20 years... but a woman only two,”*<sup>34</sup> continued Kaczyński, causing applause in the audience. On the one hand, it exposes the worldview of the PiS leader, who reduce women to reproductive roles.

<sup>29</sup> Krajewski, K. and T. Zalega, (2020). The “Family 500+” program versus the economic activity of women in Poland, *Nierówności społeczne a wzrost gospodarczy*, 63(44-68)

<sup>30</sup> Iga, M. (2021) “Jak zwiększyć aktywność zawodową kobiet w Polsce?”, [in]: *Instytut Badań Strukturalnych*. Available [online]: <https://ibs.org.pl/publications/jak-zwiekszyz-aktywnosc-zawodowa-kobiet-w-polsce/> [in Polish]

<sup>31</sup> See, for example: Papiernik, O. (2022) “Kaczyński ponownie poruszył temat rodziny. ‘Chcemy, by społeczeństwo było normalne’”, [in]: *Dziennik.pl*. Available [online]: <https://wiadomosci.dziennik.pl/polityka/artykuly/8536755,jaroslaw-kaczynski-rodzina-kultura-pis.html> [in Polish] Later, Jarosław Kaczyński he was explaining that he did not want to offend single parents.

<sup>32</sup> TVN24 (2019) *Statystyczna polska rodzina. Jaka jest?*. Available [online]: <https://konkret24.tvn24.pl/polska/statystyczna-polska-rodzina-jaka-jest-ra968030> [in Polish] The data comes from the 2011 census. Currently, we are waiting for the new data, of the 2021 census, to be published.

<sup>33</sup> *Gazeta Prawna* (2022) *Polski Ład 2.0. Samotni rodzice odzyskują preferencję podatkową*. Available [online]: <https://podatki.gazetaprawna.pl/artykuly/8457496,samotni-rodzice-rozliczenie-polski-lad-2-0.html> [in Polish]

<sup>34</sup> <https://notesfrompoland.com/2022/11/06/alcohol-consumption-by-women-cause-of-polands-low-birth-rate-says-ruling-party-leader-kaczynski/>



## THE RULING PARTY DIVIDES FAMILIES INTO GOOD AND BAD ONES

With these cruel and ignorant words he re-confirmed that, in his opinion, all women must fulfill their role as mothers. But, put more broadly, it proves total detachment from Polish women's reality.

Polish women stress that they do not have children not because they are heavy drinkers, but because of the government's failure to implement structural reforms. They complain that PiS, after seven years in power, has not done much to convince them to make a decision about having a child. They emphasize a lack of improvements in the areas of employment and taxation, crucial infrastructure, and access to affordable housing, among others. Moreover, they indicate that the government's anti-women agenda (symbolized by a nearly full abortion ban) made them scared of getting pregnant, even more in light of the stories of young pregnant women who lost their lives in hospitals<sup>35</sup>.

### RAINBOW FAMILIES

There is one category of families in Poland that has been discriminated against by the Law and Justice government with par-

ticular passion – namely, rainbow families. Throughout all the years of PiS being in power, it is a group that has been attacked violently.

Polish right-wing populists are well known for their homo- and transphobic behavior<sup>36</sup>. The analysis of the issue goes far beyond the scope of this article, but the key attacks on the LGBTQI+ community may be briefly listed as follows:

- President Andrzej Duda's vetoes the Gender Accordance Act (2015).
- The education reform is implemented by PiS between 2015 and 2022 to "*protect children from moral corruption*" and attempts to eliminate sex education from schools.
- Support for the *Stop Pedophilia* civic initiative (2019), which aims at banning sex education and criminalizing the "*promotion of underage sexual activity*" under the pretext of banning the "*demoralization and sexualization of children*".
- Campaign against Warsaw's 'LGBT+ Declaration' (2019).
- Verbal attacks on LGBTQI organizations, paired with their financial discrimination and harassment of activists.
- Adoption of the so-called 'LGBT-free zones' by ca. 100 local and regional governments dominated by the right wing (2019-2020).
- An amendment to the Passport Act, which made it more difficult for same-sex parents to get passports for their children (2022)<sup>37</sup>.

<sup>35</sup> <https://www.euronews.com/2022/01/26/polish-activists-condemn-abortion-law-after-death-of-another-pregnant-woman>

<sup>36</sup> Read more: Political Capital Institute and Projekt: Polska (2022) *A Comparison of the Anti-Gender and Anti-LGBTQI Mobilisation in Hungary and Poland*. Available [online]: [https://www.politicalcapital.hu/pc-admin/source/bejegyzesek/FNF%202022\\_Anti-gender%20mobilisation%20in%20HU-PL/Research%20report%20HU%20BPL\\_Final\\_2022-06-30.pdf](https://www.politicalcapital.hu/pc-admin/source/bejegyzesek/FNF%202022_Anti-gender%20mobilisation%20in%20HU-PL/Research%20report%20HU%20BPL_Final_2022-06-30.pdf)

<sup>37</sup> Ibid.



## THE LAW AND JUSTICE PARTY NEGLECTS TO INCLUDE SINGLE PARENTS IN THEIR FAMILY POLICIES

The PiS government has been using anti-gender narratives to present themselves as ‘the only defender of Polish families’. As a result, LGBTQI+ people have been identified as a threat for the centuries-old tradition and durability of families in Poland. For Polish right-wing politicians and their allies, they symbolize biological and moral void as they – in principle – cannot have children and their lifestyle embodies individualism and liberalism.

Furthermore, the LGBTQI+ community is also attacked by the ruling party from a position of child protectors. *“This is an attack on the family, and an attack conducted in the worst possible way because it’s essentially an attack on children. We will say no to the attack on children. Polish parents have the right to raise their own children. We will not be intimidated. We will defend the Polish family”*<sup>38</sup>, said Kaczyński during one of the party rallies. Many of his allies went even further, spreading the message that same-gender attraction and pedophilia are linked

<sup>38</sup> <https://notesfrompoland.com/2020/06/10/polish-president-pledges-to-defend-children-from-foreign-lgbt-ideology-ahead-of-election/>

phenomena<sup>39</sup>. Such a narrative served the Law and Justice party well in mobilizing their voters in different election cycles in particular in the victorious 2019 general elections and 2020 presidential elections.

### INVISIBLE CHILDREN

According to estimates, approximately 50,000 families in Poland are ‘rainbow families’<sup>40</sup>. Yet, they have no rights. Poland does not legally recognize same-sex unions nor partnerships, neither in the form of marriage nor civil unions. All attempts to change it in the parliament have been unsuccessful so far<sup>41</sup>, even if the social support for full (marriages) and partial (civil unions) equality has grown and is currently relatively high. In 2019, 41–42% Poles were in favor of marriage equality, and 56–57% in favor of civil unions<sup>42</sup>. In 2021, in an analysis conducted with a different methodology, these numbers were 29% and 67%, respectively<sup>43</sup>. Even the state-controlled institute has observed an increase in the support for marriage equality (from 29% in 2019 to 34% in 2021)<sup>44</sup>.

<sup>39</sup> <https://www.reuters.com/article/us-poland-lgbt-ed-ucation-trfn-idUSKCN21X2ZA>

<sup>40</sup> <https://www.ipsos.com/en/lgbt-pride-2021-global-survey-points-generation-gap-around-gender-identity-and-sexual-attraction>

<sup>41</sup> While Poland does not have a specific law on cohabitation, there are some provisions in various legal acts or highest courts’ rulings that recognize relations between unmarried partners and grant them specific rights and obligations, e.g., the penal code uses a term ‘the closest person’, the *Patients’ Rights Act* uses a term ‘next of kin’ interpreted as ‘person in a durable partnership’.

<sup>42</sup> Ambroziak, A. (2019) “Rekordowe poparcie dla związków partnerskich i równości małżeńskiej [SONDAŻ OKO.press]”, [in]: *OKO.press*. Available [online]: <https://oko.press/rekordowe-poparcie-dla-zwiazkow-partnerskich-i-rownosci-malzenskiej-sondaz> [in Polish]

<sup>43</sup> Ibid.

<sup>44</sup> CBOS (2021) *Stosunek Polaków do osób homoseksualnych*. Available [online]: [https://www.cbos.pl/SPISKOM.POL/2021/K\\_121\\_21.PDF](https://www.cbos.pl/SPISKOM.POL/2021/K_121_21.PDF) [in Polish]





THERE  
IS ONE CATEGORY  
OF FAMILIES  
IN POLAND  
THAT HAS BEEN  
DISCRIMINATED  
AGAINST  
BY THE LAW  
AND JUSTICE  
GOVERNMENT  
WITH PARTICULAR  
PASSION – NAMELY,  
RAINBOW FAMILIES

Article 18 of the Polish Constitution states that *“marriage as a union of a man and a woman, family, motherhood[,] and parenthood is under the protection and care of the Republic of Poland”*<sup>45</sup>. As a consequence, opponents of marriage equality have argued that this means marriage is defined as being exclusively between a man and a woman. However, in 2022, Poland’s Highest Administrative Court (NSA) ruled that it is not the case. *“Article 18 of the Constitution cannot in itself constitute an obstacle to transcribing a foreign marriage certificate if the institution of marriage as a union of per-*

*sons of the same sex was provided for in the domestic [legal] order”,* declared NSA. *“The provision of the constitution in question does not prohibit the statutory regulation of same-sex unions”,* it continued, concluding that *“at present the Polish legislature has not decided to introduce such solutions”*<sup>46</sup>.

The lack of any legal recognition makes the situation of LGBTQI+ people even more difficult than it is due to permanent hateful attacks by the government and its allies. It complicates everyday life of rainbow families (in hospitals or in relations with tax offices) and can lead to tragedies in some cases<sup>47</sup>.

The situation gets even more complicated when children appear in the picture. And in spite of the fact that they may seem invisible to the naked eye, rainbow families with children *do exist* in Poland. It is a very difficult task to approximate the number of children growing up in them (no official data is available), but some estimates report about 150,000 children being members of less traditional families<sup>48</sup>. The 2012 report ‘Social Situation of LGBT People’ published by Lambda Warszawa and KPH<sup>49</sup> indicated that out of 11,000 people interviewed, 5.5% declared that they raise children, half of them

<sup>46</sup> <https://notesfrompoland.com/2022/11/03/polish-top-court-issues-ruling-on-same-sex-marriage/>

<sup>47</sup> Michalski, B. (2022, November 3). Przetłomiony wyrok w sprawie małżeństw jedнопłciowych? Niekoniecznie, *Gazeta Prawna*. Available [online]: <https://serwisy.gazeta-prawna.pl/orzeczenia/artykuly/8580483.lgbt-wyrok-malzenstwa-pary-jednopłciowe-konstytucja-nsa.html> [in Polish]

<sup>48</sup> Gruszczyński, A. (2020, July 10). Homofobiczne obietnice Andrzeja Dudy uderzają w konkretne rodziny, które coraz częściej myślą o emigracji, *Wysokie Obcasy*. Available [online]: <https://www.wysokieobcasy.pl/wysokie-obcasy/7.163229.26117067.homofobiczne-obietnice-andrzeja-dudy-uderzaja-w-konkretne-rodziny.html?disableRedirects=true> [in Polish]

<sup>45</sup> See: The Constitution of the Republic of Poland. Available [online]: <https://www.sejm.gov.pl/prawo/konst/angielski/kon1.htm>

<sup>49</sup> The Lambda Warszawa and the Campaign Against Homophobia (KPH) are the most influential Polish LGBTQI+ organizations.

– in same-sex relationships (a similar report from 2007 said it was 5.4%)<sup>50</sup>. According to the ‘Families by Choice’ report, 9% of interviewed non-heterosexual people have children (12% women, 5% men)<sup>51</sup>.

Rainbow families with children operate in a very hostile legal environment. There is no joint adoption, no second-parent adoption, no automatic co-parent recognition. Moreover, the Law and Justice party demonizes such families by employing fear-mongering strategies, announcing further deterioration of their position vis-à-vis the state. When President Andrzej Duda was seeking reelection in 2020, he announced that he would submit legislation for a constitutional amendment banning the adoption of children by couples in a same-sex relationship<sup>52</sup>. He described such adoption as ‘experimentation’ on and ‘enslavement’ of children<sup>53</sup>. Hard-right Minister of Justice Zbigniew Ziobro announced in the same year a draft law that would ban adoption by same-sex couples and place strict scrutiny over single applicants, to ensure they are not actually in a same-sex relationship<sup>54</sup>. Such adoption is not legal in Poland anyway, and these proposals should be interpreted only as a measure aimed to polarize the society.

<sup>50</sup> Abramowicz, M. (2007). *Sytuacja społeczna osób biseksualnych i homoseksualnych w Polsce*, Warszawa: KPH.

<sup>51</sup> Mizielińska, J., Abramowicz, M., Stasińska, A. (2014). *Rodziny z wyboru w Polsce*, Instytut Psychologii PAN. Available [online]: [http://rodzinyzwyboru.pl/wp-content/uploads/2021/10/Raport\\_Rodziny-z-wyboru-w-Polsce.-Zycie-rodzinne-osob-nieheteroseksualnych.pdf](http://rodzinyzwyboru.pl/wp-content/uploads/2021/10/Raport_Rodziny-z-wyboru-w-Polsce.-Zycie-rodzinne-osob-nieheteroseksualnych.pdf) [in Polish]

<sup>52</sup> <https://notesfrompoland.com/2020/07/04/polish-president-proposes-constitutional-ban-on-same-sex-adoption-calling-it-enslavement/>

<sup>53</sup> Ibid.

<sup>54</sup> <https://www.thepinknews.com/2020/07/21/poland-law-justice-party-european-union-same-sex-marriage-minister-zbigniew-ziobro/>



## ACCORDING TO ESTIMATES, APPROXIMATELY 50,000 FAMILIES IN POLAND ARE ‘RAINBOW FAMILIES’

Since PiS came to power in 2015, rainbow families started to emigrate more frequently, looking for basic rights and freedom<sup>55</sup>. In Poland, even the problem of second-parent adoption cannot get regulated. Currently, a second parent in a same-sex relationship has no rights – for instance, in case of death of a biological parent, even if they raised a child together for years. Polish rainbow families thus have to seek survival strategies – in the case of lesbian mothers, the non-biological mother may choose to marry the gay father to create a legal link with the child<sup>56</sup>.

### A PARENT IN ONE COUNTRY, A PARENT IN EVERY COUNTRY

On the European level, the criticism of the situation created by the Polish authorities for rainbow families goes beyond regular declarations and appeals of the European Parliament. The obstacles that these type of families (with or without children) face

<sup>55</sup> Gruszczynski, A. (2020) “Homofobiczne obietnice Andrzeja Dudy uderzają w konkretne rodziny, które coraz częściej myślą o emigracji”, [in]: *Wysokie Obcasy*. Available [online]: <https://www.wysokieobcasy.pl/wysokie-obcasy/7,163229,26117067,homofobiczne-obietnice-andrzeja-dudy-uderzaja-w-konkretne-rodziny.html?disableRedirects=true> [in Polish]

<sup>56</sup> Ibid.



## RAINBOW FAMILIES WITH CHILDREN OPERATE IN A VERY HOSTILE LEGAL EN- VIRONMENT

when they attempt to exercise their free movement rights – one of the fundamental freedoms – within the EU have been spotlighted numerous times. In the case of Poland (and five other member states<sup>57</sup>), these obstacles consist of a failure to recognize same-sex couples (whether married, registered, or unregistered) as couples, and to acknowledge that both members of the couple are the legal parents of their child (or children) in the member state from which they are moving or returning. Often, when a border with Poland is crossed, the couple ceases to be legally identified as a couple, becoming instead two unrelated individuals, and their child or children go from having two legal parents to only one legal parent or no legal parents<sup>58</sup>. This phenomenon results in widespread discrimination.

The European Union cannot legislate in order to require all member states to offer legal recognition to the familial ties among the members of rainbow families in their own territory in situations which have no link with EU law. The link between particular family situations and EU law is sometimes demonstrated by the Court of Justice of the

European Union (CJEU), whose role is to ensure EU law is interpreted and applied to the same extent in every EU country and to guarantee that countries and EU institutions abide by EU law.

In 2022, the CJEU decided in a landmark case concerning Poland that it will help provide a general framework for removing obstacles to freedom of movement for rainbow families<sup>59</sup>. Poland refused to recognize the birth certificate of Sofia, a child of two women, a Polish and an Irish citizen, born in Spain, depriving her of access to citizenship and identity documents. For over two years, Sofia remained without any documentary proof of any nationality, and, therefore, at risk of statelessness<sup>60</sup>.

On June 24, the CJEU issued a reasoned order establishing that when an EU country has recognized two persons of the same sex as parents of a child, then the EU country of which that child is a national, should issue identity documents to that child with both parents on them, and all EU countries should protect the right to freedom of movement of the child and their family<sup>61</sup>. This is a confirmation of a previous landmark judgment, that of *Baby Sara*<sup>62</sup>. Poland has been told that it must now provide Sofia with identity documents and guarantee her and her parents the right to move and reside freely in the country.

Lawyers and advocacy groups hope that the decision of the CJEU will convince the NSA in Poland to issue an ID with both mothers' names. However, in 2019, the NSA ruled

<sup>57</sup> Bulgaria, Latvia, Lithuania, Poland, Romania, and Slovakia.

<sup>58</sup> See, for example: <https://www.euronews.com/travel/2021/06/11/this-is-how-lgbtq-people-are-excluded-from-freedom-of-movement-in-the-eu>

<sup>59</sup> <https://www.ilga-europe.org/news/rainbow-families-have-the-right-to-move-and-reside-freely-eu-court-reiterates/>

<sup>60</sup> Ibid.

<sup>61</sup> Ibid.

<sup>62</sup> <https://www.ilga-europe.org/news/bulgarian-court-rules-baby-sara-must-be-issued-birth-certificate/>



SINCE PIS CAME TO POWER IN 2015, RAINBOW FAMILIES STARTED TO EMI-GRATE MORE FRE-QUENTLY, LOOKING FOR BASIC RIGHTS AND FREEDOM

that a same-sex couple whose son had been born in the United Kingdom could not transcribe his birth certificate into the Polish civil registry. The judges found that doing so would constitute “a threat to the Polish legal order”<sup>63</sup>.

After the *Baby Sofia* decision, the Polish government even intended to change the law on birth certificates. It planned to add a new chapter on special certificates for children with same-sex parents. It was supposed to be the first time when Polish law would recognize children in rainbow families and was valued by some LGBTQI+ organizations, even if it was described as discriminatory by the Polish Ombudsman (as a means of creating a separate category of children of same-sex parents<sup>64</sup>). But the government

<sup>63</sup> <https://notesfrompoland.com/2019/12/03/same-sex-couple-cannot-register-as-parents-of-uk-born-child-rules-top-polish-court/>

<sup>64</sup> Ferfecki, W. (2022) “Polskie prawo jednak nie dostrzeże dzieci z tęczowych rodzin”, [in]: *Rzeczpospolita*. Available [online]: <https://www.rp.pl/polityka/art37507101-polskie-prawo-jednak-nie-dostrzeze-dzieci-z-teczowych-rodzin> [in Polish]

### THE ‘FAMILY’ CATEGORY IN THE ILGA EUROPE’S REPORT ON POLAND:

- × Marriage equality
- × Registered partnership (similar rights to marriage)
- × Registered partnership (limited rights)
- × Cohabitation
- × No constitutional limitation on marriage
- × Joint adoption
- × Second-parent adoption
- × Automatic co-parent recognition
- × Medically assisted insemination (couples)
- × Medically assisted insemination (singles)
- × Recognition of trans parenthood

withdrew from this change in late 2022. The ultraconservative think tank *Ordo Iuris* claimed it had influenced the minister of justice’s decision as – in their opinion – the new chapter could help introducing in Poland marriage equality and same-sex adoption<sup>65</sup>. The *Ordo Iuris* was also very proud that it led the government to adopt a new Passport Act, which made it more difficult for children of same-sex parents to receive a Polish passport<sup>66</sup>.

Meanwhile, more actions in favor of rainbow families can be expected from the European Commission. President Ursula von der Leyen stated, noticing the problems in many member states, in her 2020 State

<sup>65</sup> *Ibid.*

<sup>66</sup> Flis, D. (2022) “Urzędy będą mogły odmawiać paszportów dzieciom jedнопłciowych par. Na życzenie *Ordo Iuris*”, [in]: *OKO.press*. Available [online]: <https://oko.press/paszporty-dzieci-jednopłciowe-pary-lgbt-ordo-iuris> [in Polish]

of the Union speech that “If you are parent in one country, you are parent in every country”<sup>67</sup>. The Commission adopted a proposal to harmonize the rules on recognizing parenthood across the EU<sup>68</sup>. According to the Commission, “[t]he proposal is focused on the best interests and the rights of the child. It will provide legal clarity for all types of families, who find themselves in a cross-border situation within the EU, be it because they move from one [m]ember [s]tate to another to travel or reside, or because they have family members or property in another [m]ember [s]tate”<sup>69</sup>. The non-recognition of parenthood puts at risk the fundamental rights of children, including their right to an identity, non-discrimination, and a private and family life.

Such a declaration could not be without reaction from the Polish government. Justice minister Zbigniew Ziobro announced Warsaw will block the proposals to ensure that the rights of same-sex parents and their children are legally recognized in all of the bloc’s member states. “The Ministry of Justice was ready to support this document if the solutions characterized by the ideology of LGBT communities and so-called ‘rainbow families,’ i.e. same-sex unions, were eliminated from it. In light of

<sup>67</sup> <https://www.ilga-europe.org/blog/if-you-are-parent-in-one-country-you-are-parent-in-every-country-but-still-today-a-child-can-be-stateless-in-the-eu-just-because-it-has-two-mothers/>

<sup>68</sup> The main elements of the proposal include: designation of the jurisdiction, designation of the applicable law, rules for recognition of parenthood, creation of a European Certificate of Parenthood. The proposal was identified as a key action in the EU Strategy on the rights of the child and the EU LGBTIQ Equality Strategy. The European Parliament welcomed the Commission’s initiative in its Resolution on the protection of the rights of the child in civil, administrative, and family law proceedings and in its Resolution on LGBTIQ rights in the EU.

<sup>69</sup> European Commission (2022). Equality package: Commission proposes new rules for the recognition of parenthood between Member States. Available [online]: [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_22\\_7509](https://ec.europa.eu/commission/presscorner/detail/en/ip_22_7509)



THE NON-RECOGNITION OF PARENTHOOD PUTS AT RISK THE FUNDAMENTAL RIGHTS OF CHILDREN, INCLUDING THEIR RIGHT TO AN IDENTITY, NON-DISCRIMINATION, AND A PRIVATE AND FAMILY LIFE

family law, these are inconsistent with the Polish Constitution, which explicitly states that a marriage is a union between a man and a woman”, a statement on the governmental website reads<sup>70</sup>. The ministry warns that the Commission will give rise to an immense threat to maintaining the traditional family model in our cultural system.

### IMMATURITY OF THE RULERS

Politicians often talk about the mythical ‘maturity of the society’<sup>71</sup>. They keep repeating that Polish people are not ready to

<sup>70</sup> <https://www.gov.pl/web/justice/veto-on-plans-to-legalise-adoption-by-same-sex-couples-and-same-sex-marriages2>

<sup>71</sup> See: Rosa, M. (2022) “Living in a LGBT-Free Zone”, [in]: M. Hodun (ed.) *Free Voices*. Brussels: ELF. Available [online]: [https://liberalforum.eu/wp-content/uploads/2022/02/free-voices\\_www.pdf](https://liberalforum.eu/wp-content/uploads/2022/02/free-voices_www.pdf)

accept rainbow families<sup>72</sup>. Even though this argument appears always when somebody publicly calls for equal rights, it should not be treated too seriously. The Polish political class is more conservative than Polish society, and it can be proven by data.

The 'We Are Family' report created by the Mitość Nie Wyklucza (*Love Does Not Exclude*) indicates that the majority of respondents agreed that rainbow families should be guaranteed security and legal support<sup>73</sup> – 87% said that the right to start a family is universal and 86% that the foundations of a family are love, care, and respect, not who creates it. The majority of Poles define as 'a family' a situation when a biological parent raises their biological child(ren) with a same-sex partner, or when same-sex couples raise their adopted child(ren). 76% believe that children of same-sex parents should be protected from harassment.

Interestingly, the authors of the report quote data published by CBOS since 1994, which allowed them to draw compelling comparisons. In 2021, 16% of Poles agreed with the right for adoption for same-sex couples. It may not look like much, but in 2019 it was only 9% (since 1994 it has always been around 10%). The authors do not deny that the majority of Poles are against adoption by same-sex couples, but at the same time, they show that such attitudes are often a consequence of a lack of knowledge and fear for the safety of children. In other words, many Poles do not know that such

families already exist (1/4 does not know if such families exist in Poland, and 1/5 believes they do not exist<sup>74</sup>) and they are afraid that systemic homophobia – a fear often accelerated by right-wing politicians – will make the life of such children difficult. Such ignorant social attitudes can, however, be changed by means of education and consequently fighting against stereotypes and hate speech in public life.

The Polish right-wing lives in a bubble, restricted by their ideological limitations and a perspective of the closest elections. Rather than improving the situation of all Polish families they decided to pull the wool over voters' eyes with elaborated taglines and narrowly targeting all of their projects to their own electorate. The PiS version of a family policy aims to divide and bribe. And even those who belong to the family categories endorsed by PiS will benefit fully from the system only if they follow the preferred ideological model. And if a family is one of those appointed as the 'enemy of the nation', it will not be authorized to enjoy any of the advantages sponsored by all tax-payers. Even worse, it will be subject to political attacks from the government and the public administration – a phenomenon that concerns less conventional couples, single parents, and children of all ages.

<sup>74</sup> Ibid.

<sup>72</sup> Ibid.

<sup>73</sup> Mitość Nie Wyklucza (2021) *Jesteśmy rodziną Co myślą Polacy i Polki o rodzinach osób LGBT+?*. Available [online]: [https://mnw.org.pl/app/uploads/2021/12/Jeste%20%20my-Rodzin%C4%85-Co-my%C5%9B%C4%85-Polacy-i-Polki-o-rodzinach-os%C3%B3b-LGBT-Raport-z-bada%C5%84-Mi%C5%82o%C5%9B%C4%87-Nie-Wyklucza\\_2021.pdf#xd\\_co\\_f=MmUzODc1NDEtZjFhNi00Y2I0LTkMDEtYjA0ZTcwYjNjMDZh~](https://mnw.org.pl/app/uploads/2021/12/Jeste%20%20my-Rodzin%C4%85-Co-my%C5%9B%C4%85-Polacy-i-Polki-o-rodzinach-os%C3%B3b-LGBT-Raport-z-bada%C5%84-Mi%C5%82o%C5%9B%C4%87-Nie-Wyklucza_2021.pdf#xd_co_f=MmUzODc1NDEtZjFhNi00Y2I0LTkMDEtYjA0ZTcwYjNjMDZh~) [in Polish]



MIŁOSZ  
HODUN

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# Family and Social Policy in Ukraine as a Social Safety Net



\*

OLEKSANDRA  
BETLIY



According to the Concept of Family Policy, approved in 1999, “Family is a key indicator of social development, reflecting the moral state of society and playing a critical role in the formation of demographic potential”<sup>1</sup>. The Ukrainian government has introduced a range of policies aimed at supporting families and promoting the well-being of children, including measures to increase access to healthcare, education, and childcare, as well as support for maternity and paternity leave.

The family policy shall be considered a component of the social safety net system (SSN). The system envisages many benefits, but is not without its weaknesses. It is often based on categorical principles and is meant to support disadvantaged individuals in society. Almost half of Ukraine’s population is enrolled in some form of social protection program. According to the World Bank, SSN budget spending for social assistance accounted for 3% of GDP prior to 2022, which is above the average for the Eastern European and Central Asian region of 1.7%<sup>2</sup>. This does not include high spending within the pay-as-you-go pension system and payments in the framework of other social security spending.

Overall, there are numerous programs available to families and individuals in the SSN system, such as payments to individuals with disabilities, foster families, large families, and the elderly. Some programs (like the childbirth grant) are not means-

<sup>1</sup> Verkhovna Rada of Ukraine (1999) *Parliament Resolution No.1063-XIV from September 17*. Available [online]: <https://zakon.rada.gov.ua/laws/show/1063-14#Text> [in Ukrainian]

<sup>2</sup> The World Bank, Report No. PAD5127, August 1, 2022, available [online]: <https://documents1.worldbank.org/curated/en/099105408022290169/pdf/P179456044b242050b5ed0b8ae55bfe32f.pdf>

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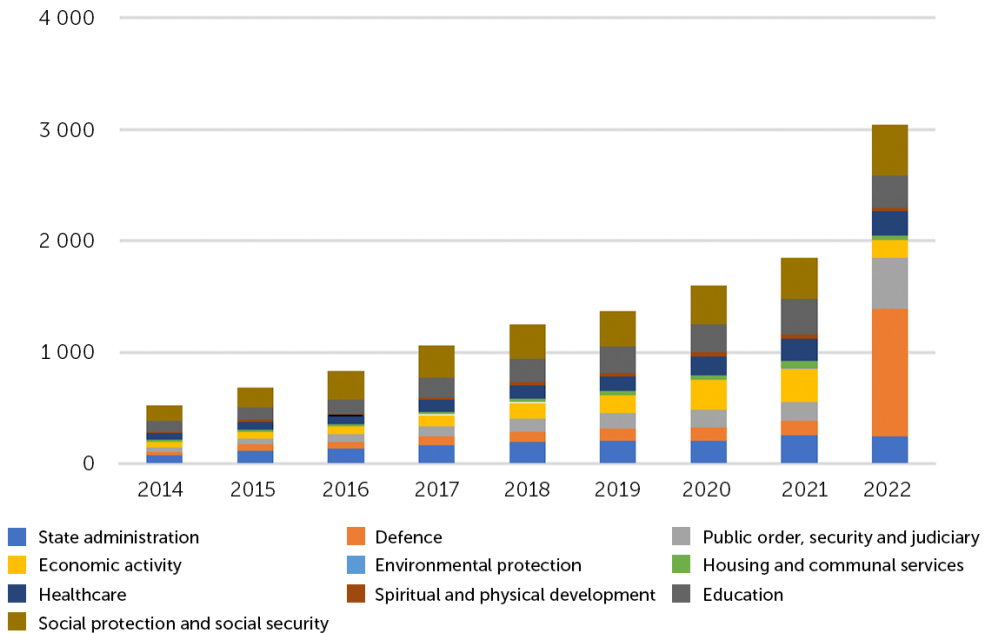
UKRAINIAN  
GOVERNMENT  
HAS INTRODUCED  
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CIES AIMED  
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AND PROMOTING  
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OF CHILDREN

tested. At the same time, the low-income family allowances program, or guaranteed minimum income (GMI) program, is efficient in targeting the poor, but has low coverage. Housing and utility subsidies (HUS) aim to keep people from poverty at times of high energy costs. The eligibility for HUS depends on the level of household income and the share of income spent on housing and utilities.

The need for efficient family and social policies has recently increased during the ongoing full-scale war of Russia against Ukraine. According to the United Nations (UN), up to 8 million Ukrainians, predominantly women with children, were forced to leave Ukraine and move to safer countries because of the war<sup>3</sup>. Poverty and unemployment increased, while the number of

<sup>3</sup> UNHCR data is available [online]: <https://data.unhcr.org/en/situations/ukraine>

Figure 1: Functional classification of consolidated budget\*



Source: NBU

Note: Consolidated budget includes state and local budget, but does not include expenditures of social security funds financed by single social contribution

internally displaced people (IDPs) reached 8 million in May, reduced to almost 6 million in December and further to 5.4 million in the end of January 2023<sup>4</sup>.

Therefore, the war of Russia against Ukraine aggravated previous challenges that existed in the framework of family and social policies. Their list includes aging and reducing population and budget constraints, as well as high unemployment and a large number of IDPs and emigrants.

## SUBSTANTIAL SOCIAL FISCAL SPENDING

In Ukraine, the social safety network system is rather complex. It is comprised of the social security system, which is financed by social security funds primarily at the expense of a single social contribution (payroll), and the social welfare (assistance) system financed from state and local budgets.

The state social security system in Ukraine consists of three types of mandatory state social insurance: PAYG (pay-as-you-go) pension system, unemployment insurance and insurance in case of temporary loss of working ability, working accidents, and occupational disease. The single social contribution (SSC) is a key source to

<sup>4</sup> Ukraine Internal Displacement Report, IOM, Round 12, January 23, 2023, available [online]: <https://dtm.iom.int/reports/ukraine-internal-displacement-report-general-population-survey-round-12-16-23-january-2023>

## PAYG PENSION SYSTEM IN UKRAINE

This Fund administers the state pay-as-you-go (PAYG) pension system. The non-state pension system is undeveloped due to a lack of stock exchange market and high risks, while compulsory accumulative pension system does not exist so far. Pension age under the pay-as-you-go pension system is defined at 60 years. To receive old-age pension women should have insurance record in the system for

30 years, while men for 35 years. If these eligibility requirements are met, the retired person receives pension, which is estimated according to strictly defined formular, but which cannot be lower than the minimum level, defined at the level of subsistence minimum for such a group. Minimum pension for pensioners above 65 years old is defined at 40% of minimum wage (UAH 2,680 per month as of January 2023). There are also some additional payments to pensioners above 70 years old.

finance the system. Its rate is set at 22% (payroll) and is mandatory to be paid for all employees as well as private entrepreneurs of the simplified taxation system (the latter pay SSC from minimum wage). The social security system, however, except for the pension system, is not discussed here<sup>5</sup>.

The social welfare system envisages numerous payments to individuals and families. Many of them are provided on the categorical basis without considering income level, while there are several means-tested programs.

In total, between 2014 and 2021, social protection and social security spending, made from the consolidated budget, accounted on average for 25% of total expenditures [See: Figure 1]. However, in real terms, this spending increased by only 2.2% as they declined substantially in 2015 due to high inflation, and in 2018-2019, the government attempted to streamline some

social welfare programs. In 2022, the share of social protection spending was reduced to 15% of total budget as defense and security spending grew substantially due to the full-scale invasion by Russia. However, social budget spending grew by about 24% in nominal terms and 3% in real terms, primarily due to higher financing of pension programs and IDPs support<sup>6</sup>.

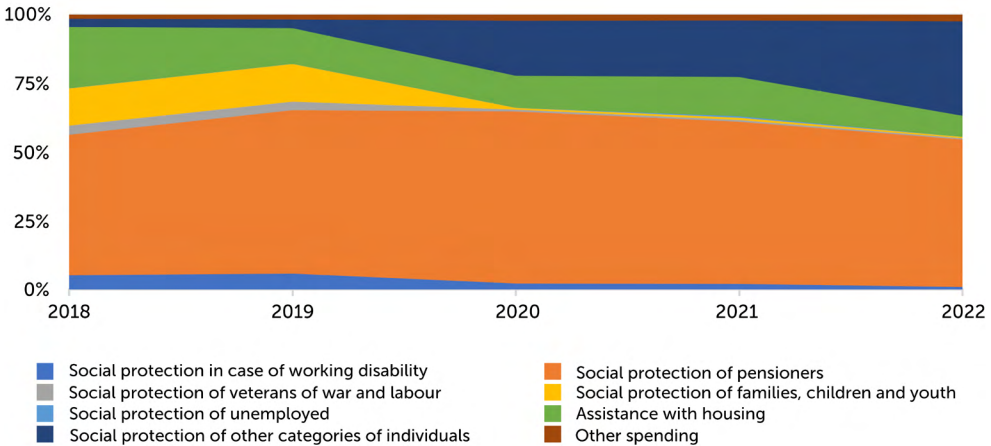
The largest share of the social protection spending financed from consolidated budget is allocated for the state budget transfer to the Pension Fund. This transfer, in fact, finances several types of spending:

- the deficit of the Pension Fund in the PAYG system;
- the difference between the PAYG system and the minimum level for retired people with pensions in PAYG system below minimum one;
- the pensions defined according to special state budget pension programs, primarily pensions of military personnel, judges, etc.

<sup>5</sup> Social security system is based on the individual approach as it focuses primarily individual and the coverage depends on the insurance record of a person in the system. Therefore, they largely do not relate to family policies, except for maternity leave payments and survivor's pensions. However, the latter also depend on whether a person was insured under compulsory state social security system or not.

<sup>6</sup> Detailed budget execution figures are available online on the web-portal 'Budget for citizens': <https://open-budget.gov.ua/>

Figure 2: Social protection spending from consolidated budget\*



Source: [openbudget.gov.ua](https://openbudget.gov.ua)

Note: Consolidated budget includes state and local budget, but does not include expenditures of social security funds financed by single social contribution

Overall, state budget transfer to the Pension Fund in 2021 and 2022 was at about 35% of the Fund's revenues, while the rest of the revenues came from single social contribution<sup>7</sup>. However, average pension remains low – at UAH 4623 per month as of January 1, 2023 (15.8% higher than a year ago)<sup>8</sup>. About 38% received pension close or just slightly above the minimum level as of January 1, 2023. The replacement rate is low and, thus, the Ukrainian government discusses the need to introduce mandatory accumulative pillar of the pension system. This step is challenged by the absent stock exchange market, high inflation, and instability. The reform and changes in solidarity PAYG pension system are also debated to ensure that pension system helps to keep people from poverty when they retire.

In 2018 and 2019, spending for social protection of families, children, and youth as defined according to the functional classification of the budget totaled to 13.5% and 13.7%, respectively<sup>9</sup>. Since 2020, the government streamlined the social protection projects and now such social protection is a part of another sub-function called 'Social protection of other categories of individuals'. This was made to increase the efficiency of budget financing of different social welfare programs. Overall, the financing for the family-related programs was not reduced [See: Figure 1].

In 2022, the expenditures for social protection of other categories of individuals increased substantially primarily due to higher spending on support of international displaced individuals (IDPs). The number of

<sup>7</sup> Information of the Pension Fund, <https://t.me/PensionFund/718>

<sup>8</sup> Ibid.

<sup>9</sup> Detailed budget execution figures are available online on the web-portal 'Budget for citizens': <https://openbudget.gov.ua/>



## THE NEED FOR EFFICIENT FAMILY AND SOCIAL POLICIES HAS RECENTLY INCREASED DURING THE ONGOING FULL-SCALE WAR OF RUSSIA AGAINST UKRAINE

registered IDPs surged from about 1.4 million at the beginning of 2022 to 4.9 million at the end of the year<sup>10</sup>. Overall, spending for IDPs cash support grew to UAH 57 billion in 2022 as compared to UAH 3 billion in 2021.

### FAMILY AS A FOCUS OF SOCIAL SAFETY NET

The Concept of Family Policy, approved in 1999, stipulates that *“Family is a key indicator of social development, reflecting the moral state of society and playing a critical role in the formation of demographic potential”*<sup>11</sup>. As it is defined in the document, *“the purpose of the state family policy is to provide favorable conditions for the*

*comprehensive development of the family and its members, the fullest realization by the family of its functions and the improvement of its living standards, increasing the role of the family as the basis of society”*<sup>12</sup>. The key principles of family policies include differentiated approach for the social protection, which motivate working able individuals to work and ensure socially guaranteed subsistence level for other family members (including children, retired, and persons with disability). However, overall, the concept is rather general and does not contain details on family policy in Ukraine. The situation in Ukraine’s economy and policy regulation changed substantially over the years, including the changes in the social safety net system.

In 2002, the parliament approved the Family Code of Ukraine<sup>13</sup>, which defines principles of marriage, personal non-property and property rights and responsibilities of spouses, grounds for the creation, contents of personal non-property and property rights and responsibilities of parents and children, adopters and adopted persons, other family members, and relatives<sup>14</sup>. The equality of rights and responsibilities of women and men in family is an integral part of the document. The Code defines that the state protects the family, childhood, motherhood, fatherhood, and creates conditions for the strengthening of the family. It also ensures protection of the mother and father’s rights, materially and morally encourages, and supports

<sup>12</sup> Ibid.

<sup>13</sup> Verkhovna Rada of Ukraine (2002) *Family Code approved by the Law No.2947-III from January 10*. Available [online]: <https://zakon.rada.gov.ua/laws/show/2947-14#Text> [in Ukrainian]

<sup>14</sup> In this article, the focus is on the family policies which relate to social protection of families. The overview of other Family Laws in Ukraine can be found in Suleymanova, A. et. al (2020) *Family Law in Ukraine: Overview*. Available [online]: <https://uk.practicallaw.thomsonreuters.com/5-564-3065>

<sup>10</sup> The data released at the Ministry of Social Policy website. Available [online]: <https://www.msp.gov.ua/news/22495.html> [in Ukrainian]

<sup>11</sup> Verkhovna Rada of Ukraine (1999) *Parliament Resolution No.1063-XIV from September 17*. Available [online]: <https://zakon.rada.gov.ua/laws/show/1063-14#Text> [in Ukrainian]

motherhood and fatherhood. The Code also envisages the priority of family care of children and ensures the protection to every child deprived of appropriate parental care. However, it does not actually define the family policy.

Still, family policy is an integral component of the social safety net system in Ukraine, as numerous types of social benefits are provided to families. This includes means-tested low-income family allowances and *housing and utility subsidies*, as well as categorical based payments to families with children.

*The low-income family allowance* is a targeted program designed to provide cash payments to impoverished households in need of last resort support to reach the minimum subsistence level. As a result, this program is typically referred to as the ‘Guaranteed Minimum Income’ (GMI) program. The benefit amount is determined by calculating the difference between the household’s total income and the guaranteed level of income, which is set at 45% of the subsistence minimum for those able to work, 130% for children, and 100% for disabled individuals. The program sets a maximum benefit of 100% of the subsistence minimum for the entire family<sup>15</sup>.

The GMI program incentivizes able-bodied individuals to seek employment and receive higher wages by providing only a fraction of the subsistence minimum. However, this approach limits the coverage of the program for families. In 2020, the GMI program helped 318,000 households, consisting of 1.2 million individuals, with 60% of the beneficiaries being children. Already in 2021, the program only covered



FAMILY POLICY IS AN INTEGRAL COMPONENT OF THE SOCIAL SAFETY NET SYSTEM IN UKRAINE, AS NUMEROUS TYPES OF SOCIAL BENEFITS ARE PROVIDED TO FAMILIES

257,000 households due to the increase in household income.

In 2022, the Ukrainian government increased the subsistence minimum as planned before a full-scale invasion occurred. As a result, the GMI benefit amount increased nominally, but decreased substantially in real terms when inflation is considered<sup>16</sup>. Regardless of high unemployment, which – according to the NBU estimates – reached 30% in the summer of 2022, the number of families that received cash payments within this program increased by only 2.9%, while average assistance grew by 6.5% to UAH 5,269 per family<sup>17</sup>. This phenomenon resulted in a high number of mothers with children who were

<sup>15</sup> Law of Ukraine “On low-income family allowance”. Available [online]: <https://zakon.rada.gov.ua/laws/show/1768-14#Text> [in Ukrainian]

<sup>16</sup> Consumer price inflation reached 20.2% on average in 2022 and 26.6% yoy in December 2022.

<sup>17</sup> Data provided upon request by the Ukrainian Ministry of Social Policy.

forced to leave Ukraine to safer countries due to a brutal war waged by Russia on Ukraine.

Another means-tested program, which addresses the risks of households to become poor at times of increase in housing and utility tariffs, is the provision of housing and utility subsidies (HUS). In fact, HUS is targeted to help households pay their utility bills. The program sets a cap on how much households can spend on a standard amount of consumption, based on social norms. The maximum share of household income that should be spent on traditional consumption of housing and utility services is determined by using a formula that considers the household's income level relative to the subsistence minimum<sup>18</sup>.

The HUS program is the most extensive means-tested program in Ukraine, although it is less effective than the GMI program in targeting those living in poverty<sup>19</sup>. The HUS program received increased financing and coverage from 2015 to 2017 to support Ukrainians during an energy reform that eliminated universal energy subsidies. During this time, 6.5 million households received HUS<sup>20</sup>. However, since 2018, the program has reduced its coverage as households' disposable income grew faster than utility tariffs, and the program's design was improved to enhance targeting and accountability. In 2022, the government made the provision of HUS more accessible to households that lost their income, and

internally displaced persons (IDPs) were allowed to receive HUS at their new place of residence, which expanded their protection. At the same time, the government did not raise the housing and utility tariffs for households in 2022, which against the background of increased emigration resulted in smaller number of households for HUS. The financing of HUS at UAH 24.9 billion was 24.5% lower than in 2021<sup>21</sup>.

At the same time, there are no housing subsidies in Ukraine, which would help Ukrainians pay for housing rent even though the purchase of housing is a big challenge for many families due to high interest on loans. The situation is also difficult as there is almost no social housing in Ukraine, which can be provided to low-income families. Some state budget financing was allocated for housing financing for youth, IDPs, and war veterans in previous years<sup>22</sup>. Also, in 2021 the government launched their program of subsidizing mortgage loans for some groups of the population. But the coverage of program so far is small due to restricted state budget financing, as well as high eligibility requirements to households<sup>23</sup>.

The Ukrainian social welfare system also envisages a number of more categorical benefits<sup>24</sup>. In particular, the Law on State

<sup>21</sup> Data provided upon request by the Ukrainian Ministry of Social Policy.

<sup>22</sup> A detailed budget execution figures are available online on the web-portal Budget for Citizens: <https://openbudget.gov.ua/>.

<sup>23</sup> Information of the Fund of entrepreneurship development that administers respective program is available [online]: <https://bdf.gov.ua/uk/informaciya-pro-rezultati-derzhavnoji-programi-dostupna-ipoteka-7>.

<sup>24</sup> The KSE study shows that there is a large number of categorical-based benefits, which are provided in cash as well as in-kind and reveals that the system is overloaded by such benefits, which sometimes are defined in legislation but are not financed in real life. The study is available [online]: [https://kse.ua/wp-content/uploads/2021/07/Sotsialni-dopomogi\\_doslidzhennya.pdf](https://kse.ua/wp-content/uploads/2021/07/Sotsialni-dopomogi_doslidzhennya.pdf)

<sup>18</sup> Resolution of the Cabinet of Ministers 'On the HYS procedure', as of February 2023. Available [online]: <https://zakon.rada.gov.ua/laws/show/848-95-%D0%BF#n15>.

<sup>19</sup> This was shown in several analyses conducted in different years. See, for example: <https://documents1.worldbank.org/curated/es/493131559552778851/pdf/Challenges-and-Options-for-Reforming-the-SSN-System-in-Ukraine-A-Reform-Proposal-Developed-as-Part-of-Technical-Assistance.pdf>.

<sup>20</sup> Data of the Ukrstat.

Support to Families with Children defines the following types of benefits<sup>25</sup>:

assistance in case of pregnancy and childbirth: eligibility covers women that are not insured under the social security system, and the payment depends on the previous income (e.g., size of unemployment benefits) but not lower than 25% of subsistence minimum;

- assistance at birth: the payment of UAH 41280 at childbirth with UAH 10320 paid in a lumpsum and the rest in equal amounts during 36 months of the child's life;
- one-time in-kind assistance 'baby package' provided upon the baby's birth;
- assistance in adopting a child;
- allowance for children over whom custody or guardianship has been established;
- child support for single mothers/fathers is now means-tested;
- assistance for children suffering from severe perinatal lesions of the nervous system, severe congenital malformations, rare orphan diseases, oncological, oncohematological diseases, cerebral palsy, severe mental disorders, type I diabetes mellitus (insulin-dependent), acute or chronic kidney disease of iv degree, for a child who has been seriously injured, needs an organ transplant, needs palliative care, who has not been diagnosed with a disability<sup>26</sup>.

The benefits for families with children are aimed to address the poverty of families

<sup>25</sup> Verkhovna Rada of Ukraine (1992) *The Law on State Support to Families with Children, No.21, November 1992*, with numerous amendments (the latest made on July 28, 2022). Available [online]: <https://zakon.rada.gov.ua/laws/show/2811-12#Text> [in Ukrainian]

<sup>26</sup> Ibid.

with children and stimulate childbirth. However, available data on social welfare payments does not allow so far to assess the effectiveness of these benefits. There are other problems, which might restrict childbirth in Ukraine, including the absence of adequate access to kindergartens and schools. The improved access to the former would increase the employment of women<sup>27</sup>, which, in fact, would reduce the need for social benefits and poverty risk of families with children.

One of the policies aimed to stimulate childbirth and increase access to pre-school and school education offers a possibility to receive a personal income tax refund if one of the parents pays for education in a private education facility<sup>28</sup>. However, the refund is restricted<sup>29</sup>. Besides, there is anecdotal evidence that it is a rather complex procedure to receive a refund. Overall, this is the only tax privilege provided to families with children. Recently, members of parliament have initiated discussions on the changes in personal income taxation with shifting taxation from individuals to households with the aim of supporting families<sup>30</sup>. This debate is still at an early stage and needs assessment, as it might result in lower fiscal revenues without a positive impact on childbirth, taking into account the difficult economic situation in the country due to the full-scale war.

<sup>27</sup> Sakhno H. and A. Teleton (2020) *How Does Better Access to Kindergartens Help Mothers in Labor Markets?*, Center for Economic Strategy. Available [online]: <https://ces.org.ua/access-to-kindergartens-and-mothers-in-the-labor-market/> [in Ukrainian]

<sup>28</sup> Tax Code of Ukraine. Available [online]: <https://zakon.rada.gov.ua/laws/show/2755-17>

<sup>29</sup> Data of the State Tax Service in Ukraine.

<sup>30</sup> One of the draft laws on this topic was submitted to the Parliament in January 2022. Available [online]: [http://w1.c1.rada.gov.ua/pls/zweb2/webproc4\\_1?pf3511=73617](http://w1.c1.rada.gov.ua/pls/zweb2/webproc4_1?pf3511=73617)





THERE ARE NO HOUSING SUBSIDIES IN UKRAINE, WHICH WOULD HELP UKRAINIANS PAY FOR HOUSING RENT EVEN THOUGH THE PURCHASE OF HOUSING IS A BIG CHALLENGE FOR MANY FAMILIES DUE TO HIGH INTEREST ON LOANS

Another important type of family support during the full-scale invasion is cash payments to IDPs. However, it does not depend on the income of family. The monthly payment equals to UAH 2,000 per working able adult and UAH 3,000 for children, the elderly, and persons with disability. The government is currently discussing the changes in policies aimed at integrating IDPs to labor market in locations where they now live<sup>31</sup>. This step is essential, considering the estimate of the International

<sup>31</sup> This idea was stressed in several interviews and briefs of the top-level officials from the Ministry of Social Policy. Besides, it is also reflected in the draft Strategy on IDPs policies. Available [online]: <https://minre.gov.ua/news/oprylyudnyuyemo-dlya-gromadskogo-obgovorennya-proyekt-strategiyi-derzhavnoyi-polityky-shchodo>

Migration Organization that 60% of IDPs lost their jobs<sup>32</sup>.

### DO WE KNOW MUCH ABOUT THE DEMOGRAPHIC SITUATION IN UKRAINE NOW?

Even before the full-scale war, Ukraine was recognized as a country with an aging and shrinking population. The population dropped from 52 million in 1991 to 43.8 million in 2021<sup>33</sup>, if the entire territory of Ukraine is taken into account. According to the Ukrstat, in 2021, the population totaled 41.1 million if data for Crimea, which was annexed by Russia in 2014, is excluded<sup>34</sup>. There are two reasons behind the decline in population: negative natural growth of the population and emigration. Death rates were high, while birth rates were low against the background of a difficult economic situation in the country – especially during the 1990s. The situation somewhat improved after 2004, when economic growth recovered. However, the share of working able individuals and children decreased, while the share of pensioners increased. As a result, the PAYG system faces a challenge to remain sustainable as, already now, the replacement rate reduced to about 30% in 2021<sup>35</sup>.

The number of emigrants varies in different estimates. According to the World Bank, the number of emigrants was estimated at

<sup>32</sup> <https://ukraine.iom.int/news/needs-growing-displaced-and-returnee-population-ukraine-iom-survey>

<sup>33</sup> Data available online at the World Bank data base: <https://data.worldbank.org/indicator/SP.POP.TOTL?locations=UA>

<sup>34</sup> Data available [online] at the Ukrstat website: <https://ukrstat.gov.ua/>

<sup>35</sup> Ministry of Social Policy (2021) *Q&A on Accumulative Pension System*, a report. Available [online]: <https://www.kmu.gov.ua/storage/app/sites/1/18%20-%20Department/18%20-%20PDF/13.08.2021/nak-pensii.pdf> [in Ukrainian]

about 4.8 million<sup>36</sup>. In fact, Ukraine's economic development was challenged with brain drain. At the same time, the favorable taxation system resulted in the development of an IT sector in Ukraine, with IT specialists working as freelancers.

It is important to note that, in fact, little is known about the structure of the population by occupation and education. In particular, the most recent population census was conducted in 2001<sup>37</sup> and the next one was postponed many times. At the same time, reforms in the social sphere, including social protection reform, education and healthcare reforms, require a more comprehensive understanding of the population structure.

In 2020, the Cabinet of Ministers made an attempt to estimate the population on the basis of information in some registers. The result was rather pessimistic – with the population estimated at about 37 million persons<sup>38</sup>. However, this exercise likely underestimated the size of the population in Ukraine.

## THE CHALLENGES AGGRAVATED

Currently, Ukraine's economy is in turmoil due to a full-scale invasion by Russia, which started on February 24, 2022, after eight years of war. Real GDP is estimated to have declined by 30-32%<sup>39</sup> due to the temporary loss of some territories, full or partial damage of businesses and infrastructure (including hospitals, schools,

bridges, and roads) by the Russian missiles and drones<sup>40</sup>, and enormous loss of life. While thousands of Ukrainians (both military personnel and civilians) were killed or wounded, millions left their homes to find safer places to live. According to the UNHCR, 4.9 million Ukrainians registered for Temporary Protection or similar national protection schemes in Europe, while about 2.8 million became refugees in Russia<sup>41</sup>. Many emigrants are women with children, and some are elderly. This means that the demographic situation worsened substantially for Ukraine. Therefore, after the war, Ukraine will have to approve policies not only to counteract previous negative demographic trends, but also to stimulate Ukrainians to come back home.

Moreover, the population pattern in Ukraine substantially changed also due to internal migration. According to the Ministry of Social Policy, about 4.9 million Ukrainians were registered as internally displaced people (IDP), while the total number of IDPs reached almost 6m persons. People moved primarily from the east and south oblasts of Ukraine to relatively safer regions. According to the IOM survey, only 34% of IDPs (aged 18-64) indicated being employees, whereas 7% reported having their own business<sup>42</sup>. In total, 31% of IDPs reported that they are unemployed, with 20% actively looking for a job<sup>43</sup>.

<sup>36</sup> World Bank data. Available [online]: <https://data.worldbank.org/indicator/SM.POP.TOTL?locations=UA>

<sup>37</sup> The results of the 2001 census are available [online]: <https://2001.ukrcensus.gov.ua/eng/>

<sup>38</sup> [https://biz.ligazakon.net/news/192576\\_dublet-opri-lyudniv-rezultati-vseukranskogo-perepisu-naselennya](https://biz.ligazakon.net/news/192576_dublet-opri-lyudniv-rezultati-vseukranskogo-perepisu-naselennya) [in Ukrainian]

<sup>39</sup> According to published estimates of different entities and organizations. According to the IER estimate, real GDP declined by 30.2% in 2022.

<sup>40</sup> <https://kse.ua/about-the-school/news/as-of-no-vember-2022-the-total-amount-of-losses-caused-to-the-infrastructure-of-ukraine-increased-to-almost-136-billion/>

<sup>41</sup> UNHCR data. Available [online]: <https://data.unhcr.org/en/situations/ukraine>

<sup>42</sup> IOM (2022) *Ukraine Internal Displacement Report General Population Survey*, Round 10, October 27. Available [online]: <https://displacement.iom.int/sites/g/files/tmzbd11461/files/reports/Ukraine%20Internal%20Displacement%20Report-%20General%20Population%20Survey%20Round%2010.pdf>

<sup>43</sup> Ibid.



# AFTER THE WAR, UKRAINE WILL HAVE TO APPROVE POLICIES NOT ONLY TO COUNTERACT PREVIOUS NEGATIVE DEMOGRAPHIC TRENDS, BUT ALSO TO STIMULATE UKRAINIANS TO COME BACK HOME

The return of Ukrainians from abroad, as well as the incorporation of IDPs into the labor force, is essential for the recovery and future development of the country. This is essential as human capital is important for higher foreign direct investments in the country. Additionally, people also create a market for the consumption of goods and services, which can attract more companies to come to Ukraine and create jobs. Therefore, the Ukrainian government should introduce reforms required for the improvement of education and healthcare services to incentivize individuals to return. Meanwhile, the measures to improve the investment climate, which would result in job creation, are to be introduced in the framework of the implementation of the Association agreement between

Ukraine and the European Union (EU) as well as on the way of Ukraine towards EU membership.

At the same time, the Ukrainian government will have to make a snapshot of the current population in the country and its structure, and, as a result, make decisions on the list of infrastructural objects (including education and healthcare facilities) to be renovated and reconstructed. An understanding of the structure of the population, as well as that of education and work background, would also be required. Therefore, the population census would be an extremely helpful tool in this regard. It would also help the government to introduce effective and efficient active labor market policies, as even before 2022, there was high structural unemployment<sup>44</sup>.

## CONCLUSIONS

The social safety net system in Ukraine is rather comprehensive and complex. It is represented by social security and social assistance systems. The family policy is an integrated component of the latter. There are means tested programs of family assistance, the biggest being the GMI and HUS programs. Apart from these, there is a number of payments which do not take into account the income level of households. There are also benefits, which are categorical based rather than household based. Overall, the Ukrainian system is currently primarily oriented towards helping individuals in difficult life circumstances rather than helping people move out of poverty.

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<sup>44</sup> A conclusion based on different studies and articles, including: [http://wbgfiles.worldbank.org/documents/hdn/ed/saber/supporting\\_doc/Background/WFD/SAB-ER\\_WFD\\_Background\\_Skills\\_for\\_a\\_modern\\_Ukraine.pdf](http://wbgfiles.worldbank.org/documents/hdn/ed/saber/supporting_doc/Background/WFD/SAB-ER_WFD_Background_Skills_for_a_modern_Ukraine.pdf), <http://efp.in.ua/en/journal-article/393>, <https://vox-ukraine.org/en/the-labour-market-in-ukraine-rebuild-better/>

Even though the World Bank estimates social assistance spending at 3% of GDP, which is by 1.3 p.p. more than in peer countries<sup>45</sup>, the financing of social assistance programs is challenged by the fact that the government does not have sufficient financial resources to finance all programs, defined in legislation. As a result, the coverage by effective GMI program remains low, the level of benefits, as well as pensions, is low. Ukraine's economy has been challenged by poor demographic trends, with a drop in working able individuals and a high share of pensioners.

The ongoing full-scale invasion by Russia, which started on February 24, 2022, has created additional challenges. These include a brain drain emigration of women with children leaving Ukraine to safer countries. So, the government will be challenged already in 2023 with the task to ensure higher efficiency of family policies to help families reunite in Ukraine. Moreover, there is an increased risk of poverty for families with children.

Therefore, there is a need for the government to reconsider current policies to address these challenges and promote the well-being of families and children in Ukraine. This does not only include social policy changes, but also an education reform, which would ensure that children have access to quality preschool and school education. In the short run, there is a need to ensure that all education facilities have good shelters.

Indeed, it becomes clear that social spending in Ukraine is not likely to reduce substantially in the nearest future. The increase in housing and utility tariffs, including gas

and electricity, are likely to be introduced already in 2023, which would result in higher HUS spending. Still, the launch of reconstruction will drive economic growth and an increase in the number of employees with decent wages. Soon, there will be an urgency for policies aimed to integrate IDPs and war veterans into society overall, and the labor market in particular. This requires changes in active market policies, as well as in state communication.



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<sup>45</sup> The World Bank (2022) *Report No. PAD5127*, August 1. Available [online]: <https://documents1.worldbank.org/curated/en/099105408022290169/pdf/P179456044b242050b5ed0b8ae55bfe32f.pdf>



*The Invisible*  
in the Czech  
Republic:  
When the Social  
System  
Is Expensive  
and Inefficient



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FILIP  
BLAHA

The Czech Republic is one of the Eastern European economies that, despite its socialist past, is catching up economically with Western Europe<sup>1</sup>. However, in addition to the increase in social welfare and overall national income, this process is naturally associated with a form of income and wealth inequality which is perfectly natural in modern market economies. The existence of a welfare system is, therefore, a kind of compromise between the philosophies of liberalism and egalitarianism, which is supposed to create a form of social cohesion to act as a fixed point in the current form of market economy.

Unfortunately, however, it very often happens that this idea of a *lifeline* for disadvantaged groups degenerates into increasingly swelling cushions, which – instead of providing help and a much-needed rebound for these groups – only cause them to sink deeper into it. Nevertheless, in the case of the Czech Republic, it could be cynically noted that, while the social system functions as an ever-widening cushion, disadvantaged groups fall outside its reach. The situation is, therefore, all the worse because the country has a social system that is not only costly, but also does not bring about social cohesion.

The situation is more complex because it is not just another form of non-receipt of social benefits (in the sense that the unwillingness to receive social benefits is only one of the problems). The reasons, problems, costs, and possible policies leading to an improvement of the case are specific to each subgroup of the total number of 1.3 million people falling through the social system of the Czech Republic – the so-called ‘invisible’<sup>2</sup>.

<sup>1</sup> Blaha F., Pánek M., and M. Opatrný (2022) *Strategic Autonomy and the V4 Economies*, Prague: Center for Economic and Market Analysis.

<sup>2</sup> See the website devoted to the invisible: <https://neviditelni.org/> [in Czech]

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## THE EXISTENCE OF A WELFARE SYSTEM IS A KIND OF COMPROMISE BETWEEN THE PHILOSOPHIES OF LIBERALISM AND EGALITARIANISM

One of the most pressing problems – which will be analyzed in a greater detail below – is undoubtedly the fact that these invisibles include not only the *recipients* of social services, but also the *providers*. This leads to a situation where those who help often need the assistance of public institutions themselves, thus creating a vicious circle of public spending. This is, perhaps, one of the reasons for the endless growth in spending on social transfers.

As already indicated, in this case, it is not possible to move in the classic dichotomy of ‘more money spent will save the world’. Indeed, it is a common misconception that the total amount and number of social transfers paid out is the best indication of how the weakest are being taken care of. In contrast, in a functioning society, the volume of social transfers paid out should be low because there should be a low number of disadvantaged individuals and groups. The initial idea in this case should be to try to reduce the total number of invisibles permanently, which

cannot simply be achieved by mindlessly increasing public spending.

### INVISIBLE INDIVIDUALS, BUT A VISIBLE PROBLEM

In every modern society, there are individuals or groups of people who live on the margins of society – whether in the long or short term. In terms of public policy, these groups could be called ‘invisible’ actors<sup>3</sup>. Hejzlarová argues that these are often informalized groups without a distinct history and public policy experience shaped together<sup>4</sup>. These groups do not have the power or public-policy relevance to address the problem at hand, nor adequate resources (financial, social, or cultural capital) to enable them to solve problems.

Applying these theoretical principles to the Czech society, one can then make the Czech invisibles more concrete and categorize them into specific groups, each of which suffers from different problems and falls through the social system for different reasons<sup>5</sup>:

- **Single parents** (up to 210,000): a group of women (90%) / men (10%) who spend most of their time working, have low turnout and low incomes.
- **Low-income families** (up to 1,153,000): a group of people in a household whose income covers the monthly consumption of basic necessities of life without being able to build up a financial reserve or invest in human capital and quality of life.
- **Involuntarily unemployed** (up to 77,400): people who lost their jobs a few years before retirement (risk group 50+).

<sup>3</sup> Hejzlarová E. (2014) “‘Invisible’ Stakeholders in Policy Analysis”, [in]: *Sociální Studia*, Vol. 1.

<sup>4</sup> Ibid.

<sup>5</sup> See the website devoted to the invisible: <https://nevid-itelni.org/> [in Czech]



THE COUNTRY HAS A SOCIAL SYSTEM THAT IS NOT ONLY COSTLY, BUT ALSO DOES NOT BRING ABOUT SOCIAL COHESION

- **College students** (between 800-1,200): This is a group of students from low-income families who must earn their own way through college because their families cannot provide the necessary financial support (dormitory, textbooks, fares, food, etc.).
- **Disabled** (up to 88,100): these may be persons with mild disabilities (either mental or physical – but the disability allows them to work) who have difficulty finding employment in competition with able-bodied persons.
- **Small entrepreneurs/entrepreneurs** (up to 290,000): a group is similar in type to farmers or low-income families. These are the people without state-guaranteed social security who devote most of their time to work.
- **Social service/non-profit sector workers** (up to 219,000): a low-income group that often receives little attention – either public or fiscal.
- **Retirees** (up to 838,000): low replacement rates combined with historically low wages, low savings, limited financial literacy and inflation are causing serious economic problems and poor quality of life.



- Young families (up to 9,400): a group of persons in a single household where partners became parents of children very early (either in high school or early college) and were not adequately prepared for this role.
- People on the margins of the shadow economy (214,000 to 535,000): the employed, self-employed, or unemployed people who officially receive very low wages (or social benefits and other social transfers) and generate the rest of their livelihood through so-called informal (unreported wages).

Determining the total number of invisibles is not easy, especially given the intermingling of the groups. The estimate made, based on the methods used in the analysis, is established on quantifying the number of people in low-income families, adjusted for the balances of other groups – especially participants in the informal economy. Thus, the total estimate of the invisible in the Czech Republic is between 1.3 and 1.6 million people<sup>6</sup>.

The main reason that makes the existence of these groups in the Czech Republic problematic, apart from the poor living situation of those affected (because one of the things these groups have in common is that their incomes are lower than the median wage in the country), is the impact on public finances. On the basis of a model calculation, when comparing the income of these particular groups with the median income in the Czech Republic, one can calculate that the state loses up to 174 billion crowns per year in tax collection from income taxes, social insurance, and health insurance<sup>7</sup>.

<sup>6</sup> Ibid.

<sup>7</sup> Consumer Forum (2021) *1,3 milionu Čechů je neviditelných. Na péči o ně vynaloží stát 174 miliard korun ročně*. Available [online]: <https://spotřebitelskeforum.cz/cs/2021/06/15/tz-13-milionu-cechu-je-neviditelných-na-pecí-o-ně-vynaloží-stat-174-miliard-korun-ročně/> [in Czech]

Logically, the social system should be a natural tool to reduce the number of the invisible and, therefore, to reduce the cost of their existence for public budgets. However, in its current form, this is, unfortunately, one of the reasons why the number of invisibles is increasing.

### AS TRANSFERS INCREASE, SO DOES THE NUMBER OF RECIPIENTS

The total volume of social transfers paid through the Ministry of Labor and Social Affairs<sup>8</sup> of the Czech Republic as well as the group of the invisible (the recipients of these transfers) continues to grow [See: Table 1]. At first glance, it is obvious that the growth of transfers has unfortunately not resulted in a reduction in the number of invisibles and that the Czech social system is failing in this respect. However, there are two main arguments against such a conclusion.

Opponents could certainly argue that the growth in the number of invisibles has only increased the total number of recipients of social benefits and, therefore, the number of individual transfers paid – which, in effect, means an increase in the total amount of social transfers. However, this argument is flawed because the increase in volume is mainly due to the increase and indexation of individual transfers<sup>9</sup>.

A second argument in favor of the Czech social system could be several socio-economic crises that Czech society has had to deal with in the past few years – the COVID-19 pandemic, the energy crisis, the war in Ukraine, and the poor economic situation. However, it is precisely under the argument of these crises that in recent years there has been such a marked increase in spending on social

<sup>8</sup> Czech Ministry of Labor and Social Affairs (2023) *Informace o vyplacených dávkách*, Available [online]: <https://www.mpsv.cz/informace-o-vyplacenych-davkach> [in Czech]

<sup>9</sup> Ibid.

Table 1: Growth in the number of Invisible and paid social transfers (2021–2023)

|       | Amount of paid social transfers (in million CZK) | Number of Invisibles (in millions) |
|-------|--|------------------------------------|
| 2020  | 666,486  | 1.3–1.6                            |
| 2021  | 671,907  | 1.3–1.6                            |
| 2022  | 742,723  | 1.4–1.7                            |
| 2023* | 806,253  | 1.7–2.3                            |

Source: Own processing on the basis of the data provided by the Czech Ministry of Social Affairs and Neviditelni.cz  
\*Estimates for this year

transfers to help vulnerable groups and prevent people from falling into such a difficult situation – which, according to data above, is not happening.

### SLIDING THE PILLOW BACK UNDER THE FALLING

Although the Scandinavian countries, Germany, and Austria are often cited as examples of good practice in debates about reforming the Czech welfare system, it is not possible to simply take legislative regulations from these countries and apply them to Czech society overnight. In addition to the different levels of the economies, it is also necessary to consider the different institutions and socio-cultural norms<sup>10</sup>, which have an equally non-negligible impact on the success of the social system.

However, a model of good practice can also be sought in the existing system, which already operates with Czech institutions and socio-cultural norms. The working aspects of effective social transfers can then be applied to the less effective ones.

The two main problems (on the recipient side of the system) concerning the functioning of the Czech social system are administrative burden and awareness about the transfer on the side of recipients<sup>11</sup> [See: Table 2]. Parental allowance<sup>12</sup>, for example, performs positively in these two aspects, as it is granted automatically, it is targeted (as the target group is clearly defined), and there is also a high level of awareness about it<sup>13</sup>. A similar situation exists for old-age pensions, which – despite a number of other problems<sup>14</sup> – can be considered an effectively distributed payment as it is automatically paid to the recipients since they announce their retirement.

<sup>11</sup> Novinky.cz (2022) *Průzkum: Systém sociálních dávek je nepřehledný*. Available [online]: <https://www.novinky.cz/clanek/finance-pruzkum-system-socialnich-davek-je-neprehledny-40416575> [in Czech]

<sup>12</sup> Parental allowance is a social benefit for a parent who personally, full-time, and properly cares for the youngest child in the family for a whole calendar month. It is a fixed amount – the parent only chooses the rate of drawdown for each month.

<sup>13</sup> Novinky.cz (2022) *Průzkum: Systém sociálních dávek je nepřehledný*. Available [online]: <https://www.novinky.cz/clanek/finance-pruzkum-system-socialnich-davek-je-neprehledny-40416575> [in Czech]

<sup>14</sup> The Czech pension system is based on intergenerational payments, where the social insurance paid by the productive generation is used to pay the pension of the elderly. However, given the demographics of Czech society, the disparity between these groups is increasing and the system is becoming unsustainable.

<sup>10</sup> Ostrom, E. (2015) *Governing the Commons*, Cambridge: Cambridge University Press.



THE SOCIAL SYSTEM SHOULD BE A NATURAL TOOL TO REDUCE THE NUMBER OF THE INVISIBLE AND, THEREFORE, TO REDUCE THE COST OF THEIR EXISTENCE FOR PUBLIC BUDGETS

In the current situation, caused by the energy crisis, it appears that the benefits that are supposed to alleviate the burden (such as the housing allowance and the extraordinary immediate assistance) are absolutely failing<sup>15</sup>. There is a high level of awareness of the former, but its payment entails a lot of paperwork. For the latter, the situation is even more dire, as most potential recipients do not even know about it<sup>16</sup>.

<sup>15</sup> Aktuálně.cz (2021) *Místo zneužívání leží příspěvky na bydlení lidem. Pobírá je jen zlomek domácností*. Available [online]: <https://zpravy.aktualne.cz/domaci/misto-zneužívání-leží-prispěvky-na-bydlení-lidem-využívá-je/r-909ffdcff6b11eba7d3ac1f6b220ee8/> [in Czech]

<sup>16</sup> Novinky.cz (2022) *Průzkum: Systém sociálních dávek je nepřehledný*. Available [online]: <https://www.novinky.cz/clanek/finance-pruzkum-system-socialnich-davek-je-neprehledny-40416575> [in Czech]

Moreover, assistance through NGOs or municipal governments is also problematic in terms of information. These platforms are much closer to the recipients than the traditional central authorities, and institutions and the assistance through them is usually the most targeted. Unfortunately, the recipients are quite often unaware of this possibility<sup>17</sup>.

Thus, the socially effective position is undoubtedly position I, whereas the less effective positions II, III, and IV can be placed in the middle of the imaginary axis [See: Table 2]. Of course, the ideal situation would be to move from position IV straight to I, but such changes usually reflect costs that politicians are mostly unwilling to incur. Moreover, this effort is further dampened by a possible low social transfer subconscious, since a possible reform will not automatically win *plus points* with voters.

A more logical step is, therefore, a gradual evolution – i.e., a shift from IV to II or III, and then to I. From a pragmatic point of view, a push to raise awareness is perhaps a more sensible step. Even though the transfer will still be administratively demanding, the recipients will know about it and can be helped by NGOs to reach them, and they can also push politicians even more with a possible reform that will become much more attractive to them and as well marketable to voters.

The more specific areas for reform that could be printed in line with the movement in the matrix and, also, the most frequent criticism of the social system are the following parameters:

<sup>17</sup> Novinky.cz (2022) *Průzkum: Systém sociálních dávek je nepřehledný*. Available [online]: <https://www.novinky.cz/clanek/finance-pruzkum-system-socialnich-davek-je-neprehledny-40416575> [in Czech]

Table 2: Matrix of ideal social transfers in the Czech Republic

|                            | high awareness                               | low awareness                         |
|----------------------------|--|---------------------------------------|
| low administrative burden  | parental contribution,<br>retirement pension | assistance by NGOs                    |
| high administrative burden | housing contribution                         | extraordinary immediate<br>assistance |

Source: Own processing

- clarity of the system for the recipients of assistance,
- administrative complexity and speed of disbursement,
- effectiveness of communication towards people with entitlements,
- capacity of contact points,
- digitization of the agenda.

In addition to the downsizing of bureaucracy and increasing awareness of specific transfers (a step that, in the current situation, could best be done by decentralizing the payment of transfers to municipalities or through the non-profit sector), there are two new parameters that can help Czechs move into more sympathetic quadrants: digitization and staffing – the two parameters that need to be reformed on the provider side.

### DIGITAL DATA MUST CIRCULATE BETWEEN OFFICES

Recently, digitalization has been mentioned as a panacea for any lack of public services in the Czech Republic. In this case, it could indeed help significantly (with the administrative burden), but it must be applied in the right area. In fact, digitalization of the application process alone could do more harm than good, as a large proportion of welfare recipients do not have the necessary digital knowledge or access to navigate such a system, and digitalization could even make the situation worse.

This state is proven, among other things, by surveys that examine the state of digital literacy in the Czech Republic. According to the Czech Statistical Office survey<sup>18</sup>, which maps the level of digital knowledge and availability of software applications among Czech society, 21% of people downloaded and installed an app on their computer within 3 months, which is less than twice the number of people who downloaded and installed an app on their phone. Even so, the proportion of people who have done so decreases with age. In the 16-24 age group, 42% of people have downloaded and installed a software on a computer, while among 45–54-year-olds it was 16%, whereas among the people aged 75+, it was only 1%. While there is relatively little difference between men and women when it comes to downloading apps on their phones, downloading a software to a computer was significantly more likely to be done by men (27%) than by women (15%). Only 8% of people with only primary education downloaded a software while 41% of those with higher education did so. Therefore, working with digital technologies remains an obstacle for a large part of Czech society.

<sup>18</sup> Czech Statistical Office (2022) *Informační technologie v domácnostech a mezi jednotlivci*, Available [online]: [https://www.czso.cz/csu/czso/domacnosti\\_a\\_jednotlivci](https://www.czso.cz/csu/czso/domacnosti_a_jednotlivci) [in Czech]

The option of digital application is certainly a welcome alternative, however, for citizens with insufficient digital skills, the traditional option should be maintained. However, digitization should take place between the authorities and the individual social security institutions, which, through the joint storage and sharing of data, would save a lot of bureaucratic effort and work for the recipients themselves, who have to repeatedly fill in their birth number and health insurance number, even though these data are linked to each other. Not only would this reduce the bureaucratic complexity and make the system more transparent, but it would also significantly improve the situation of social administrative workers, who are often frustrated by their low tabular salaries and the high demands of their work and, thus, do not provide the socially optimal quality of service at the offices.

### **FLEXIBLE WAGES FOR SOCIAL WORKERS**

The fundamental disproportion between the workload, the psychological demands of work, and the same table wage across all regions is one of the main reasons for the dysfunctionality of social security institutions. The same salary is available to a civil servant from the capital city of Prague and to an employee of the Labor Office from a medium-sized municipality – although in the case of the former, one must remember about a much higher frequency of the position and the complexity of the problems such an employee has to deal with, as well as higher cost of living in the capital city.

The idea of flexible, even market-based salaries within the civil service sector may sound tempting, but its implementation is almost unrealistic as public administrations tend to stand in opposition to any more radical reforms that may directly affect them. However, the delegation of powers to non-profit organizations, which are subsidized to a large

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IN THE CURRENT SITUATION, CAUSED BY THE ENERGY CRISIS, IT APPEARS THAT THE BENEFITS THAT ARE SUPPOSED TO ALLEVIATE THE BURDEN (SUCH AS THE HOUSING ALLOWANCE AND THE EXTRAORDINARY IMMEDIATE ASSISTANCE) ARE ABSOLUTELY FAILING

extent by the state, could help here. Those NGOs are then governed by market principles and mechanisms, at least as far as the salaries of their employees are concerned, which compensate for the disproportion between workload and table salaries (even their salaries are often below average. Therefore, the use of existing funds from the social institutions of the Czech Republic and the *de facto* provision of social services and transfers through NGOs could reduce this disproportion).

## TRANSFORMING THE PILLOW BACK INTO A TRAMPOLINE

As mentioned at the beginning, the original idea of the welfare system was that it would serve as a steppingstone, a kind of a trampoline to help disadvantaged people return to a functioning and productive life. Reforms inspired by the matrix constructed above would help improve the situation on the recipient side greatly, and thus move the pillow back under the fallen. However, for the *pillow* to become a *trampoline* again, reforms are also needed on the provider side.

From the providers' side, in addition to the functions of the social security institutions, it is necessary, among other things, to act within certain boundaries and to find an imaginary golden mean on these three axes:

- addressability versus administrative complexity,
- emergency assistance versus motivation of respondents,
- economic cycle versus fiscal impact.



FOR THE *PILLOW*  
TO BECOME  
A *TRAMPOLINE*  
AGAIN,  
REFORMS ARE  
ALSO NEEDED  
ON THE PROVIDER  
SIDE

From a cost-minimizing perspective, it is ideal for a social transfer to be as targeted as possible, so that it goes to the individuals who need it most and are most helped. However, to identify as narrow a group as possible would, in the extreme, increase bureaucratic complexity for a state that has a problem in collecting information from a position of central authority under the guise of specifying claimants.

Closely related to this phenomenon is the abusiveness of the system, with the need to ensure that transfers go to the truly affected and to those who demonstrate that they are eligible and interested in using them as a steppingstone, rather than to the individuals for whom it would serve as a convenient cushion.

Finally, the economic impact must be considered. The volume of social transfers paid out in the Czech Republic over the last three years has been between CZK 670 billion and CZK 800 billion (26,8 and 32 billion EUR)<sup>19</sup>, notwithstanding the worsening economic situation. On the contrary, it is precisely the crisis and assistance to groups at risk that the advocates of increasing social transfers argue as a reason for higher budget spending. However, in this case, it is perfectly legitimate to stop indexation, and even to reduce social transfers in times of economic recovery.

Following these principles should then ideally result in a slow transformation of the cushion (but a cushion in *the right place*) back into a springboard, which should help to integrate the invisibles into the society and reduce their overall numbers.

<sup>19</sup> Czech Ministry of Labor and Social Affairs (2023) *Informace o vyplacených dávkách*, Available [online]: <https://www.mpsv.cz/informace-o-vyplacenych-davkach> [in Czech]

## WHAT DOES THE FUTURE HOLD?

Like other market or social market economies in Europe, the Czech Republic has a rich social system. However, from the beginning of its existence (like most of the state apparatus), this system has swelled both in the volume of social benefits paid out, and in the various types and complexity of payment processes that have made the system increasingly opaque. Thus, while the social security system continues to grow, its real benefits are questionable.

At the same time, there is an ever-present group in Czech society (spread across 10 subgroups), whose number ranges between 1.4 and 1.7 million (13,3 -16,2% of total population) individuals who are not covered by the social security system<sup>20</sup>. What these individuals have in common is that their wages are below the typical median wage in their characteristic group, which puts them below the wage level they should be able to achieve thanks to their qualifications. However, the social system in the Czech Republic is unable to help them because of its inefficiency.

Meanwhile, there is a noticeable willingness to struggle with their difficult life situation and it can be assumed that if offered a steppingstone, they would successfully return to society<sup>21</sup>. Public budgets thus incur costs in terms of social transfer payments, which have no noticeable effect (the number of invisible people is not decreasing), but also in terms of foregone income tax, social insurance, and health insurance. It is these foregone taxes that are estimated at up to CZK 174 billion a year<sup>22</sup>.

<sup>20</sup> Ibid.

<sup>21</sup> Ibid.

<sup>22</sup> Consumer Forum (2021) *1,3 milionu Čechů je neviditelných. Na péči o ně vynaloží stát 174 miliard korun ročně*. Available [online]: <https://spotřebitelskeforum.cz/cs/2021/06/15/tz-13-millionu-cechu-je-neviditelných-na-pecí-o-ně-vynaloží-stat-174-miliard-korun-ročne/> [in Czech]

The key to reducing the number of invisibles (and thus reducing the burden on public budgets) is the transformation of the Czech social welfare system, which must affect both the recipients' side through a reduction in the administrative complexity of applying for support, and in the awareness of available support in general. This would turn the cushion that does not catch the fall of the disadvantaged into one that does. Ideally, however, the welfare system should serve as a steppingstone back into society, and reforms are needed on the provider side as well, in particular to transfer benefit payments more to the level of municipalities and through non-profit organizations that have a closer relationship with recipients. Essentially, the principle of subsidiarity should be more present.

In light of the inefficiency of the Czech social system, which has become fully apparent due to several crises, and with the number of the invisible rising steadily, there is a need for such a reform at the present time. The Czech government has already announced its plans to reform old-age pensions<sup>23</sup>, so one can only hope that this is only the first of many steps towards a comprehensive reform of the social system.

<sup>23</sup> Český rozhlas (2023) *Úprava valorizací i věku odchodu do důchodu. Důchodová reforma je podle expertů nezbytná*. Available [online]: <https://cesky.radio.cz/uprava-valorizaci-i-veku-odchodu-do-duchodu-duchodova-reforma-je-podle-expertu-8775295> [in Czech]



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# The Constitutional Court in Lithuania Talks the Talk, and Now the Parliament Must Walk the Walk: Family Protection Means Balance



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**U**nder Article 38 of the Constitution of the Republic of Lithuania, the family is the basis of society and the State, and family, motherhood, fatherhood, and childhood shall be under the protection and care of the State. Even though the Constitution provides that families are the basis of society and what the concept of marriage is, there are still disagreements between legal scholars, lawyers, and politicians as to what ‘family’ actually means. The state’s obligation to protect families under the Constitution entails not only providing a regulatory framework for creating a family, but also the ability of the family members to make their own decisions in deciding what is best for them and their families.



THE CONCEPT  
IS NECESSARY  
BECAUSE  
THE FAMILY  
POLICY  
IN LITHUANIA  
HAS NOT BEEN  
CONSISTENT  
OVER THE YEARS  
OF ITS INDEPENDENCE

### **WHAT IS A FAMILY UNDER LITHUANIAN LAWS ACCORDING TO THE PARLIAMENT?**

Article 38 of the Constitution of the Republic of Lithuania (the Constitution)<sup>1</sup> states the following:

*“The family shall be the basis of society and the State.*

*Family, motherhood, fatherhood, and childhood shall be under the protection and care of the State.*

*Marriage shall be concluded upon the free mutual consent of man and woman.*

<...>

*In the family, the rights of spouses shall be equal.”*

During the years since its adoption, there have been various attempts in Lithuania to redefine what a family is considered to be under the Constitution, mainly trying to work out the relation between marriage and the Constitutional concept of family. The following chapters analyze the concept of the family under the Constitution and its development in the last few decades.

### **WHAT DID THE ‘CONSTITUTION’S FATHERS’ HAVE IN MIND AND IS IT RELEVANT?**

Member of the Parliament of the Republic of Lithuania (the parliament), lawyer, and previous judge of the Constitutional Court of Lithuania Dr Stasys Sedbaras notes that during the drafting of the Constitution “[t]he Fathers of the Constitution had no doubt

<sup>1</sup> The Parliament of the Republic of Lithuania (1992) *The Constitution of the Republic of Lithuania Adopted by the citizens of the Republic of Lithuania in the Referendum of 25 October 1992*. Available [online]: <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/079fcad0cf8711ecb69ea7b9ba9d787b?jfwid=-jeli79w55>

that the family is the union of a man and a woman, created by marriage”<sup>2</sup>. However, the Constitutional doctrine notes that albeit the Constitution is in a written form, it, as a legal reality, cannot be treated merely as its textual form and it is not a mere set of explicit provisions<sup>3</sup>.

According to the official interpretation provided by the Constitutional Court, the Constitution cannot be interpreted in a literal, linguistic (verbal) way alone – it requires the application of various methods of legal interpretation. Only by analyzing it in a comprehensive manner can the purpose of this social contract and supreme legal authority be realized, ensuring that the meaning of it is not departed from, that the spirit of the Constitution is not undermined, and that the values on which the Nation has based its own fundamental act are enshrined in life<sup>4</sup>. In the discussed case basing the Constitutional family concept only on the notions of the Constitution’s Fathers, as Dr Sedbaras is doing, is not in line with the means of interpreting the Constitution and its spirit.

Dr Sedbaras elaborates further stating that the authors of the current Civil Code, which entered into force on July 1, 2001, shared the same view<sup>5</sup>. Under Article 3.7 of the Civil Code of the Republic of Lithuania (The Civil Code; the CC), “[m]arriage is a voluntary agreement between a man and a woman to create legal family relations executed in the

procedure provided for by law”<sup>6</sup>. Article 3.12., titled ‘Prohibiting marriage of persons of the same gender’ states that “[m]arriage may be contracted only with a person of the opposite gender”<sup>7</sup>. Finally, in the chapter on the legal consequences of marriage since its original adoption, the CC states that “[b]y contracting a marriage the spouses create family relations as a basis for their life together”<sup>8</sup>.

Regarding this, the author notes that the Civil Code – despite being a law – cannot be applied to interpret the meaning of the Constitution, and thus to identify the meaning of the Constitutional concept of family. Legal scholars note that the Constitution is the only primary law adopted by the constituent power, which sets the framework for legal regulation<sup>9</sup>. Its norms and principles have the greatest normative potential, and thus a law must comply with the norms and principles of the Constitution. A law cannot be regarded as a primary legal act, but as an ordinarily binding act expressing the will of the legislator, which must not be contrary to the Constitution<sup>10</sup>. Thus, the Civil Code’s norms are preconditioned by the Constitution and the rulings of the Constitutional Court on interpreting it – and not the other way around.

<sup>2</sup> Sedbaras, S. (2014) *What the Family Is and Isn't in the Constitution and the Arguments*. Available [online]: <https://www.delfi.lt/news/ringas/politics/s-sedbaras-kas-yra-ir-kas-nera-seima-konstitucijoje-ir-argumentuose.d?id=65092419> [in Lithuanian]

<sup>3</sup> The Constitutional Court of the Republic of Lithuania (2004) *Ruling on the State Family Policy Concept*, the May 25. Available [online]: <https://lrkt.lt/en/court-acts/search/170/ta1112/content>

<sup>4</sup> Ibid.

<sup>5</sup> Ibid.

<sup>6</sup> The Parliament of the Republic of Lithuania (2000) *Civil Code*. Available [online]: <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/TAIS.245495>

<sup>7</sup> Ibid.

<sup>8</sup> Ibid.

<sup>9</sup> Jarašiūnas, E (2002) “Konstitucine Teise – Nacionalines Teises Sistemos Branduolys ir Teises Sistema Integruojanti Teises Sriti”, [in]: T. Birmontiene, et al., *Lietuvos Konstitucine teise*, Lietuvos teises universitetas. Available [online]: [https://repository.mruni.eu/bitstream/handle/007/15418/konstitucine\\_teise.pdf?sequence=1&isAllowed=y](https://repository.mruni.eu/bitstream/handle/007/15418/konstitucine_teise.pdf?sequence=1&isAllowed=y) [in Lithuanian].

<sup>10</sup> Jarašiūnas, E. (2002) “Konstitucija ir įstatymas: kelios interpretavimo problemos”, [in]: *Konstitucijos aiškinimas ir tiesioginis taikymas: Baltijos ir Skandinavijos šalių konferencijos medžiaga, 2002 m. kovo 15-16 d., Vilnius*. Available [online]: <https://www.lituanistika.lt/content/38158> [in Lithuanian]



## FOLLOWING THE ADOPTION OF THE CONCEPT, THE CONSTITUTION- AL COURT ADOPTED TWO LANDMARK RULINGS

It must be noted that in his article, Dr Sedbaras admits to favoring a traditional (catholic-values-based) family concept, and it is exclusively based on marriage. Therefore, the arguments presented before must be taken with caution. The norms of the Civil Code quoted by the lawyer primarily focus on the legal institution of marriage, and not family. What Dr Sedbaras neglects to mention is that various other laws define family and go beyond marriage.

Namely, certain Lithuanian laws define 'family' as not only spouses, or spouses with children, but also as:

- a single parent with their children and parents of a spouse or a single person residing together may also be considered a family<sup>11</sup>;

- persons living together, one of the parents of a minor regardless of marital status<sup>12</sup>;
- a man and a woman of full legal age living together without having registered their union as a marriage<sup>13</sup>;
- persons between the ages of 18 and 24 who are unemployed and unmarried and not living together with another person (schoolchildren or students)<sup>14</sup>;
- the parents (adoptive parents), children (adopted children), brothers, sisters, the spouse or the person living with a person in common law (partnership) and their parents<sup>15</sup>;
- cohabitant, the person's, cohabitant's or both of their minor children and their adult children with their spouses or cohabitant, parents of the person or both of the couple, if they are residing together<sup>16</sup>;
- spouses, the persons who have registered partnership and their children (or those of one of them) until they reach a certain age, as well as the dependents who are related by kinship ties<sup>17</sup>;

<sup>11</sup> The Parliament of the Republic of Lithuania (2008) *Law on State Support to Acquire or Rent a Dwelling and Renovate (Modernise) Multi-Apartment Houses*, Article 2.8. Available [online]: <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/b585f210580311e78869ae36ddd5784f> [in Lithuanian]

<sup>12</sup> The Parliament of the Republic of Lithuania (2008) *Law on Benefits to Children*, Article 2.6. Available [online]: <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/TAIS.419820>

<sup>13</sup> The Parliament of the Republic of Lithuania (2011) *Piniginės socialinės paramos nepasiturinčioms šeimoms ir vieniems gyvenantiems asmenims įstatymas*, Article 12. Available [online]: <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/TAIS.413828> [in Lithuanian]

<sup>14</sup> Ibid.

<sup>15</sup> The Parliament of the Republic of Lithuania (2017) *Criminal Code*, Paragraph 2 of Article 248 "Interpretation of Concepts". Available [online]: <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/28b18041843311e89188e16a6495e98c>

<sup>16</sup> The Parliament of the Republic of Lithuania (2000) *Civil Code*, 12.2. Paragraphs 1 and 2 of Article 6.588. Available [online]: <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/TAIS.245495>

<sup>17</sup> The Parliament of the Republic of Lithuania (2015) *Law on the Legal Status of Aliens*, Paragraph 26 of Article 2 "Main Notions of This Law". Available [online]: <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/d7890bc0fa2e11e4877aa4fe9d0c24b0?jfwid=q86m1vvgq>

Summarizing, the provisions of the laws regulating certain areas of the relations connected with the family the essential criteria involve the living together of family members, also one's age and studies, which are related to a person's limited possibility of earning income and his need to receive maintenance. In other laws, such criteria as one's age, studies, etc. are not significant – the crucial criterion therein, under which persons are attributed to members of the family, is consanguinity, affinity, and other close ties.

***A FAMILY POLICY CONCEPT  
TO REGULATE NOT A SINGLE,  
BUT 8 TYPES OF FAMILIES***

In 2008, the Lithuanian parliament adopted a resolution 'On the Approval of the State Family Policy Concept' (the Concept)<sup>18</sup>. The authors noted that the Concept is necessary because the family policy in Lithuania has not been consistent over the years of its independence. Some of the policies are aimed at preserving the traditional family and gender roles, whilst there have also been attempts to create favorable conditions for gender equality and balancing personal life with professional activities.

The explanatory note of the Concept<sup>19</sup> finds that the crisis of the family institution is reflected in the country's worsening demographic situation, with a low number of marriages and a rather high number of divorces, a low birth rate, and an aging population. Thus, the Concept's purpose is to substantiate the necessity of the general family policy when implementing the Constitutional

<sup>18</sup> The Parliament of the Republic of Lithuania (2008) *Resolution "On the Approval of the State Family Policy Concept"*. Available [online]: <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/TAIS.323058?ifwid=-jeli7a7xx>.

<sup>19</sup> The Parliament of the Republic of Lithuania (2008) *Resolution "On the Approval of the State Family Policy Concept"*, an explanatory note. Available [online]: <https://e-seimas.lrs.lt/portal/legalAct/lt/TAK/TAIS.301355?ifwid=-jeli7a7xx> [in Lithuanian]



EVEN THOUGH  
MARRIAGE  
IS A HISTORICALLY  
ESTABLISHED  
FAMILY MODEL  
IN LITHUANIA,  
THIS DOES NOT  
MEAN THAT  
THE CONSTITUTION  
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AND DEFEND  
FAMILIES  
OTHER THAN  
THOSE FOUNDED  
ON THE BASIS  
OF MARRIAGE

provision of the Republic of Lithuania. According to it, family is the basis of society and the State, that the principal ethnic and culturally valuable objects are fostered in the family, ensuring every person's welfare and historical survival of the Lithuanian State and the nation. This can be achieved by defining the functions performed by the family in meeting the demands of the person and society, defining the state family objectives and principles and projecting trends

of state family policy development.<sup>20</sup> Article 1.3. stated that the “*concept is based on historically formed family values and on the ideas defining family welfare, corresponding to the Constitution and other legal acts*” meaning that the Concept was favoring the traditional catholic-value-based concept of family, even though the Constitution provides that “*There shall not be a State religion in Lithuania*”<sup>21</sup>.

In its definitions, the Concept did not provide any basic principles to describe a family, yet it provided an exhaustive list of several types of families there may be under the law for the policymakers and society to mix and match. For example, the parents, their children, grandparents, and siblings are an ‘immediate family’ (Art. 1.6.1.), but parents with more than three children are defined as a large family (Art. 1.6.3.).

A family, regardless of its size, is considered to be a ‘harmonious family’ if it performs “*the characteristic family functions ensuring the physical, psychic and spiritual well-being of all its members*” (Art. 1.6.2). Whereas the opposite of it is a ‘family living through a crisis’ – any complicated period of life, for example, divorcing or a family facing other problems (Art. 1.6.5.). It may seem that following a divorce a ‘family living through a crisis’ may never level up to be a ‘harmonious family’ under the Concept. This is because as a single parent who was granted primary custody of a child following a divorce will be always seen as an ‘incomplete family’ whereupon

termination of marriage, the children have been deprived of one parent (Art. 1.6.6.).

The Concept distinguished a ‘harmonious family’ based on marriage to be the ultimate goal of the society in family policy matters and the superior type of family the State should promote. Under Art. 1.8.1. “*a ‘harmonious family’ is the good in itself, as it meets the person’s natural needs and sociability and allows to fully satisfy them*”. Whereas a family based on a marriage “*is a historically and scientifically confirmed most trustworthy institute, **providing best conditions**<sup>22</sup> for all-round and full-fledged development of natural talents and social skills of all its members*” (Art. 1.8.2). Accordingly, the effect of this would be that the state would grant preferential treatment to ‘harmonious’-marriage-based families whilst providing aid to those families which are not and cannot be ‘harmonious’. To achieve this the State should encourage the mass media “*to propagate the importance of family values, to activate the public to strengthen the family institution.*” (Art. 5.7) and should have also followed the Concept when planning and allocating financial resources (Art. 5.6), planning education programs (Art. 5.4.) and for monitoring and implementations matters the State would have had to establish ‘A Ministry for the Affairs of Family and the Child’ (Art. 5.1).

It must be noted that the Concept – and thus the State’s protection of families – would not cover single parents and their children if the parent was not married before. Further on, the Concept outlines that a family may only be created through marriage as “*marriage is a voluntary agreement between a man and a woman to create legal family relations executed in the procedure provided for by law*” (Art. 1.6.7). The Concept finishes by stating

<sup>20</sup> The Parliament of the Republic of Lithuania (2008) *Resolution “On the Approval of the State Family Policy Concept”*, Articles 1.1. and 1.3. Available [online]: <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/TAIS.323058?jfwid=-jeli7a7xx>

<sup>21</sup> The Parliament of the Republic of Lithuania (1992) *The Constitution of the Republic of Lithuania Adopted by the citizens of the Republic of Lithuania in the Referendum of 25 October 1992*. Available [online]: <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/079fcad0cf8711ecb69ea7b9ba9d787b?jfwid=-jeli79w55>. Article 43.

<sup>22</sup> Highlighted by the authors of the Concept in the original translation.

that a family is considered to be spouses and their children (including adopted) if any (Art. 1.6.9). The family may also be incomplete (a divorced parent with a child) or extended – for example, spouses with children and their grandparents, if they are living together (Art. 1.6.4.). Lastly, there is a special category of a family named ‘social risk family’, which is raising children under 18 where at least one of the parents abuses alcohol, narcotic, psychotropic or toxic substances, is a gambling addict, is unable or cannot take proper care of the children due to lack of social skills, etc.

Summarizing, under the Concept, an unmarried couple who may be raising children (including adopted children) is not regarded as a family. Similarly, single unmarried persons with their children are not regarded as an ‘incomplete family’. A man and a woman who fulfill all the criteria of the ‘harmonious family’, ‘large family’, ‘family living through a crisis’, or ‘family at social risk’, although who are not married to each other and who may well be raising children (adopted children), are not regarded as a belonging to these categories.

During public consultations, there were numerous suggestions to improve the Concept and ensure its protection for unmarried couples as well<sup>23</sup>. However, the primary Committee of the Concept rejected them stating that a family may be established only by entering a marriage<sup>24</sup>. Sometime after its adoption, the Concept’s compatibility with the Constitution was subjected before the Constitutional Court. With its decision, the Constitutional Court provided a definition of a family under the Constitution.

<sup>23</sup> The Parliament of the Republic of Lithuania (2008) *Resolution “On the Approval of the State Family Policy Concept”*, an extract from the minutes of the Parliamentary Committee meeting. Available [online]: <https://e-seimas.lrs.lt/portal/legalAct/lt/TAK/TAIS.321276?jfwid=-jeli7a7xx> [in Lithuanian]

<sup>24</sup> *Ibid.*



THE CONCEPT OF MARRIAGE AND FAMILY MUST BE INTERPRETED IN CONJUNCTION WITH THE PRINCIPLE OF EQUALITY OF PERSONS AND THE PROHIBITION OF DISCRIMINATION ENSHRINED IN THE CONSTITUTION

#### THE STATE’S OFFICIAL INTERPRETATION OF THE CONSTITUTIONAL FAMILY CONCEPT

The Constitutional Court (the Court) decides whether the laws and other acts of the parliament are in conflict with the Constitution and adopts a decision regarding it<sup>25</sup>. Upon the decision, in order to deem a law

<sup>25</sup> The Parliament of the Republic of Lithuania (1992) *The Constitution of the Republic of Lithuania Adopted by the citizens of the Republic of Lithuania in the Referendum of 25 October 1992*, Articles 102 and 105. Available [online]: <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/079fcad0cf8711ecb69ea7b9ba9d787b?jfwid=-jeli79w55>

(or part of it) anti-constitutional, the law cannot be applied<sup>26</sup>.

Following the adoption of the Concept, the Constitutional Court adopted two landmark rulings in cases dealing with national family policy.

### **THE 2004 RULING OF THE CONSTITUTIONAL COURT ON THE CONCEPT OF FAMILY**

In its analysis of the Concept, the Court found that indeed the state's family policy Concept would not offer protection to unmarried couples. Under the provisions of the Concept, a man and a woman living together, though not married to each other, who may also be raising children (adopted children), are not regarded as a 'family' or an 'incomplete family'. A man and a woman who fulfill all the criteria of the 'harmonious family', 'large family', 'family living through a crisis', or 'family at social risk', but who are not married to each other, also a man or a woman raising children (adopted children), but who has not been married, with their child (children) or adopted child (adopted children), are not correspondingly regarded as part of these categories<sup>27</sup>.

The Court found that the Concept establishes provisions for certain social and financial welfare of a family – for example, regarding the promotion of employment of family members (Article 4.2), the creation of a favorable residential environment for a family,

and the provision of families with residential dwellings, etc., which may be granted to a family founded exclusively on the basis of marriage. Thus the application of the Concept in practice would result in thus creating more favorable conditions for them in comparison to unmarried couples raising children<sup>28</sup>.

The Court noted that the Constitutional concept of family may not be derived solely from the institute of marriage as it is the only means of creating a family, and both the concepts of family and marriage are inseparable, and their ties are unquestionable. The Constitutional Court found that even though marriage is a historically established family model in Lithuania, this does not mean that the Constitution does not protect and defend families other than those founded on the basis of marriage. Thus, the constitutional concept of family is based on mutual responsibility between family members. A social unit is described as a family based on their mutual understanding, emotional affection, assistance, and similar relations, as well as on the voluntary determination to take on certain rights and responsibilities, i.e., the content of relationships, whereas the form of expression of these relationships has no essential significance for the constitutional concept of family<sup>29</sup>. This concept is in line with the Constitutional principles of those of equality of rights, human dignity, and respect for private life<sup>30</sup>. Thus, the Concept was declared anti-constitutional.

The decision of the Court was one of those cases that attracted a lot of attention and heated debate. The adoption of the Concept in the Parliament was hotly debated by politicians and contested by different groups in society.

<sup>26</sup> The Parliament of the Republic of Lithuania (1993) *The Law on the Constitutional Court*, Article 72. Available [online]: <https://lrkt.lt/en/about-the-court/legal-information/the-law-on-the-constitutional-court/193>

<sup>27</sup> The Constitutional Court of the Republic of Lithuania (2011) *Ruling on the Compliance of the Provisions of the State Family Policy Concept as Approved by Resolution of the Seimas of the Republic of Lithuania No. X-1569 "On the Approval of the State Family Policy Concept" of 3 June 2008 with the Constitution of the Republic of Lithuania*, Paragraph 6. Available [online]: <https://lrkt.lt/en/court-acts/search/170/ta1112/content>

<sup>28</sup> *Ibid.*, Paragraph 7.

<sup>29</sup> *Ibid.*, Paragraph 15.1.

<sup>30</sup> *Ibid.*, Paragraph 16.

Reacting to the decision of the Court, law professor and current Judge of the Constitutional Court Dr Vytautas Mizaras, noted that no law could define the concept of a family at all – it only determines the legal relations of an already established family, because society itself decides at the appropriate time how it understands what family is<sup>31</sup>. It is not for the state to say that one relationship will be a family, and another will not<sup>32</sup>. Sociologists note that over one fifth of children are born to unmarried couples, and increased emigration has also led to an increase in the family pattern of children being raised by grandparents or close relatives (45% of households were composed of families of this type). 60-70% of people (depending on the generation) consider parents and their children who live together, but are not married, to be family<sup>33</sup>. The factual majority of families in Lithuania cannot be considered as ‘harmonious’ under the Concept, which unjustly denies them Constitutional protection.

Following the decision, members of the Parliament (MPs) at their sessions accused each other of exceeding their authority and of dividing people “into those who live in decent and acceptable families and those who live in some other forms of life”. A significant part of the MPs proclaimed their disapproval of the Concept and claimed that “the authors of the Family Concept are marginalizing single mothers or single fathers”. The parliamentary discussions also included a provocative question: “who is the holy man who will say that this family is harmonious?” and that the Parliament wants

to “control the moral and value attitudes of citizens” with the Concept<sup>34</sup>.

Those in favor of the Concept shouted: “where did all these different sexual minorities come from? And don’t you point me to Europe”, and they thought that “to promote this we need healthy structures that produce good products, good children who do not cause us problems, and these families”<sup>35</sup>. The public, whether rejoicing in the victory of Catholic values or resenting discrimination and the division of people into good and bad, i.e., second-class, was equally passionate<sup>36</sup>.

Nevertheless, politicians did not lose heart. The MPs who did not give up their plans to narrow the concept of family decided to initiate an amendment to Article 38 of the Constitution<sup>37</sup>, which was intended to establish that “[a] family is created through marriage”; they registered several drafts, even voting for one, and talked about holding a referendum, but all of these initiatives were defeated<sup>38</sup>.

### **THE 2019 RULING OF THE CONSTITUTIONAL COURT ON WHETHER FAMILIES CAN BE OF PARTNERS OF THE SAME SEX**

On January 11, 2019, the Constitutional Court of Lithuania adopted a Resolution ‘On Compliance of Article 43(1)(5) of the Law of the Republic of Lithuania on the Legal Status of

<sup>34</sup> 15min (2018) *Šeimos sampratos išaiškinimas: kaip nuo diskriminacijos buvo apgintos Lietuvos šeimos*. Available [online]: <https://www.15min.lt/media-pasakojimai/bylos-pakeitوسios-lietuva-seima-338> [in Lithuanian]

<sup>35</sup> Ibid.

<sup>36</sup> Ibid.

<sup>37</sup> The Parliament of the Republic of Lithuania (2016) *Konstitucijos 38 straipsnio pakeitimo įstatymo projektas*. Available [online]: <https://e-seimas.lrs.lt/portal/legu-IAct/lt/TAP/Obe20cb0348411e6a222b0cd86c2adfc> [in Lithuanian]

<sup>38</sup> 15min (2018) *Šeimos sampratos išaiškinimas: kaip nuo diskriminacijos buvo apgintos Lietuvos šeimos*. Available [online]: <https://www.15min.lt/media-pasakojimai/bylos-pakeitوسios-lietuva-seima-338> [in Lithuanian]

<sup>31</sup> Urbaitė, I. (2016) *Kas yra šeima turi spręsti ne politikai, o visuomenė*. Available [online]: <https://klaipeda.diena.lt/naujienos/lietuva/salies-pulsas/kas-yra-seima-spres-ti-turi-ne-politikai-o-visuomene-750548> [in Lithuanian]

<sup>32</sup> Ibid.

<sup>33</sup> Ibid.





THE STATE PROTECTION AND CARE GUARANTEED FOR FAMILIES UNDER THE CONSTITUTION IS IMPLEMENTED IN VARIOUS WAYS BY CREATING A FAVORABLE ENVIRONMENT FOR FAMILY, MOTHERHOOD, FATHERHOOD, AND CHILDHOOD AS CONSTITUTIONAL VALUES

Aliens with the Constitution of the Republic of Lithuania<sup>39</sup>. The Court emphasized that – unlike the Constitutional concept of marriage – the concept of family is gender neutral. Thus, according to the Court, the concept of marriage and family must be interpreted in conjunction with the principle of equality of persons and the prohibition of discrimination

<sup>39</sup> The Constitutional Court Of The Republic Of Lithuania (2019) *Ruling On The Compliance Of Item 5 Of Paragraph 1 Of Article 43 Of The Republic Of Lithuania's Law On The Legal Status Of Aliens With The Constitution Of The Republic Of Lithuania*. Available [online]: [https://lrkt.lt/data/public/uploads/2019/03/2019-01-11\\_kt3-n1\\_ruling.pdf](https://lrkt.lt/data/public/uploads/2019/03/2019-01-11_kt3-n1_ruling.pdf).

enshrined in the Constitution<sup>40</sup>. All families that comply with the constitutional concept of the family, based on the content of the relationship between family members of a permanent or lasting nature, that is to say, based on the family members' mutual responsibility, understanding, emotional affection, assistance, and similar ties, and their voluntary decision to take on certain rights and duties, are protected and defended<sup>41</sup>.

On the other hand, the Constitutional Court has noted that taking into account objective and constitutionally justified criteria, differentiated legal regulation of state care and support for the family may be established. Therefore, the legal doctrine established by the Constitutional Court of the Republic of Lithuania presupposes that the property and non-property legal relations of cohabitants must be legally regulated and protected, without violating the principle of equality and the principle of non-discrimination.

**RECOGNITION OF SAME-SEX FAMILIES ON THE POLITICAL AND SOCIETAL LEVEL**

Since its adoption, the Civil Code had a chapter 'Living Together of Persons not Legally Married (Cohabitation)'. However, it made links to additional laws on the registration of partnership, which were never enacted<sup>42</sup>. Therefore, such a situation, according to the author's opinion, contradicts, among others, the persons' Constitutional right to the protection of their legal interests since the state has promised a legal institution of cohabitation, but never delivered on the promise<sup>43</sup>.

<sup>40</sup> Ibid.

<sup>41</sup> Ibid.

<sup>42</sup> The Parliament of the Republic of Lithuania (2000) *Civil Code*. Chapter XV. Available [online]: <https://e-sei-mas.lrs.lt/portal/legalAct/lt/TAD/TAIS.245495>

<sup>43</sup> The Constitutional Court of the Republic of Lithuania (2002) *Ruling of 25 November 2002*

Aiming to solve this injustice, on May 21, 2021, a group of MPs put forward a draft law on Civil Partnership<sup>44</sup>. They noted that despite the fact that there is currently no legal regulation of partnership, actual partnership relations exist and therefore, they must be regulated in law<sup>45</sup>. The draft law provided that a partnership is a legally registered fact of cohabitation of two persons regardless of their sex or gender, for the reason of establishing and/or developing a relationship between the partners based on stable ties of emotional affection, mutual understanding, responsibility, and assistance<sup>46</sup>. This definition meets the requirement for a family as a social unit set out in the previous rulings of the Constitutional Court regarding family policy.

However, after many disputes in parliament, the law has not yet been adopted. The gender-neutral partnership draft law did not even pass the initial approval stage in the spring of 2021 as it fell just three votes short. Lacking the political support needed to move forward with the bill, almost a year after drafting the Partnership bill, the ruling majority of the parliament registered another draft law on gender-neutral partnership called the Law of Civil Union<sup>47</sup>.

Similarly, as the Partnership act the Civil Union draft law aimed at establishing that *"[a] civil union is a voluntary agreement between two persons (partners), registered in accordance with the procedure laid down by law, whereby they seek to establish and/*

<sup>44</sup> The Parliament of the Republic of Lithuania (2021) *Partnerystės įstatymo projektas*. Available [online]: <https://e-seimas.lrs.lt/portal/legalAct/lt/TAP/ca7c38b-0ba0a11eb91e294a1358e77e9> [in Lithuanian]

<sup>45</sup> Ibid.

<sup>46</sup> Ibid. Art. 3.

<sup>47</sup> The Parliament of the Republic of Lithuania (2022) *Civilinės Sąjungos įstatymo projektas*. Available [online]: <https://e-seimas.lrs.lt/portal/legalAct/lt/TAP/847793c0d52811ecb1b39d276e924a5d> [in Lithuanian]



LITHUANIA'S  
WORSENING DEMO-  
GRAPHIC SITUATION,  
AND THE MEANS  
TO REMEDY IT,  
HAVE ALWAYS BEEN  
AT THE TOP  
OF ALL POLITICIANS'  
AGENDAS

*or develop, or protect, a personal relationship between them*<sup>48</sup>. The less emotionally loaded titled draft law gained support from parliament and passed its submission stage soon after it was registered. Its further adoption in parliament has been stalled by the opposition, with discussions among those in the ruling majority to postpone the issue to the spring session of 2023<sup>49</sup>.

In short, the issue of the concept of family and protection of same-sex partnerships in Lithuania is a legal matter and not a political one. However, exactly the lack of political will and political opposition from the 'traditional' catholic-values driven opposition of parliament keeps the couples who decided

<sup>48</sup> Ibid.

<sup>49</sup> LRT.lt (2022) *Armonaitė: man yra gėda prieš žmones, kurie turi išvažiuoti iš Lietuvos, nes jaučiasi antrarušiai*. Available [online]: <https://www.lrt.lt/naujienos/lietu-voje/2/1846628/armonaite-man-yra-geda-pries-zmo-nes-kurie-turi-ismaziuoti-is-lietuvos-nes-jauciasi-an-trarusiai> [in Lithuanian]. The Parliament's agenda for the spring session of 2023 has not yet been registered.

not to enter marriage and families of the same-sex from achieving the due protection of the state as provided by the Constitution.

Nevertheless, such a legal vacuum does not limit the possibilities of private enterprises supporting their same-sex and unmarried families. Recently, a telecommunications company Bite Lietuva reached the press headlines saying that *“it will legalize partnerships”*<sup>50</sup>. Bite Lietuva is the first company in Lithuania to ‘legalize’ partnerships between unmarried heterosexual and homosexual couples within the company – since February 13, 2023, all the families of the company’s employees will receive benefits that were previously available only to married partners<sup>51</sup>.

### **WHAT DOES IT MEAN THAT UNDER THE CONSTITUTION THE STATE PROTECTS THE FAMILY?**

As mentioned before, the Lithuanian Constitution is a *living organism* in the sense that it must be interpreted to meet the relevant needs of society, and the Constitutional Court has the sole authority to interpret what the notions of the Constitution entail. It is, therefore, crucial to better understand what the duty of the state does to ensure the protection of family, motherhood, fatherhood, and childhood.

The Constitutional Court has held that the provisions of Paragraphs 1 and 2 of Article 38 of the Constitution express the obligation of the state to establish, by means of laws and other legal acts, such a legal regulation that would ensure that family, as well as motherhood, fatherhood, and childhood, as constitutional values, would be fostered and

protected in all ways possible (rulings of June 13, 2000, and March 5, 2004) and that Paragraphs 1 and 2 of Article 38 of the Constitution consolidate the constitutional principles of the most general nature (ruling of March 5, 2004).

The state’s constitutional duty to establish a regulatory framework that would ensure the protection of the family as a constitutional value is not limited to creating the preconditions for the proper functioning of a family. It should also strengthen family relationships and defends the rights and legitimate interests of family members. However, under the Constitutional Doctrine, the state has the obligation to regulate family relationships in such a way that no preconditions would be created for discrimination against certain participants in family relationships<sup>52</sup>.

The state protection and care guaranteed for families under the Constitution is implemented in various ways by creating a favorable environment for family, motherhood, fatherhood, and childhood as constitutional values. The imperative consolidated in the Constitution, whereby these categories are under the protection and care of the state, various forms of support thereof may be developed, inter alia:

*“the conditions are ensured for parents to combine work (professional) activities and the duties related to raising and bringing up children; <...> while taking account of the needs of families and the capabilities of society and the state, a certain level of support is also guaranteed to non-working mothers, as well as support for families raising underage children of various ages, and not exclusively children of early age, at home. In this area, the legislature, taking account*

<sup>50</sup> Bite Lietuva (2023) *“Bitė” “įteisina” partnerystę: suteiks vienodas naudas visoms šeimoms*. Available [online]: <https://www.delfi.lt/login/technologijos/naujienos/bite-iteisina-partneryste-suteiks-vienodas-naudas-visoms-seimoms.d?id=92540945#/> [in Lithuanian].

<sup>51</sup> Ibid.

<sup>52</sup> The Constitutional Court of the Republic of Lithuania (2011) *Ruling of 28 September 2011*.

*of various social, demographic, and economic factors, such as the material and financial possibilities of the state, has broad discretion to choose concrete instruments of protection and support*<sup>53</sup>.

This means that the state's role in protecting families is not limited to child protection services or payouts. The state has the constitutional obligation to ensure that, among other issues, the parents have the possibility to combine work (professional) activities and the duties related to raising and bringing up children whilst providing relevant infrastructure and other means of support.

### **MEASURES APPLIED AND THEIR EFFECTIVENESS**

Lithuania's worsening demographic situation, and the means to remedy it, have always been at the top of all politicians' agendas<sup>54</sup>. It was at the beginning of independence that Lithuania's population peaked at 3.7 million. After that, it began to steadily decline. In 2012, it reached 3 million, and in 2023 – 2.86 million. Encouragingly, since 2016, there has been a slight increase in the population<sup>55</sup>. Although Lithuania's population has been growing for the past four years, economic models suggest that by 2045 there will be only 2 million people left<sup>56</sup>.

<sup>53</sup> The Constitutional Court of the Republic of Lithuania (2012) *Ruling of 27 February 2012*.

<sup>54</sup> See., e.g. The Parliament of the Republic of Lithuania (2008) Resolution "On the Approval of the State Family Policy Concept", an extract from the minutes of the Parliamentary Committee meeting. Available [online]: <https://e-seimas.lrs.lt/portal/legalAct/lt/TAK/TAIS.321276?jfwid=-jeli7a7xx> [in Lithuanian]

<sup>55</sup> Deveikis, J. (2023) *Nykstanti Lietuva: verslas siūlo atsivežti vietnamiečių, visuomenė nori, kad moterys daugiau gimdytų*. Available [online]: <https://www.lrt.lt/naujienos/verslas/4/1895945/nykstanti-lietuva-verslas-siulo-atsivezti-vietnamieciu-visuomene-nori-kad-moterys-daugiau-gimdytu> [in Lithuanian].

<sup>56</sup> Ibid.



THE DECLINE IN THE BIRTH RATE IS QUITE A COMMON ISSUE AMONG DEVELOPED COUNTRIES, AND LITHUANIA'S NUMBERS ARE CLOSE TO THE EU AVERAGE

Daumantas Stumbrys, a researcher at the Demographic Research Centre of Vytautas Magnus University, explains that the most important factor that has led to a decline in the population is emigration<sup>57</sup>. After the restoration of independence, an average of 25,000 people left Lithuania every year, while in 2010, as many as 83,000 people left Lithuania, which was crippled by the economic crisis. Sociologists note that the decline in the birth rate is quite a common issue among developed countries, and Lithuania's numbers are close to the EU average<sup>58</sup>. However, society and politicians would like to see demographic problems solved primarily by a rising birth rate<sup>59</sup>.

### **INCREASING BIRTH RATES REQUIRES MORE THAN WISHFUL THINKING**

<sup>57</sup> Ibid.

<sup>58</sup> Ibid.

<sup>59</sup> Ibid.

In 2018, the Parliament adopted the law on 'the Financial Incentive for Young Families Acquiring a First Home'<sup>60</sup>. According to the law, for young families (up to 36 years old) purchasing their first home in the region, the state subsidizes housing in areas where the normative value per square meter is at least 65% lower than the maximum normative value per square meter in Lithuania (i.e., in the regions)<sup>61</sup>. However, in the fall of 2022, there was far less money available for the incentive than what would cover the demand. Hundreds of families are waiting months, making financial support a drain on savings and housing for some<sup>62</sup>. This results in an erroneous practice of *first come first served*, even though the state has given out this promise to all families.

With the plan, parliament was aiming to shoot two birds with one stone – to increase the birth rate (because the more children you have – the larger the subsidy<sup>63</sup>) and to revive the regions of Lithuania<sup>64</sup>. The Minister of Social Security and Labour Monika Navickiene says that the idea of increasing the intensity of this support for regions far

from the main cities may be considered, but this will not solve the problem of emptying regions: *"we should not be under the illusion that simply by providing housing support to regions where there are no educational institutions or jobs, young people will flock to them"*<sup>65</sup>.

However, the lack of jobs and infrastructure in the regions is not the only problem that families face. Under the constitutional obligation of the state to protect families, it also has the obligation to provide the necessary infrastructure. As of May 2022, some of Lithuania's district hospitals located in the regions are no longer accepting women in labor. The Ministry of Health decided that only hospitals with at least 300 admissions in at least one of the last two years, or with a distance of more than 50 kilometers to the next nearest hospital providing such services, will be able to provide birth delivery services<sup>66</sup>. In addition to the insufficient funds for reallocation to the regions, this new regulation also plays a key role in the decision of the family to move out of the city. Therefore, the plan to *shoot two birds with one stone* may prove to be fruitless.

As mentioned before, society and politicians in Lithuania would like to see demographic problems solved, primarily by a rising birth rate. A recently held representative survey showed that 46% of society relies on increasing the birth rate to solve Lithuania's demographic issues, whereas 42% believe that the demographic situation should be improved by encouraging the return of emigrated

<sup>60</sup> The Parliament of the Republic of Lithuania (2018) *Law on the Financial Incentive for Young Families Acquiring a First Home*. Available [online]: <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/33b60f82ac5411e8aa33fe8f0fea665f?jfwid=-g0Zrzi9g>

<sup>61</sup> Ibid.

<sup>62</sup> Skridailaitė, G., Gaizauskaitė, J. (2022) *Šimtai šeimų mėnesiais laukia paramos pirmajam būstui įsigyti: kai kuriems tai virsta santaupų ir pastogės praradimu*. Available [online]: <https://www.lrt.lt/naujienos/verslas/4/1785218/simtai-seimu-menesiais-laukia-paramos-pirmajam-bustui-įsigyti-kai-kuriems-tai-virsta-santaupu-ir-pastoges-praradimu> [in Lithuanian]

<sup>63</sup> Under the Law, young families without children can benefit from a 15% subsidy, 20% for families with one child, 25% for families with two children and 30% for families with three or more children.

<sup>64</sup> Bielinskas, R. (2022) *Navickienė: didesnė parama už pirmą būstą tuštinančių regionų problemos neišspręs*. Available [online]: <https://www.lrt.lt/naujienos/verslas/4/1783293/navickiene-didesne-parama-uz-pirma-busta-tustinanciu-regionu-problemos-neisspres> [in Lithuanian]

<sup>65</sup> Ibid

<sup>66</sup> Rumsienė, R. (2022) *Naujagimių verksmas čia nebeskamba: rajonuose uždarami gimdymo skyriai, atleidžiami darbuotojai, o merai rėžia – šeimos čia nesikels*. Available [online]: <https://www.lrt.lt/naujienos/sveikata/682/1691693/naujagimiu-verksmas-cia-nebeskamba-rajonuose-uzdaromi-gimdymo-skyriai-atleidziami-darbuotojai-o-merai-rezia-seimos-cia-nesikels> [in Lithuanian]

Lithuanians to Lithuania<sup>67</sup>. Only 1% of the surveyed persons would rely on boosting economic growth<sup>68</sup>. The author argues that economic growth goes hand in hand with the state's possibility to ensure family protection. For example, in the case of subsidizing the costs of a new home in the region, the state has not been able to fulfill its promises due to the lack of public finances<sup>69</sup>, which primarily is gathered through increased economic growth.

### **A WORK-LIFE BALANCE IS A CONSTITUTIONAL RIGHT**

As analyzed before, the state's obligation to protect families also covers the possibility of family members balancing their personal and work duties. Let us, therefore, explore the measures that are already applied and what could be done to better meet the needs of the families in Lithuania.

#### ***MORE FLEXIBLE LABOR REGULATIONS WOULD BENEFIT THE FAMILIES***

Among the current government's priorities is the task of reviewing labor legislation to ensure that it does not hamper economic development<sup>70</sup>. A systematic and integrated approach to the labor market is a welcome change in comparison to the actions of other governments as reducing disincentives to

economic development is not only relevant in the economic recovery term, but also in normal economic conditions.

Flexibility for both employees and employers to make timely decisions, a balance between the parties to the employment relationship, and legislation that doesn't hinder entrepreneurship, would not only help meet the challenges of a pandemic, but also boost economic development in the long term. A labor market that is responsive and flexible attracts more foreign investment, which, in turn, creates new and better jobs – both in the big cities and regions of Lithuania<sup>71</sup>.

A more flexible labor market regulation could serve as a means of ensuring the state's obligation to protect the family, and ensuring its obligation to ensure an environment where the family members would be allowed the possibility to balance their family and professional interests. As mentioned before, the constitutional obligation for the state to protect families also includes its obligation to provide the necessary conditions for the families to negate their own needs of reconciling professional and personal interests.

#### ***MOM- AND DAD- DAYS***

On August 1, 2022, amendments to the Labor Code came into force, providing additional employer-paid maternity and paternity days<sup>72</sup>. Before that date, paid day offs were granted for children up to the age of twelve, but it is proposed that days off should also be granted to children up to the age of sixteen.

<sup>67</sup> Deveikis, J. (2023) Nykstanti Lietuva: verslas siūlo atsivežti vietnamiečių, visuomenė nori, kad moterys daugiau gimdytų. Available [online]: <https://www.lrt.lt/naujienos/verslas/4/1895945/nykstanti-lietuva-verslas-siulo-atsivezti-vietnamieciu-visuomene-nori-kad-moterys-daugiau-gimdytu> [in Lithuanian]

<sup>68</sup> Ibid.

<sup>69</sup> Bielinskas, R. (2022) Navickienė: didesnė parama už pirmą būstą tuštinančių regionų problemas neišspręs. Available [online]: <https://www.lrt.lt/naujienos/verslas/4/1783293/navickiene-didesne-parama-uz-pirma-busta-tustinanciu-regionu-problemos-neisspres> [in Lithuanian]

<sup>70</sup> The Parliament of the Republic of Lithuania (2020) *Dėl Aštuonioliktosios Lietuvos Respublikos Vyriausybės programos*. Available [online]: <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/973c87403bc311eb8c97e01ffe050e1c> [in Lithuanian]

<sup>71</sup> The Lithuanian Free Market Institute (2021) *LLRI pasiūlymai dėl priemonių, siekiant gerinti darbo rinkos ir užimtumo reguliavimą*. Available [online]: <https://www.llri.lt/kitos/llri-pasiulymai-del-priemoniu-siekiant-gerinti-darbo-rinkos-ir-uzimtumo-reguliavima/lrinka> [in Lithuanian]

<sup>72</sup> The Parliament of the Republic of Lithuania (2016) *Law on the Approval, Entry into Force and Implementation of the Labor Code* (the Labor Code). Available [online]: <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/676587f2cf1911e9a56df936f065a619?jfwid=-asr76tfpw>.



## UNDER THE CONSTITUTIONAL OBLIGATION OF THE STATE TO PROTECT FAMILIES, IT ALSO HAS THE OBLIGATION TO PROVIDE THE NECESSARY INFRASTRUCTURE

Workers with one child under twelve years of age will have one extra day off per three months or eight hours less work per three months. The aim is to facilitate the reconciliation of family and work commitments, but neither the impact of this proposal nor the alternatives have been considered.

Balancing work and personal commitments are a challenge for parents with children. The needs are manifold, and it would be short-sighted to expect them to be solved through state interventions without consultation between the employer and the employee themselves. Today, companies are increasingly valuing workers and offering a wide range of benefits, including more flexible working hours. Extending the list of paid day offs will increase the cost to the employer, which will have a negative impact not only on the company, but also on its employees, consumers, and the economy itself. The increased costs for the company must be covered by the increased prices of goods and services. In addition, workers who take time

off usually have to be replaced by other colleagues, which increases their workload. The increased number of days off will force active staff to work harder to keep the company running.

In order to help individuals reconcile their personal and professional interests, it is appropriate to allow them to combine these interests. For example, by making part-time work, which is currently limited by the 'Social insurance floor', more flexible.

### ***THE SOCIAL INSURANCE FLOOR IS LAVA!***

Under the 'Social insurance floor', where an employee's salary is less than the minimum monthly wage (the MMW), social security contributions are paid based on the MMW<sup>73</sup>. This requirement worsens the situation of the lowest income earners and part-time workers. The difficult economic situation and the rising cost of a job, therefore, lead to the dismissal of some part-time workers who earn less than the MMW.

The demand for part-time work increases sharply in times of economic crisis when the volume of work decreases. The high taxation of these contracts only makes the situation worse for companies in a poor financial situation<sup>74</sup>. In addition, part-time work could function as a means for parents coming back into the labor market and reintegrating into it, and learning social skills. However, due to the 'Social insurance floor,' they would be the first ones to be laid off in critical financial situations. This requirement worsens the situation of the lowest income earners and

<sup>73</sup> State Social Insurance Fund Board under the Ministry of Social Security and Labour (SoDra) (2018) *10 klausimų apie "Sodros" įmokų "grindis"*. Available [online]: <https://www.sodra.lt/lt/naujienos/10-klausimu-apie-sodros-įmoku-grindis> [in Lithuanian].

<sup>74</sup> 1.6% for indefinite employment contracts and double the amount – 3.2% – for fixed term contracts. Available [online]: <https://www.sodra.lt/informacija-asmenims-turintiems-apdraustuju-darbuotoju> [in Lithuanian]

part-time workers, as the cost of their jobs is the most expensive compared to fulltime workers, since their social insurance taxes are paid not based on their created value. As a result, in times of economic hardship and rising job costs, the part-timers who actually earn less than the MMW are made redundant, as their taxes are higher than the value added they generate.

**TEMPORARY AND PART-TIME WORK IS DISCOURAGED BY THE STATE**

Temporary employment constitutes a large share of the labor market suggesting that the issues of both market flexibility enhancement and temporary work are as relevant as ever. Fixed-term contracts could act as a means for parents to reenter the labor market and regain the necessary professional and social skills<sup>75</sup>. However, the state artificially discourages persons from entering such employment. The unemployment insurance contribution rate is increased by 55% for fixed-term employment contracts<sup>76</sup>. The increased rate is not in line with its objectives in cases where the employer is forced to look for an employee to replace an employee who is unable to work or is on leave. Moreover, suppose the financial situation of the company is difficult. In that case, even an increase in the rate of unemployment social security contribution can have a decisive impact on the continuity of the business and the preservation of other jobs.

In addition, according to the Labor Code, the number of fixed-term employment contracts for permanent work can be at most 20% of the total number of employment

<sup>75</sup> The Lithuanian Free Market Institute (2018) *Fixed-term employment for long term competitiveness*. Available [online]: <https://en.llri.lt/wp-content/uploads/2018/09/Fixed-term-employment-for-long-term-competitiveness.pdf>

<sup>76</sup> The Parliament of the Republic of Lithuania (2014) *Law on State Social Insurance*. Article 8(2). Available [online]: <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/f85b-15f062c011e5b316b7e07d98304b>



A LABOR MARKET THAT IS RESPONSIVE AND FLEXIBLE ATTRACTS MORE FOREIGN INVESTMENT, WHICH, IN TURN, CREATES NEW AND BETTER JOBS – BOTH IN THE BIG CITIES AND REGIONS OF LITHUANIA

contracts concluded by the employer<sup>77</sup>. This means that establishments with at most five employees cannot conclude fixed-term contracts for permanent work. Nevertheless, such agreements are helpful for employers with temporary replacements, as well as for workers whose children need to be educated remotely from home when telework is not available.

According to the original draft of the Labor Code, an open-ended contract is one in which the duration of the work function

<sup>77</sup> The Parliament of the Republic of Lithuania (2016) *Law on the Approval, Entry into Force and Implementation of the Labor Code (the Labor Code)*. Available [online]: <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/676587f2cf1911e9a56df936f065a619?jfwid=-asr76tfpw>



is not fixed in advance. Still, the employee undertakes to carry out the work function at the employer's invitation, and the employer undertakes to pay the employee for the work performed<sup>78</sup>. The minimum duration of work that a worker is expected to complete per day is eight hours per calendar month. Therefore, workers – especially parents trying to re-enter the labor market and regain their professional and social skills – could benefit from the possibility of having at least a minimum monthly income. In addition, working on open-ended contracts would allow a more flexible combination of working time and personal commitments when teleworking is unavailable.

Scholars and politicians from Lithuania have been discussing the possibility of introducing a four-day working week. Regardless that it would help young parents re-entering the labor market, a shortened work week is not possible in Lithuania if the legitimate interest of the employee and the employer are to be protected. The restrictions imposed by the current regulation of the Labor Code and the other rules it imposes are harmful to both workers and employers, because legal redundancy reduces workers' social security, and the arrangement of reduced working hours allowed by the Labor Code is not in line with the reality of modern employment relations – today, work is focused on the creation of a specific product or the achievement of a specific result.

The only way to ensure a 4-day week is to reduce the number of working days for employees (of course, salaries would have to be recalculated accordingly). However, this could be detrimental to the workers

themselves, as the amount of pension they receive in the future depends on their length of service – working less will reduce it, and so will their future pension. At present, there is no realistic possibility to introduce a 4-day week in a way that does not undermine workers' social security and does not impose an unjustified overburden on employers.

### ***THE TAXATION SYSTEM THAT DOES NOT ENCOURAGE ENTREPRENEURSHIP***

Another regulation that reduces parents' chances of re-entering the labor market in Lithuania is the tax treatment of self-employment. Specifically, the calculation of Compulsory Health Insurance contributions on the basis of the MMW and regardless of the income generated by the activity. This unfavorable taxation of activities, which can be even higher than the income received, either leads to people choosing not to declare their activities, or discourages them from carrying them out at all.

More flexible opportunities for self-employment would be useful not only when returning from childcare leave, but also to avoid losing skills during time off work. For example, making and selling handmade accessories or treats. However, it may not be worthwhile to engage in such activities only in a piecemeal way, without setting up a workshop and a detailed marketing plan. Just to be able to sell a few cupcakes or pins a month to friends legally, you will have to pay the state.

If some of the services a person provides (such as writing articles or reviews) are non-periodic, the person depends on current affairs or other factors. Such an individual will, therefore, spend as much time editing an article as they would searching on government's websites to find out how to suspend your certificate of individual activity so that you do not have to pay the fees. This is only worth doing if the person wished to be triple

<sup>78</sup> The Parliament of the Republic of Lithuania (2016) Law on the Approval, Entry into Force and Implementation of the Labor Code (the Labor Code). Draft Law. Available [online]: <https://e-seimas.lrs.lt/portal/legalAct/lit/TAP/7db9968042b411e69f7afa4bbf73635e?jfwid=-jeli78rmq> [in Lithuanian]

insured, even if it means nothing in reality. For example, a student that is insured by the state and works full time, still has to pay the Compulsory Health Insurance contributions. And triple insurance is just a token of hope for a bigger pension in the future.

## CONCLUSIONS

Regardless of the attempts of the Lithuanian parliament, the constitutional concept of family officially covers both opposite and same-sex relationships of persons who share mutual responsibility, understanding, emotional affection, assistance, and similar relations, as well as on the voluntary determination to take on certain rights and responsibilities. However, heterosexual and homosexual couples and their family members have been denied their Constitutional rights in Lithuania for almost 20 years.

Furthermore, the constitutional obligation of the state to protect and care for families also includes creating preconditions for the family members to balance their professional and family interests. This may be best achieved by promoting employment and entrepreneurship through employment flexibility, which is currently lacking. The constitutional obligation would be better achieved by allowing to enter alternative employment contracts of definite duration. In addition, the current regulatory framework in Lithuania discourages entrepreneurship, so it would benefit families most if social benefits would not be taken away when the family starts minor economic activities for their own benefit.

Current measures in place to protect families and care for them may prove to be inefficient because they relate to public funds, which are diminishing due to ever-changing economic conditions. Therefore, it would be prudent to promote economic growth and enable the parents to reenter the labor market as soon as they feel ready and by all the possible forms of employment.

Finally, the research shows that the state's constitutional obligation to protect and care for the families should be fulfilled not by providing strict and exhaustive rules, rights, and obligations to families and their members, but rather by creating the preconditions for society, its members, and families to decide on what their need are. This could be best achieved by allowing more leeway for the parents and family members themselves to decide on the proper work-life balance. Fixed-term contracts and part-time work could benefit parents exiting parental leave and better integrating into the labor market. The constitutional obligation to care for families implies the state's obligation to provide possibilities for the family members to best reconcile their personal and professional interest.



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# Family Policy in Slovakia Needs Goals



\*

RADOVAN  
ĎURANA

**F**amily policy has become a universal content of election programs of all parties. In this area, the parties unanimously offer increases in public spending, regardless of the added value of the increase. However, over the last year, family policy spending has increased by almost half, putting undue pressure on the budget deficit. In the following text, we present an analytical model that allows us to reassess the generosity of family policy.

There are three traditional narratives in the political discussion on family policy in Slovakia. Most of the political spectrum can identify with at least one of them:

1. We have to increase the fertility rate and bring it back to a nation sustaining level of 2.1 children per woman.
2. We have to promote family as a traditional, core value, it will secure a moral and just society.
3. We have to support women and promote their employment to decrease their payment and pension gap<sup>1</sup>.

All three of these narratives are emotionally loaded, as they stem from specific assumptions about the proper wellbeing of a society. These assumptions can be roughly identified as nationalistic, conservative (religious), and progressive. The first group may also include a 'fiscal' group of politicians who pursue sustainability of the pension system.

This framing is necessary for understanding the incentives of politicians, and the differences in policy tools applied in the area of family policy. Nevertheless, what these politicians often have in common is the unwilling-

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## PURSUING 'PROPER' FAMILY VALUES OPENS THE DOOR FOR A WIDE RANGE OF POLICIES WITHOUT LIMITS

ness to quantify the goals of their policies. Specifically, nationalistic and progressive narratives could be easily quantified. One could raise the objection that the real effect of selected policies could often be observed after several years, and the period may extend well beyond the election period. But even with this argument, it makes sense to guide family policies on the basis of existing historical data.

For instance, fertility rate development or employment of mothers (or their payment gaps) are often a subject of rigorous analysis. The conservative (religious) narrative poses a special problem, which does not have an easily quantifiable goal. Pursuing 'proper' family values opens the door for a wide range of policies without limits. The last 'family package' adopted in Slovakia in 2022 perfectly illustrates this situation. A package of various, mostly financial, incentives was aimed to support only the 'traditional' family. There are no goals specified, thus rendering any attempt for evaluation futile. The proponents argued that the costs of living increased, and so the financial support of the family must rise as well. Needless to say, there was no discussion about which families have

<sup>1</sup> Institute of Financial Policy of the Ministry of Finance SR (2018) *Bariéry zamestnanosti žien – matiek. Ako na ne?*. Available [online]: [https://www.mfsr.sk/files/archiv/priloha-stranky/17328/16/Sramkova\\_Bariery\\_zamestnanosti\\_zien\\_matiek\\_20180626.pdf](https://www.mfsr.sk/files/archiv/priloha-stranky/17328/16/Sramkova_Bariery_zamestnanosti_zien_matiek_20180626.pdf) [in Slovak]

Table 1: Types of families in selected countries

|          | Share of two children families on households with two parents | Share of single adults with children on households with dependent children |
|----------|---|--|
| Bulgaria | 40%   | 9%   |
| Czechia  | 48%   | 14%  |
| Hungary  | 39%   | 9%   |
| Poland   | 48%   | 8%   |
| Slovakia | 46%   | 5%   |
| Slovenia | 47%   | 3%   |
| EU 27    | 45%   | 13%  |

Source: Eurostat

financial problems and how big these issues are in monetary terms.

The solution for the abovementioned (un) identified problem was framed as '200 euro for a family'. However, where this number is coming from if no prior analysis was made is unclear. Basically, it is the result of an equation which contains an acceptable increase in taxes and acceptable increase in public deficit. The final 'EUR 200' is obviously a result of intensive communication analysis – how to sell an increase.

Unsurprisingly, this approach is far from optimal. There is no way to evaluate the impact or respective goals if the goals are not specified. Nevertheless, there are data options economists have in their hands. One of them is to properly define actual public costs of family policies. For this reason, the INESS has created a model family with two children and counted all the benefits and transfers that this family would receive in

five years. This makes it possible to define the 'price tag' of a family.

Therefore, let us describe the details of the model, its results, and implications. Different goals of social policies materialized in family policy shall thus be used to illustrate various aspects of the model mentioned.

## THE MODEL

There are various ways of how to create a model which would allow us to stick a price tag on family policy. The model can cover the whole life of children supported by family policy, but this approach faces natural limits of long-term projections of key macro and micro economic variables. Therefore, we, at the INESS, have decided to model the crucial period of family life. Those are the years when the income of the family is constrained due to mother's, father's or parental leave. In this period, one can argue, the lost income compensation plays the most important role.



## FROM AN ECONOMIC POINT OF VIEW, RAISING CHILDREN BRINGS NOT ONLY COSTS, BUT ALSO ENORMOUS BENEFITS

What kind of family should we model? A couple with two kids is still the most frequent type of family in CEE and average EU 27 family – except of Hungary, where 46% of couples have a single child<sup>2</sup>. One parent households with a child are still a rare thing in CEE, except in Czechia<sup>3</sup> [See: Table 1].

We have decided to model the ‘traditional’ family of two children and looked at the financial balance sheet of a family who had two children in the first five years and the parents had taken advantage of all the options that the benefits system provides today. ‘The ‘financial story’ of this fictional family therefore begins in 2022 with the first pregnancy, and ends in 2027 when the first kid celebrates their 5<sup>th</sup> birthday. This length period allows us to reliably model the income of family and the macro-variables needed for the necessary indexation of salary and benefits provided.

<sup>2</sup> Eurostat data, see: [https://ec.europa.eu/eurostat/databrowser/view/LFST\\_HHNHTYCH\\_\\_custom\\_4993824/default/table](https://ec.europa.eu/eurostat/databrowser/view/LFST_HHNHTYCH__custom_4993824/default/table)

<sup>3</sup> Ibid.

### **ASSUMPTIONS OF THE MODEL**

To put this comparison in a realistic context, we analyzed family income in a family where both parents received the average wage at the beginning, and their wage will continuously rise at the pace of average wage growth till the end of 2027. In the model, we set the following conditions for benefits:

1. Prior to the first pregnancy, the expectant mother had met the condition of 270 days of paid social insurance.
2. The father continues to work while receiving maternity benefits with the first child, as the mother is at home on maternity leave with the second child at the same time. The father does not work while receiving the maternity benefit with the second child.
3. In the last year, both partners are working, day care is provided institutionally, and the parents receive a childcare allowance.
4. For modeling future income, we have used projections from the Institute of Financial Policy at the Ministry of Finance for years 2023-2026. For the 2027, we assume 3% growth of nominal average wage.
5. The conditions for benefits will not change throughout the modeled period, with one exemption of Tax bonus, which was increased to EUR 140 for two years. Afterwards, it should decline back to EUR 100, but for good political reasons, as we assume no political party will be willing to cut this benefit. Therefore, since 2025, we have indexed the bonus same way as other benefits.

These assumptions are necessary to model the actual behavior of families, who understandably seek to optimize their behavior in order to obtain the highest possible financial benefit. The system is designed in such a way that the middle class can get the most out of

it. This can be seen in the example of the maternity benefit drawn by the father, which is typically drawn by a man with an above-average income who also works while receiving it<sup>4</sup>.

### WHICH BENEFITS?

During this period, the family became entitled to a wide range of paid benefits. The Slovakian social system currently provides the following cash paid benefit to our modeled family (values in 2023):

- **pregnancy benefit** – paid from 85<sup>th</sup> day of pregnancy till the delivery, app. EUR 230 monthly
- **maternity benefit** – paid for 34 weeks and represents 75% of gross salary in previous year (100% cash replacement)<sup>5</sup>,
- **maternity benefit for the father** – paid for 28 weeks and represents 75% of gross salary in previous year<sup>6</sup>. Father and mother cannot receive this benefit at the same time for the same child,
- **parental allowance** – for previously employed mother (father) it is paid since the end of maternity benefit claim, EUR 413 monthly (annually indexed) till the third birthday of a child<sup>7</sup>,
- **care support** – EUR 280 monthly paid until the third birthday of each child, if the child is visiting institutional care (family cannot receive both parental allowance and care support)<sup>8</sup>,

<sup>4</sup> Average benefit of EUR 1,075 was paid to men in 2022, representing 115% of average salary. Source: Sociálna poisťovňa.

<sup>5</sup> Tax burden of gross average salary of a person with no kids is 25%, hence net cash is 75%.

<sup>6</sup> The mother and the father cannot receive this benefit at the same time, the father has to pick the period before the child's age of three.

<sup>7</sup> The mother or the father are allowed to work during receiving parental allowance.

<sup>8</sup> Act on Child Care Support and on Amendments to Certain Acts 561/2008. See: <https://www.slov-lex.sk/pravne-predpisy/SK/ZZ/2008/561/20090101.html> [in Slovak]



## FROM AN ECONOMIC POINT OF VIEW, RAISING CHILDREN BRINGS NOT ONLY COSTS, BUT ALSO ENORMOUS BENEFITS

- **birth allowance** – one-off payment of EUR 830 paid for delivering a new potential taxpayer<sup>9</sup>,
- **child benefit** – EUR 60 paid monthly for every child till the end of continual education (max 25 years) without any specific conditions<sup>10</sup>.

To make the overview complete, we have also looked at the transfers which may not be provided in cash form, but either as a tax cut or as insurance premiums paid by the government for the non-working parent:

- **child Tax Credit** – tax credit per child increased to EUR 140 for children under age 18 and EUR 50 for children over 18. Tax credit is a form of negative income tax, which means, that if the payable personal income tax is lower than credit, the government will pay the difference in direct cash payment. Nevertheless, the calculation of tax credit became quite

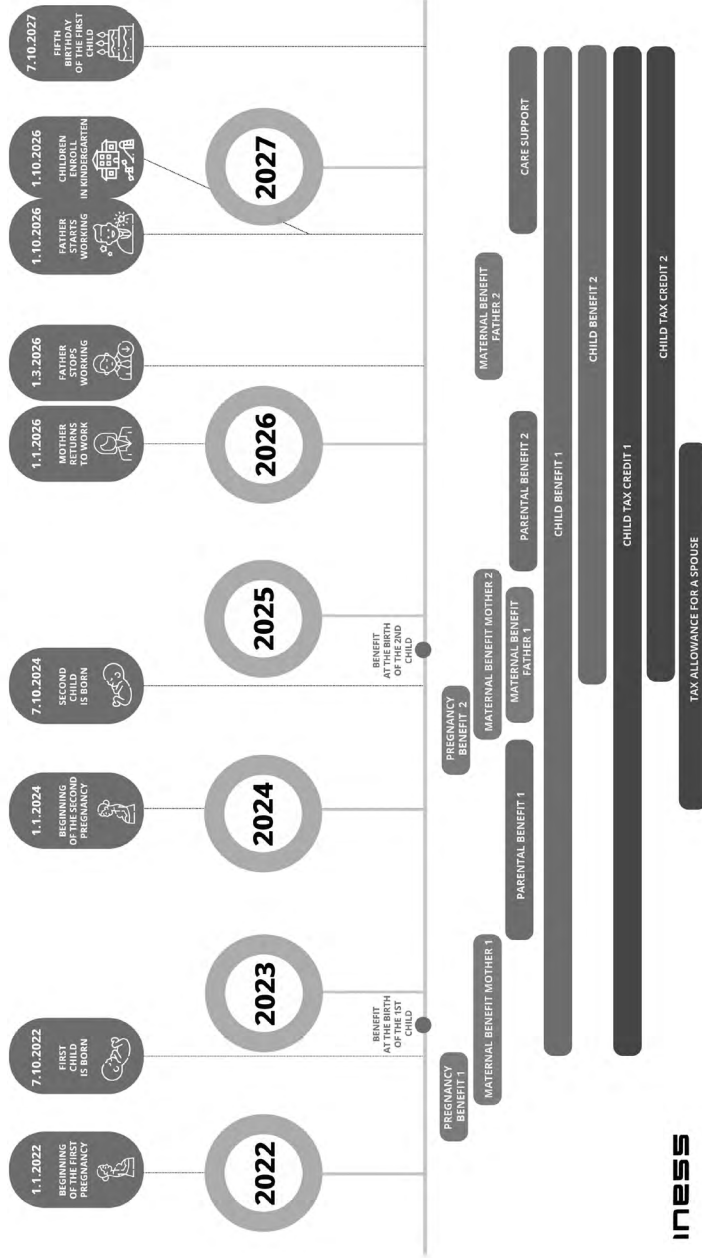
<sup>9</sup> Benefit paid for the fourth and following children is only EUR 151.

<sup>10</sup> Act on Child Benefit 600/2003. See: [https://www.slov-lex.sk/pravne-predpisy/SK/ZZ/2003/600/vyhlasene\\_znenie.html](https://www.slov-lex.sk/pravne-predpisy/SK/ZZ/2003/600/vyhlasene_znenie.html)



Figure 1: Benefits paid to modeled family in Slovakia over time

# FIRST FIVE YEARS IN THE LIFE OF A FAMILY WITH 2 CHILDREN



**iness**

Source: Iness

Table 2: Benefits and social premiums paid in the first five years of the first child.

|                              | 2022  | 2023   | 2024   | 2025   | 2026   | 2027   | Total         |
|------------------------------|-------|--------|--------|--------|--------|--------|---------------|
| Benefits and allowances paid | 6,394 | 9,446  | 17,762 | 15,839 | 16,642 | 11,841 | <b>77,924</b> |
| Insurance premiums           | 759   | 3 260  | 3,502  | 3,702  | 2 245  | 0      | <b>13,469</b> |
| Total in EUR                 | 7,154 | 12,706 | 21,263 | 19,541 | 18,887 | 11,841 | <b>91,392</b> |

Source: Own calculations

complicated because it implements the meritorious rule. Taxpayers with lower income will receive lower tax credit than a person with average wage, the calculation is also influenced by the number of children<sup>11</sup>. For example, a worker making minimum wage with two kids receives tax credit EUR 163, while a worker with an average wage receives for two kids tax credit of EUR 280. For the period 2025-2027, we assume continuous indexation of the credit at current level,

- **non-taxable part of the tax base for the wife/husband** – The husband or wife could decrease their tax base for a partner if they had no income or had an annual income lower than EUR 4,922. Maximum tax cut can reach EUR935 annually,
- **health insurance paid** – during the maternity or paternal leave, the government covers healthcare insurance of a parent with a monthly EUR 46 cash transfer to health insurance companies,
- **pension insurance paid** – Each parent earns retirement rights for the period of childcare at the same rate as an employed person with an income of 60% of average wages. If the parent were to finance this pension entitlement themselves,



## KIDS ARE ALLOWED OR EXPECTED TO BE NON-PRODUCTIVE UNTIL AS LATE AS 25 YEARS IN SLOVAKIA

they would have to contribute EUR 206 per month to the Social Insurance Institution. This amount is paid by the Ministry of Labor and Family Affairs into the Social Insurance Institution's budget on behalf of the non-working parent. Through these two in-kind transfers, the non-working parent receives in 2023 an additional EUR 272 per month in support.

Figure 1 illustrates the time progression of each benefit. It distinguishes in color the benefits that are drawn from the Social Insurance Institution (blue), the benefits of the Ministry of Labor and Social Affairs (orange), and tax benefits (green).

<sup>11</sup> The tax bonus for two 15 years old kids for a tax payer with expected average wage EUR 1,446 in 2023 would be EUR 280, for a person with salary EUR 1,000, EUR 234, and for a person with minimum wage EUR 700 – only EUR 163.

Figure 2: Total benefits paid in Slovakia over five years over time



The conversion applies to a family in which both parents earn average wage at the beginning. Man's salary increases according to Slovak Institute for Financial Policy's forecasts and state benefits increase according to the living wage growth forecast.

**INESS**

Source: Own calculations

## RESULTS

A family in which the parents earn the average wage will receive EUR 91,392 in the first five years<sup>12</sup> through various benefits and allowances. This amounts to a monthly total of EUR 1,523 in cash (benefits) and non-cash transfers (allowances, insurance premiums) [See: Table 2].

The value of the benefits and premiums received doesn't tell us much on its own, so it's good to put it in a context that is ideally timeless. We consider such an indicator to be an index that compares the income lost with the compensation the family receives. The government refers to family spending by the program 'Family Support', so we assume that benefits are intended to replace income that could not be earned because of childcare.

<sup>12</sup> During the period of the first pregnancy, the family is supported for additional six months, so the total length is 5.5 years.

This view is, of course, simplistic in as much as it pushes the assumption that the cost

Table 3: Calculation of Index of lost income compensation

|   |            |
|---|------------|
| Benefits and insurance premiums for 5 years           | EUR 91,392 |
| Lost net cash of average monthly wage during 5 years* | EUR 55     |
| Index of compensation of lost cash                    | 165%       |
| Index of compensation of lost gross salary            | 125%       |

\*1<sup>st</sup> year 4 months; 2,3,4<sup>th</sup> year 12 months, 5<sup>th</sup> year 7 months

Source: Own calculations

of parenting is a ‘problem’, something the couple did not count on, and the state is supposed to help them. In fact, it is through this mystification that populist politicians justify their ‘welfare packages’, which they use to try to get the attention of the electorate under the guise of doing good. Nevertheless, we are in the world of monetary calculations, and we will accept this rhetoric to show the extension of state support.

There are two options to compare received benefits. One compares received money to the amount of cash that an otherwise working mother or father would bring home. In other words, we are trying to calculate ‘sacrificed’ money for caring for a child. There can be a methodological debate over (not)inclusion of insurance premium in this comparison, but there are good arguments to include it. Any parent (especially) mother would opt for voluntary healthcare insurance (should it not be covered by government), which would decrease her cash availability. Of course, many people would probably not think about purchasing pension insurance (problem of well-known myopic thinking), but in the case of a family with an average salary (app. 66% of income ladder), we assume responsible behavior.

Nevertheless, there is also comparison with the gross salary lost, which includes employee’s contributions paid [See: Table 3].

If we take the “government has to replace the lost cash” approach, currently the family on an average wage receives 165% compensation during the period until the 5<sup>th</sup> birthday of their first child. In other words, the family has at its disposal 65% more cash than it would have had no children.

If we compare it with lost gross salary, the compensation is over 125%. Just two years ago, this compensation was only 106%. This significant increase is a result of substantial changes in the government programs adopted by a parliament in 2022. The following table illustrates the massive increase in spending 47% growth in one year<sup>13</sup>.

## DISCUSSION

Raising a child is clearly expensive, no doubt about it. But before thinking about how much it is, one needs to answer a basic question: Who should bear these costs?

<sup>13</sup> There are also other programs of government family policy, which are not applicable for modeled family.

Table 4: Government spending on family policy (in million euro)

|  | 2022 budget   | 2023 budget   |
|--|---------------|---------------|
| Maternity benefit*                       | 348           | 363           |
| Pregnancy benefit*                       | 62            | 50            |
| Child benefit                            | 355 r         | 536           |
| Parental benefit                         | 618           | 649           |
| Care support*                            | 11            | 0,7           |
| Benefit at birth                         | 44            | 45            |
| Tax credit for mortgage for young family | 26            | 14            |
| Child tax credit                         | 370           | 1,095         |
| Tax allowance for spouse                 | 68            | 40            |
| <b>Total</b>                             | <b>1,902</b>  | <b>2,793</b>  |
| <b>GDP share</b>                         | <b>(1.8%)</b> | <b>(2.4%)</b> |

\* Maternity and Pregnancy benefit for 2023 are estimates based on real spending in 2022, indexed by average wage growth in 2022, Care support is estimated on the 2021 value

Source: Slovak public budget (2022-2023)

From an economic point of view, raising children brings not only costs, but also enormous benefits. Simply put, most women and families have children<sup>14</sup>, from this fact an outside observer must conclude that the benefits of having children outweigh the costs. And probably significantly so, as evidenced by the fact that families with lower incomes are willing to pay for bringing up more children. As a matter of fact, having another child is not so much a question of financial costs, but the question of opportu-

nity costs (career achievements, travel, hobbies, leisure in general).

One can look at the benefits from several perspectives. Who receives the benefits? It is the parents, the extended family, the community, the state. Most of the benefits are understandably experienced by parents for whom children are a fulfilment of life's mission, a daily experience of happiness, but also help in the home, shared interests, and economic relationships in the future, and – last but not least – security. The family is the closest social network, providing security as a ride to the doctor, but also security during old age. To this, one can add the positive status perception of parenthood – i.e., the status parents are trying to achieve within the community.

<sup>14</sup> Childlessness rate as a share of childless women older than 44 years is globally between 10-25%. See, for example: BBC (2017) Soaring Childlessness among Southern European Women – report. Available [online]: <https://www.bbc.com/news/world-europe-38582100>. See also: <https://ifstudies.org/blog/the-rise-of-childless-america>



## THE AMOUNT AND PAYMENT OF MONTHLY PREGNANCY AND MATERNITY BENEFITS ARE MOST CLOSELY LINKED TO THE INSURED PERSON'S CONTRIBUTIONS TO THE SOCIAL INSURANCE INSTITUTION'S FUNDS

All these benefits are private, belonging only to the parents. The benefits of the extended family arise primarily from network effects – the value of contacts, possible help, and security, but these are already lower. Community benefits are less clear-cut, so we omit them. From the state's perspective, children are an asset that is initially subsidized, only to become a taxpayer that subsequently finances the state's costs. But let us return to the family.

Most of the benefits of raising a child are private, belonging to the parent, and this raises the question of who should fund the costs of raising the child. Historically, one might say naturally, it has been primarily the family

itself. Until a few centuries ago, survival for an individual was relatively expensive, so child-rearing was relatively short, and children inevitably had to start contributing to the family budget as early as possible. The current situation is radically different. Kids are allowed or expected to be non-productive until as late as 25 years in Slovakia. This obviously increases the costs of parenthood, but on the other hand, the chances of benefits in later age are much higher. So, the question remains – if benefits are primarily private, and the benefits exceed costs, why should the state bother?

Of course, there are families in need (low-income families, single parents), who really struggle, so financing the costs of parenthood and the external support makes sense. But should families with relatively high income receive this kind of support? The modern welfare state often says 'yes'. It is not easy to find the answer, or explanation, but mostly it is based on the 'hard-to-be-discussed' argument – it is the right of a child, and all children have the same rights.

However, this does not mean that the recipient of the funds is not also the payer. The amount and payment of monthly pregnancy and maternity benefits are most closely linked to the insured person's contributions to the Social Insurance Institution's funds. Although these life situations cannot be covered by insurance (pregnancy is usually planned, not an accidental event)<sup>16</sup>, in terms of financial

<sup>15</sup> Tax Income Act. See: <https://www.slov-lex.sk/pravne-predpisy/SK/ZZ/2003/595/> [in Slovak]

<sup>16</sup> According to the study, 35% of pregnancies were considered unintended in Europe and Northern America, which of about half was ended by abortion (therefore, more than 80% of children born were planned, or wanted). See: Bearak, J. (2020) "Unintended Pregnancy and Abortion by Income, Region, and the Legal Status of Abortion: Estimates from a Comprehensive Model for 1990–2019", [in]: *The Lancet*. Available [online]: [https://www.thelancet.com/journals/langlo/article/PIIS2214-109X\(20\)30315-6/fulltext](https://www.thelancet.com/journals/langlo/article/PIIS2214-109X(20)30315-6/fulltext)

Table 5: Evolution of child tax credit in Slovakia

| January – June 2022                     | July – December 2022              | 2023                                   |
|---|-----------------------------------|--|
| EUR 47,14 for a child under 6 years     | EUR 70 for a child under 15 years | EUR 140 for a child under 18 years old |
| EUR 43,6 for a child between 6-15 years | EUR 40 for a child over 15 years  | EUR 50 for a child over 18 years       |
| EUR 23,57 for a child above 15 years    |                                   |  |

Source: Slovak Tax income act<sup>15</sup>

benefits we can talk about insurance<sup>17</sup>, not savings. Indeed, it would take 19.5 years for a woman to pay the amount she collects from sickness insurance benefits. And she could not have been sick even once in those two decades – she could not have received other sickness benefits. Pregnancy and maternity benefits for both the mother and the father account for 41% of the cash benefits and 35% of all the benefits the family receives in the first five years.

The other benefits are paid directly or indirectly from the general budget. They do not depend on the level of income, except of child tax credit. During the five years, the family contributes to the public budget mainly through value added tax and excise duties, which it pays out of consumption. The amount paid is difficult to estimate in this case (variability of family budgets).

The situation is different in the case of personal income tax, which should also serve as an important source of state tax revenues. Between the birth of the first child and the child's fifth birthday, the family does not pay a single euro in personal income tax. In fact, thanks to the generous tax credit, it receives a subsidy of EUR 1424 from public funds

<sup>17</sup> Slovaks are usually insured for situations, where potential costs (or compensation) far exceed their monthly income, or insurance premium paid.

during these five years in a form of negative income tax.

Changes in the tax credit that have significantly shifted the resulting balance of income for the family from the handout policy. The tax credit has become a toy in the hands of politicians, which has changed quite frequently in recent years [See: Table 5].

The tax credit is granted to families until the child is 25 years old. On top of this negative tax (the parent gets the full benefit even though their tax liability is lower), a child benefit is paid to also increase the family's net income. Its amount has risen to EUR 60 in 2023. If we look at the family over the horizon of the first five years, the family receives EUR 200 net for each child (as long as the parents are employed)<sup>18</sup>. By comparison, an adult who is in need, but who also has to finance their own accommodation, receives a benefit of EUR 210 from the state (the condition for this level of benefit is the performance of activation work).

<sup>18</sup> Except of these two payments, there are various different transfers provided to family: 1) EUR 110 payment at the first year of primary school; 2) Woman employed before pregnancy, has a right for paid holidays for a period of maternity leave; 3) Parents, previously employed, have a right for 55% compensation of their vacation costs in Slovakia (max EUR 275). Furthermore, the Labor code guarantees additional week of holidays for parents below 33 years (after the 33<sup>rd</sup> birthday, everyone has one week more).

A family with two kids in which both parents earn the average wage has an effective income tax rate of EUR 40 monthly. The effective tax rate ( $\text{EUR } 40 / (2 * \text{€}1446)$ ) is therefore 1.4%. A family in which both parents earn the minimum wage pays a negative tax – they get EUR 89 from the state budget. However, the real manifestation of “inefficiency” of the tax credit is the example of a family in which both parents earn twice the average wage. If this couple had no children, their net income would be EUR 4,148, app. 98 percentile of household’s income distribution. The tax bonus will increase this family’s net income by 7%. And on top of it, the family will receive, just like low-income family, additional EUR 120 on child benefits.

The effective tax rate for this family will be 10%. A generous tax credit effectively eliminates the personal income tax, transferring the tax burden on childless households, and creating pressure on sustaining high VAT rate.

The results of the model show that the Slovak state not only compensates families for the loss of income due to long-term childcare, but also pays families significantly more in the first five years. It is based on the assumption that raising a child should not be a cost to a family, the family should not change its spending habits. Thus, the policy strongly supports the above mentioned thesis that the cost of raising a child should be publicly financed. However, since there are no models of the costs of raising a child for logical reasons (there are huge differences between families), this gives politicians enormous scope for endless *tweaking* – that is, increasing the benefits. Clearly, the family policy is not focused on supporting families which need it, but rather supporting everyone – regardless of whether they need it or not.

There is one more item that should be included in the calculation of costs and benefits. It is related to the pension system and

the formula for calculating the pension. Raising a child means not working, not paying high contributions to social funds. During the parental leave, the government pays contributions for a parent at the level of 60% of average wage. This means that for mothers (fathers) with their previous salary at an average level, the final pension will be 3% lower.

There was a large discussion in Slovakia about this parameter, and many analysts argue<sup>19</sup> that it is not in line with the constitution, and that the mother should gain equal pension rights, as if she was a full-time worker. But the 3% pension decrease is based on the assumption that a woman can return to her job for the indexed average wage. This is a rare case. In most cases, a woman returns to the job market with their previous salary prior to their pregnancy, not the indexed salary (obviously, she misses the experience and knowledge for last 3-4 years), and her pension rights decrease even more – up to 87% of a childless woman earning whole life average wage.

Nevertheless, in line with the argument above, one can consider this decrease in pension as a part of parental investment into raising a child, generating benefits for both parents. These costs should be seen as part of ‘family’ calculation, which considers future revenues of a couple, not a single person. The father continues in his career, receiving a higher salary. Therefore, it would make sense to change the pension payout rules – as they are in Switzerland, for example, where pensions are calculated per a couple, not per a single person.

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<sup>19</sup> Admittedly, if you want to retire early, the pension will be low. You had better work. See: <https://ekonomika.pravda.sk/ludia/clanok/623396-expert-z-planu-ob-novy-sebo-krajniakov-rodicovsky-bonus-ide-daleko-do-vztahov-rodiny-ma-vela-nezamyslaných-dosledkov/strana-2/> [in Slovak]





A GENEROUS TAX  
CREDIT EFFECTIVELY  
ELIMINATES  
THE PERSONAL  
INCOME TAX,  
TRANSFERRING  
THE TAX BURDEN  
ON CHILDLESS  
HOUSEHOLDS,  
AND CREATING  
PRESSURE  
ON SUSTAINING  
HIGH VAT RATE

Meanwhile, in October 2022, an additional government benefit was approved by parliament, which significantly diminishes the costs of pensions. The so-called 'parental pension' is paid only to those pensioners who have raised a taxpayer, working, and paying contributions in Slovakia. Based on the contributions of their children, both the mother and the father can receive currently up to EUR 22 monthly for each employed child.

### FERTILITY

As mentioned at the beginning, governments desire to increase women's fertility as another motivation for increased spending in family policies. This approach views family policy as a tool to ensure sufficient reproduction, and

thus to ensure the reproduction of the nation, or to ensure fiscal stability through sufficient taxpayers.

There is a large body of research on the effectiveness of financial instruments of family policy<sup>20</sup>, a review of which is beyond the scope of this analysis. The results of these studies are inconclusive, and statistical analysis quite often fails to take into account cultural (and quite often religious) differences between countries. However, the most frequently repeated conclusion is that it is not direct financial compensation, but rather the availability of services that make it easy to combine parenthood and work that increases the willingness of young people to have children<sup>21</sup>. But let us look at the current state of total fertility – separately in the Central European countries and in the developed EU countries. Total fertility is defined as the number of children per woman in reproductive age (15-49 years) [See: Figure 3].

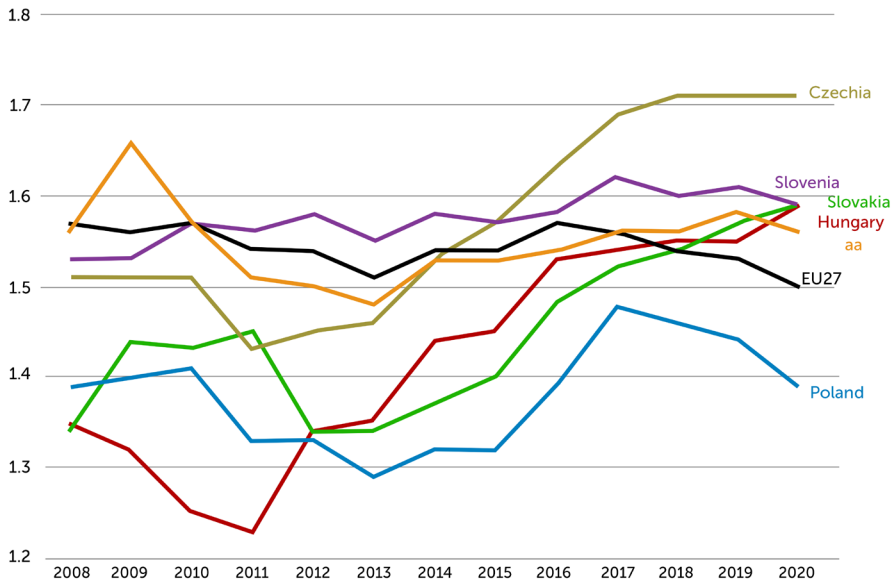
Between 2008 and 2020, fertility increased mostly in Hungary, Slovakia, and the Czech Republic<sup>22</sup>. From this perspective, the development in Poland is surprising,

<sup>20</sup> For further reading, see: Riphahn, R.T. and F. Wijnck (2017) "Fertility Effects of Child Benefits", [in]: *Journal of Popular Economics*, Vol. 30, pp. 1135–1184. Available [online]: <https://koreauniv.pure.elsevier.com/en/publications/has-social-security-influenced-family-formation-and-fertility-in->; and González, L. (2011) "The Effects of a Universal Child Benefit", [in]: Barcelona GSE Working Paper Series, No. 574. Available [online]: <https://www.oecd.org/els/emp/49115482.pdf>

<sup>21</sup> "The results give more weight to the argument that family policies supporting the combination of work and parenthood for both partners, earner-carer support, might increase fertility in low-fertility countries, probably partly mediated via female labor force participation". See: Wesolowski, K. and T. Ferrarini (2017) *Family Policies and Fertility – Examining the Link between Family Policy Institutions and Fertility Rates in 33 Countries 1995-2011*, SPaDE Working Paper No. 8. Available [online]: [https://www.su.se/polopoly\\_fs/1.365888.1515500641!/menu/standard/file/WP\\_2017\\_08.pdf](https://www.su.se/polopoly_fs/1.365888.1515500641!/menu/standard/file/WP_2017_08.pdf)

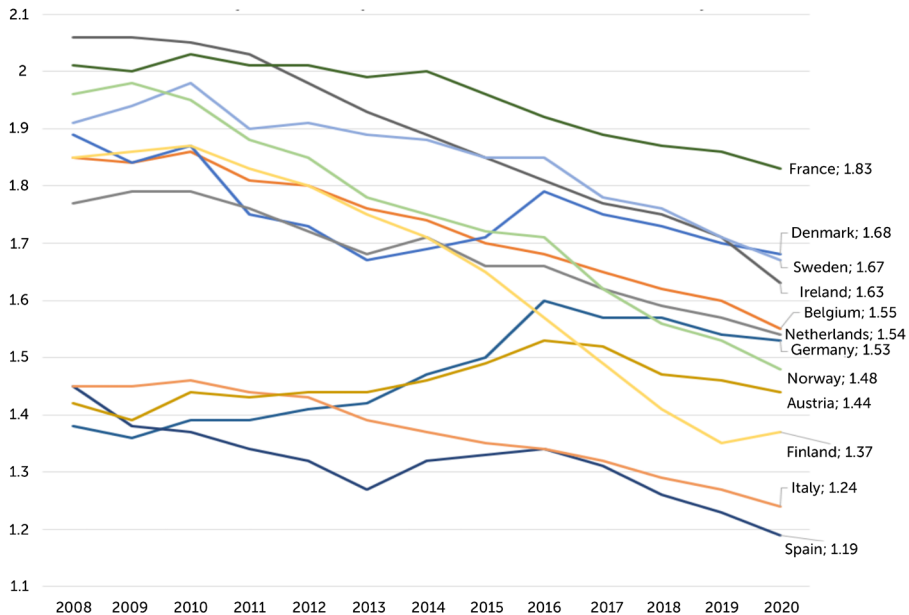
<sup>22</sup> Total Fertility Rate statistics. See: [https://ec.europa.eu/eurostat/databrowser/view/DEMO\\_FIND\\_cus-tom\\_4994705/default/table](https://ec.europa.eu/eurostat/databrowser/view/DEMO_FIND_cus-tom_4994705/default/table)

Figure 3: Total fertility rate in central European countries



Source: Eurostat

Figure 4: Total fertility rates in developed countries of EU and Norway



Source: Eurostat



## IN 2022, THE SLOVAK GOVERNMENT PUSHED THROUGH A RADICAL INCREASE IN FAMILY POLICY SPENDING

where a breakthrough occurred in 2017 and since then fertility has been declining. The Czechia has the highest fertility in this selection of countries, and also has the third highest level in the EU. This is a rather paradoxical result, as it was the Czech family policy that underwent reforms after the financial crisis in 2010 that reduced its generosity and strengthened benefit testing, meaning that, for example, child benefit is granted to less than half of existing families. Anyway, this graph suggests that fertility levels in the 1.6-1.7 band appear to be a ceiling that countries are unlikely to overcome. This can be seen in the developed EU countries, where, on the contrary, fertility has been declining almost synchronously over this period [See: Figure 4].

In terms of absolute fertility rates (and thus potential future fiscal sustainability issues), Spain and Italy are the worst off, continuously approaching the one child per mother figure. At present, no EU country is currently projecting fertility above 2.1 – a level that guarantees the maintenance of population size.

The presented data also shakes up the hypothesis that reconciling work and family life promotes fertility. Scandinavian countries in particular are known for this flexibility, as

evidenced by the UNICEF ranking<sup>23</sup> (the last time the ranking was compiled was in 2016, but we do not foresee major policy changes) [See: Table 6].

Nordic countries are known for their high flexibility in drawdown, the involvement of fathers in family care, availability of care services, and high employment rates of mothers, which reach 70-80% of women employed with the youngest child aged 0-2 years<sup>24</sup>. The decrease in fertility rates in developed countries, which have a long tradition of the welfare state, forces us to search for other explanations and refuting the hypothesis that more money injected will equate to sustainable, higher fertility.

On the other hand, there are also unintended consequences of these policies – especially the income effect, which means substituting paid work for paid parental leave. A recent study from the Czechia confirmed 6 percentage points lower labor participation of women after a significant (+36%) increase in parental benefit. The highest decrease in participation was recorded in a group of university educated women, whilst no change in their fertility was observed.<sup>25</sup> On the other hand, high school educated women slightly increased their fertility, but did not change their labor behavior. This is another case indicating that family policies fail to recognize different patterns of decisions of different groups of women.

<sup>23</sup> [https://www.unicef-irc.org/publications/pdf/Family-Friendly-Policies-Research\\_UNICEF\\_%202019.pdf](https://www.unicef-irc.org/publications/pdf/Family-Friendly-Policies-Research_UNICEF_%202019.pdf)

<sup>24</sup> Employment rates for women with children aged 0-2, by maternity/parental leave status, 2019 or latest available year. See: [https://www.oecd.org/els/family/LMF1\\_2\\_Maternal\\_Employment.pdf](https://www.oecd.org/els/family/LMF1_2_Maternal_Employment.pdf)

<sup>25</sup> Grossman, J. et al. (2023) "Parental Allowance Increase and Labour Supply: Evidence from a Czech Reform", [in]: *SSRN*. Available [online]: [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=4358032](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4358032)

Table 6: Ranking of countries by family policies and their fertility evolution

|            | Ranking Family friendly policies UNICEF (2016) | Fertility change - the difference between 2020 and avg. Fertility rate in period 2008-2020 | Total fertility rate 2020 |
|------------|--|--|---------------------------|
| Sweden     | 1  | -0.18  | 1.67                      |
| Norway     | 2  | -0.27  | 1.48                      |
| Iceland    | 3  | -0.19  | 1.72                      |
| Estonia    | 4  | -0.04  | 1.58                      |
| Portugal   | 5  | 0.06   | 1.41                      |
| Germany    | 6  | 0.06   | 1.53                      |
| Denmark    | 7  | -0.07  | 1.68                      |
| Slovenia   | 8  | 0.02   | 1.59                      |
| Luxembourg | 9  | 0.17   | 1.59                      |
| France     | 10   | -0.12  | 1.83                      |
| Bulgaria   | 20   | 0.01   | 1.56                      |
| Slovakia   | 26   | 0.14   | 1.59                      |
| Czechia    | 24   | 0.14   | 1.71                      |
| Poland     | 23   | 0.01   | 1.39                      |
| Hungary    | 16   | 0.17   | 1.59                      |

Source: Eurostat, UNICEF

## CULTURAL VALUES

Today's society provides unprecedented space for self-fulfillment – both leisure and work. Most people do not decide against having children because their workplace lacks a nursery next door to the office and

father does not have paternity leave. The majority do not have children because they want to go to restaurants and bars in the evenings, to the gym, to the Tatras and Alps at weekends, to ski abroad three times a year and to take two big holidays during the summer, ideally in Latin America. At the same time, most people pursue high quality jobs, fulfilling careers, and self-development. Pursuing personal goals and achievements are clearly seen from the late age of the first delivery, av-

<sup>26</sup> See, for example: [https://www.unicef-irc.org/publications/pdf/Family-Friendly-Policies-Research-UNICEF\\_%202019.pdf](https://www.unicef-irc.org/publications/pdf/Family-Friendly-Policies-Research-UNICEF_%202019.pdf); or Eurostat Fertility: [https://ec.europa.eu/eurostat/databrowser/view/DEMO\\_FIND\\_\\_custom\\_4994705/default/table](https://ec.europa.eu/eurostat/databrowser/view/DEMO_FIND__custom_4994705/default/table)

eraging at 30 years.

Currently, over 20% of women born in developed countries are childless, compared to average 10% for women born in 1940<sup>27</sup>. There is a strong positive correlation in developed countries between the level of education and childlessness<sup>28</sup>. And, of course, there are environmental and health factors that biologically influence fertility, while technological innovations in assisted reproduction are probably not sufficient to compensate these factors. It must be clear that there are far stronger drivers in society that influence the decision to bring up a child than availability of generous benefits or options of smooth work-family balance.

## CONCLUSIONS

In 2022, the Slovak government pushed through a radical increase in family policy spending. This move was not supported analytically, nor did it define measurable objectives to be achieved by this change. The increase in benefits has meant that a family in which each of the couple earns an average wage will receive 165% compensation for the first five years of the first child's life for the income lost due to temporary absence from the labor market. The radical increase in the tax credit means that the tax liability of this family with two children falls to 1.4% even after the mother returns to the job market. Such a policy is costly – the change alone will increase government spending by 0.6% of GDP.

<sup>27</sup> See: Bearak, J. et al. () "Childlessness in Europe: Reconstructing Long-Term Trends Among Women Born in 1900–1972", [in]: *The Lancet*. Available [online]: [https://www.thelancet.com/journals/langlo/article/PIIS2214-109X\(20\)30315-6/fulltext](https://www.thelancet.com/journals/langlo/article/PIIS2214-109X(20)30315-6/fulltext) According to the authors, childlessness among women is virtually permanent by age 46, and that, with a small degree of uncertainty, the final number can be established among women by age 42, when 99% of first births have been realized.

<sup>28</sup> Miettinen, A. et al (2015) "Increasing Childlessness in Europe: Time Trends and Country Differences", [in]: *Families and Societies*, No. 33. Available [online]: [WP-33MiettinenEtAl2015.pdf](http://WP-33MiettinenEtAl2015.pdf) (familiesandsocieties.eu)

Although politicians do not say this openly, as it would be easily verifiable numerically, they are trying to encourage in particular female fertility with their policies. However, the decision of women or families to have or not to have a child is certainly not reducible to the question of the generosity of government compensation for loss of income. Fertility trends in developed countries show that even an ideal work-family balance cannot prevent wider cultural and social factors leading to declining fertility.

Governments should take note of this fact and abandon the *helicopter approach* of showering families with money, and they should especially avoid social packages created before the elections. A minimum requirement for a responsible family policy is a recognition of the different economic circumstances of those receiving benefits, promoting means-tested over universal benefits. This means making the direct payment of benefits conditional on the economic situation of families and creating the conditions for work-family harmony for families (availability of services) for those who have sufficient resources of their own to bring up their children. This is a necessary step for developing and implementation of measurable goals of family policies, which could help curtail ever growing expenses on untargeted policies.



\*

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# Danish Flexicurity Model and Policy Risks



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DANIEL  
HINŠT

**S**ocial policy can be seen from a fragmented perspective with a purpose to justify growing costs of welfare and ideological battles against the free market economy. Such policies try to advocate limits of the market economy or even undermine its role, for the sake of making 'progress' in changing the economic system. Accordingly, false dilemmas are developed in order to support the ideological battle between social and free market policy.

In particular, the Danish Flexicurity Model represents a golden triangle combining a flexible labor market, high transitional income support for unemployed and training support for market relevant skills. Besides describing those policy features, the article considers risks in the case of applying such policies in Central and Eastern European countries. Understanding preconditions and building blocks that stand behind the Danish Flexicurity Model is necessary when considering its application in other countries with a different cultural mindset and societal context.

Lower levels of social trust, the welfare trap, mobbing at work, excessive public spending on unemployment benefits and training programs, should all be considered as significant policy risks. The Danish Flexicurity Model, if applied correctly, can bring a new light of reconciliation in ideological battles. In a different scenario, copying policies associated with flexicurity, without understanding potential risks and cultural circumstances, represents a risk that flexicurity will not be realized.

### **DANISH FLEXICURITY MODEL AND ITS GOLDEN TRIANGLE**

As the Danish Flexicurity Model represents a golden triangle of mutually inclusive policy features, each of them has

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THE DANISH FLEXICURITY MODEL, IF APPLIED CORRECTLY, CAN BRING A NEW LIGHT OF RECONCILIATION IN IDEOLOGICAL BATTLES

a purpose that needs to be considered in combination with other features. The model combines a flexible labor market with high levels of security of income and employability. It is an innovative policy concept which creates a compromise between flexible labor market regulations, adequate unemployment benefits, and educational training for the unemployed. Therefore, flexibility satisfies the interests of employers for competitiveness and profitability, while workers and labor unions can be satisfied with generous unemployment benefits and training.

Since companies need to keep their market competitiveness, they need to adapt with production and workforce. Therefore, in some cases, job protections may not be a sufficient option. If workers lose their jobs, they require adequate labor security with regard to income and training to meet market needs<sup>1</sup>. That way, social policy serves the needs of

<sup>1</sup> <https://www.cea-policy.hr/danish-flexicurity-model/>



## FLEXIBLE LABOR MARKET REGULATIONS REPRESENT AN IMPORTANT PART OF THE METH- ODOLOGY OF MEA- SURING ECONOMIC FREEDOM

a competitive market economy with high levels of economic freedom.

The flexicurity model avoids market segmentation between *insiders* and *outsiders*<sup>2</sup>, while restrictive norms can increase this segmentation together with long-term unemployment<sup>3</sup>. Also, a growing number of temporary employees can enhance flexibility in the long run, whereas, in the short run, it may create larger gaps

<sup>2</sup> Backhans, MC. et.al. (2016) "What Is the Impact of Flexicurity on the Chances of Entry into Employment for People with Low Education and Activity Limitations Due to Health Problems? A Comparison of 21 European Countries Using Qualitative Comparative Analysis (QCA)", [in]: *BMC Public Health*, Vol. 16(1), p. 842. Available [online]: <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4992207/>.

<sup>3</sup> Georgiana Noja, G. (2018) "Flexicurity Models and Productivity Interference in C.E.E. Countries: A New Approach Based on Cluster and Spatial Analysis", [in]: *Economic Research-Ekonomska Istraživanja*, Vol. 31 (1), pp. 1111-1136. Available [online]: <https://doi.org/10.1080/1331677X.2018.1456356>

between outsiders and insiders<sup>4</sup>. Therefore, restrictive labor regulations might provide protection to insiders but certainly not to all workers. In addition to that, long-term unemployment and gaps between insiders and outsiders have negative economic and social effects.

Flexible labor market regulations represent an important part of the methodology of measuring economic freedom<sup>5</sup>. In Denmark, the labor market is regulated by various players in contrast to regulation by legislation<sup>6</sup>. Flexible rules for hiring and firing, together with activation policies, lead to high dynamism in the labor market in Denmark. Many Danes experience only a short period of unemployment, with an average duration of four months. Such a high level of activation, offered in forms of counseling, assessment, and job training, is essential to maintain search incentives and combat moral hazard<sup>7</sup>.

<sup>4</sup> Van Vliet, O. and H. Nijboer (2012) "Flexicurity in the European Union: flexibility for Outsiders, Security for Insiders", [in]: *MPRA Paper*, No. 37012. Available [online]: [https://mpra.ub.uni-muenchen.de/37012/1/MPRA\\_paper\\_37012.pdf](https://mpra.ub.uni-muenchen.de/37012/1/MPRA_paper_37012.pdf)

<sup>5</sup> Hinšt, D. (2021) "The Methodology of Measuring the Economic Freedom and Policy Framework", [in]: *Acta Economica Et Turistica*, Vol. 7(1), pp. 41-60. Available [online]: <https://hrcak.srce.hr/257707>. The methodology of economic freedom of the Fraser Institute contains the following policy indicators associated with labor market regulation: (i) Hiring regulations and minimum wage (possibility of defining a fixed-term contract for permanent tasks, duration of a fixed-term contract, share of the minimum wage of a person employed for the first time in the average value added per worker); (ii) Hiring and firing regulations; (iii) Centralized collective bargaining (extent to which workers' wages are defined by collective agreements in relation to individual contracts); (iv) Hours regulation (restrictions on night and holiday work, number of working days per week and overtime work, duration of average paid annual leave); (v) Mandated cost of workers dismissal (the obligation to give prior notice of termination and payment of severance pay and the penalty for termination of the contract).

<sup>6</sup> <https://lifeindenmark.borger.dk/working/work-rights/working-conditions/the-danish-labour-market-model>

<sup>7</sup> <https://cepr.org/voxeu/columns/danish-flexicurity-model-great-recession>



While it may be easily perceived that flexible rules encourage easy firing practices that encourage massive and enduring unemployment, such rules also reduce risks of hiring new employees. High job turnover combined with strong activation measures shorten the periods of unemployment.

However, it is important to consider that the model has been built on a historical legacy of strong consensus and trust between key social partners – representatives of employers and labor unions.

### **SOCIAL TRUST AS THE BASIS OF ECONOMIC COMPETITIVENESS**

Social trust can reduce transaction costs in the economy, associated with ensuring that a certain agreement is fulfilled. In the case of the Nordic countries, social trust has been associated with several cultural factors, such as the breakdown of social hierarchies, fair and well-functioning institutions, low levels of corruption, respect for laws and Protestantism<sup>8</sup> i.e., Lutheranism that contributed to the Danish welfare state<sup>9,10</sup>. In particular, the overlap between Danish confessional and national identity emphasizes homogeneity of Danish high-trust culture that became central for the Danish welfare state<sup>11</sup>.

Denmark is the leading European country in terms of interpersonal trust<sup>12</sup>, with the lowest corruption perception index globally<sup>13</sup>. Moreover, it tops the world competitiveness ranking with its government efficiency in delivering a competitive societal and institutional framework, business legislation, business efficiency, productivity, and management practices<sup>14</sup>. Denmark is also among ten countries with the highest index of economic freedom<sup>15</sup>. In that context, social trust improves economic efficiency, while low levels of trust in particularistic societies lead to reduced cooperation and increased corruption, which undermines trust in democratic institutions<sup>16</sup>. Therefore, higher social trust is usually paired with lower corruption.

Accordingly, if the levels of trust among social partners are low or absent, flexicurity can meet strong opposition. Also, the Danish case suggests that decentralized labor policies are beneficial for flexicurity since parties involved in collective agreement, local organizations, and individual employees and employers have been given more opportunities for tailor-made solutions<sup>17</sup>. Decentralization provides institutional flexibility toward the needs of employers trying to adjust to the

<sup>8</sup> Nordic Council of Ministers (2017) Trust – The Nordic Gold. Available [online]: <http://www.diva-portal.org/smash/get/diva2:1095959/FULLTEXT02.pdf>

<sup>9</sup> Gehrman, T. (2007) *The Danish of Flexicurity and Possible Lessons for America*. Available [online]: <https://core.ac.uk/download/pdf/30797663.pdf>

<sup>10</sup> [https://www.researchgate.net/publication/29062-8981-The\\_Lutheran\\_Nordic\\_welfare\\_states](https://www.researchgate.net/publication/29062-8981-The_Lutheran_Nordic_welfare_states)

<sup>11</sup> [https://www.researchgate.net/publication/34756-6577-Trusting\\_in\\_God\\_and\\_His\\_Earthly\\_Masks\\_Exploring\\_the\\_Lutheran\\_Roots\\_of\\_Scandinavian\\_High-Trust\\_Culture](https://www.researchgate.net/publication/34756-6577-Trusting_in_God_and_His_Earthly_Masks_Exploring_the_Lutheran_Roots_of_Scandinavian_High-Trust_Culture)

<sup>12</sup> <https://ourworldindata.org/trust>

<sup>13</sup> Transparency International (2022) *The 2022 Corruption Perception Index*. Available [online]: <https://www.transparency.org/en/cpi/2022>

<sup>14</sup> <https://www.imd.org/news/updates/denmark-tops-economic-competitiveness-ranking/>

<sup>15</sup> Heritage Foundation (2022) *2022 Index of Economic Freedom*. Available [online]: <https://www.heritage.org/index/>

<sup>16</sup> [https://www.researchgate.net/publication/32932-5697-The\\_effect\\_of\\_anticorruption\\_policies\\_on\\_social\\_and\\_political\\_trust\\_a\\_comparative\\_approach](https://www.researchgate.net/publication/32932-5697-The_effect_of_anticorruption_policies_on_social_and_political_trust_a_comparative_approach)

<sup>17</sup> Wiltthagen, T. and F.H. Tros (2004) "The Concept of Flexicurity: A New Approach to Regulating Employment and Labour Markets", [in]: *Transfer, European Review of Labour and Research*, Vol. 10(2). Available [online]: <https://ssrn.com/abstract=1133932>

global economy<sup>18</sup>. Therefore, the model functions without a strong and centralized government interference, under the assumption that society is able to agree about working relations without corruption.

### RECIPROCAL RECOGNITION AND INTEGRATED APPROACH

In line with the agreement based on trust, trade unions in Denmark recognize employers' right to manage work, while employers recognize the right of employees on collective representation. This reciprocal recognition is based on dialogue and cooperation<sup>19</sup>. Agreements are made by the employees and the companies, thus politicians are not in charge of them<sup>20</sup>, nor can they regulate minimum wage. Instead, relatively high wages are set through regular negotiations between employers and unions. Around 67% of Danes are members of unions.

Employees who pay subscription fees to unemployment insurance fund can get a benefit up to two years after losing a job<sup>21</sup>. Compensation rate is 90% of previous earnings for lower-paid workers. Those who are not members of the unemployment insurance fund are entitled to a means-tested cash benefit, paid at

<sup>18</sup> Campbell, J.L. and O. Pedersen (2007) "Institutional Competitiveness in the Global Economy: Denmark, the United States, and the Varieties of Capitalism", [in]: *Regulation & Governance*, Vol. 1, pp. 230–246. Available [online]: <https://onlinelibrary.wiley.com/doi/pdf/10.1111/j.1748-5991.2007.00012.x>

<sup>19</sup> Andersen, S.K. and M. Mailand (2005) *The Danish Flexicurity Model: The Role of the Collective Bargaining System*. Available [online]: [https://faos.ku.dk/english/pdf/publications/2005/The\\_Danish\\_Flexicurity\\_Model\\_0905.pdf](https://faos.ku.dk/english/pdf/publications/2005/The_Danish_Flexicurity_Model_0905.pdf)

<sup>20</sup> <https://www.da.dk/en/politics-and-analysis/2020/the-danish-model---works-for-you/>

<sup>21</sup> <https://denmark.dk/society-and-business/the-danish-labour-market>



THE DANISH CASE SUGGESTS THAT DECENTRALIZED LABOR POLICIES ARE BENEFICIAL FOR FLEXICURITY SINCE PARTIES INVOLVED IN COLLECTIVE AGREEMENT, LOCAL ORGANIZATIONS, AND INDIVIDUAL EMPLOYEES AND EMPLOYERS HAVE BEEN GIVEN MORE OPPORTUNITIES FOR TAILOR-MADE SOLUTIONS

a lower rate<sup>22</sup>. This means that employees have a choice. Income security based on sufficiently high unemployment benefits cannot be perceived as a free lunch

<sup>22</sup> <https://www.star.dk/en/about-the-danish-agency-for-labour-market-and-recruitment/flexicurity/>

without obligations. In fact, this security perspective within flexicurity means that employees need to pay for their insurance first in order to expect a higher benefit.

Flexicurity represents an integrated approach combined with competitive gross labor costs based on minimum direct social security contribution of employers, without compromising employees' benefits and rights. In addition to that, Denmark has flat organizational structures with team orientation, where highly educated and independent employees have active roles in solving problems and innovation processes<sup>23</sup>.

### THE RASMUSSEN CONSENSUS

The model represents a happy compromise between flexibility and security. There is a lasting and broad political consensus that flexicurity works. Accordingly, flexicurity policies of the social democratic government led by Prime Minister Poul Nyrup Rasmussen were succeeded by liberal-conservative governments led by Prime Ministers Anders Fogh Rasmussen and Lars Løkke Rasmussen.<sup>24</sup> In particular, former PM Anders Fogh Rasmussen considers flexicurity as a key factor to why Denmark is one of the strongest European economies<sup>25</sup> and one of the happiest countries in the world<sup>26</sup>.

<sup>23</sup> Ministry of Foreign Affairs of Denmark (2023) *Understanding the Flexible Danish Labour Market*. Available [online]: <https://investindk.com/our-services/danish-labour-market>

<sup>24</sup> Hinšt, D. (2006) *Flexicurity Is a Happy Compromise*. Available [online]: <https://www.cea-policy.hr/danski-model-fleksigurnosti-je-sretan-kompromis/> [in Croatian]

<sup>25</sup> <https://www.stm.dk/statsministeren/taler/speech-by-danish-prime-minister-anders-fogh-rasmussen-at-tokyo-institute-of-technology-on-november-22-2006-globalisation-the-danish-way/>

<sup>26</sup> Rasmussen, A.F. (2019) "I Led One of the Happiest Countries in the World. Here's What Other Democracies Could Learn from Our Model", [in]: *Time*. Available [online]: <https://time.com/5740400/denmark-happiness/>

### FLEXICURITY INITIATED AT THE EU LEVEL

Inspired by Denmark, flexicurity as a concept was developed at the EU level in the second half of 2000s<sup>27</sup>. In 2008, the Council of the European Union launched its "Mission for Flexicurity," concerning the implementation of common principles of flexicurity in relation to the Lisbon Strategy<sup>28</sup>.

Similarly, the European Commission launched the initiative to promote flexicurity in member states<sup>29</sup>. The 2010 EU Lisbon strategy and the 2020 Europe strategy<sup>30</sup> proposed flexicurity policies in the member states, as part of the policy agenda focused on improving competitiveness and increasing employment.

Liberalization of the labor market within the EU member states was found important, in combination with other crucial free market reforms, in order to see more competitiveness and increased employment<sup>31</sup>. Considering this purpose,

<sup>27</sup> Bekker, S. and M. Mailan (2018) "The European Flexicurity Concept and the Dutch and Danish Flexicurity Models: How have they managed the Great Recession?", [in]: *Social Policy & Administration*, Vol. 53(1), pp. 1-196. Available [online]: <https://onlinelibrary.wiley.com/doi/10.1111/spol.12441>

<sup>28</sup> Council of the European Union (2008) *Implementation of the Common Principles of Flexicurity within the Framework of the 2008-2010 Round of the Lisbon Strategy – Report by the 'Flexicurity' Mission*. Available [online]: <http://ec.europa.eu/social/BlobServlet?docId=1515&langId=en>

<sup>29</sup> European Commission (2008) *EU Reaches Out to Promote Flexicurity Approach in the Member States*. Available [online]: [https://ec.europa.eu/commission/presscorner/detail/en/IP\\_08\\_758](https://ec.europa.eu/commission/presscorner/detail/en/IP_08_758)

<sup>30</sup> European Commission (2010) *Europe 2020 – A European Strategy for Smart, Sustainable and Inclusive Growth*. Available [online]: <https://ec.europa.eu/eu2020/pdf/COMPLETE%20EN%20BARROSO%20%20%20007%20-%20Europe%202020%20-%20EN%20version.pdf>

<sup>31</sup> <https://www.cea-policy.hr/flexicurity-policies-eu-rope-2020/>

flexicurity played a role in country-specific recommendations (CSRs) within the European Semester<sup>32</sup> as one of the reforms that were initiated to foster a more competitive and productive European economy.

There are different policies and pathways for potential implementation of flexicurity in the EU member states. The first suggests reducing asymmetries by integrating non-standard contracts into labor law, collective agreements, life-long learning and social security. The second is focused on successful job-to-job transitions based on a strong human resource management, life-long learning, vocational training, and quick access to effective training funds. This can increase employment opportunities of persons on social benefits or persons working in the informal sector. Active labor market programs together with social security should offer incentives to return to work. Accordingly, increased conditionality of benefits could prevent long-term dependence on welfare. Furthermore, informal work can become regular by flexi-secure contracts and more financial resources can be raised for the social security system<sup>33</sup>.

While the Nordic countries can serve as a benchmark for other countries, different forms and modalities of flexicurity need to

be considered from country to country<sup>34</sup>. A multitude of pathways means that there is no easy solution for all member states, since they can already have different policies and results with regard to particular features associated with flexicurity and associated policies.

## POLICY RISKS ASSOCIATED WITH FLEXICURITY

Flexicurity policies can also have a long-term perspective in other EU member states. However, flexicurity cannot simply be copied from Denmark to other countries since the model derives from the Nordic culture and its values of hard work, honesty, and a life-long learning approach. Such a culture minimizes cheating on high unemployment benefits and the so-called 'welfare trap' if an unemployed person may not be motivated enough to actively seek employment in the case that a benefit is too high<sup>35</sup>. Such a trap discourages a person under a welfare entitlement to accept a new job, even a low paid one.

Therefore, flexicurity policies cannot be implemented without a change in civic attitudes. In continental and Mediterranean countries, unemployment benefits increase moral hazard. On the other hand, the people in the Nordic countries will hardly justify living benefits<sup>36</sup>. In general, possible causes of this risk are

<sup>32</sup> Bekker, S. (2018) "Flexicurity in the European Semester: Still a Relevant Policy Concept?", [in]: *Journal of European Public Policy*, Vol. 25 (2), pp. 175-192. Available [online]: <https://www.tandfonline.com/doi/full/10.1080/13501763.2017.1363272>

<sup>33</sup> Bekker, S. and T. Wilthagen (2008) "Europe's Pathways to Flexicurity: Lessons Presented from and to the Netherlands", [in]: M. Keune (2008) "Flexicurity: A Contested Concept at the core of the European Labour Market Debate", *Intereconomics*, Vol. 43(2), pp. 92-98. Available [online]: <https://www.econstor.eu/bitstream/10419/42007/1/562278605.pdf>

<sup>34</sup> Borghouts, I. W. C. M. (2012) "Employment Security for the Young Disabled – Policies and Practices in Europe", [in]: H. Lindberg and N. Karlson (eds.) *Labour Markets at a Crossroads: Causes of Change, Challenges and Need to Reform*, pp. 51-79, Cambridge: Cambridge Scholars Publishing. Available [online]: [https://pure.uvt.nl/ws/portalfiles/portal/4022180/978\\_1\\_4438\\_3610\\_4\\_sample.pdf](https://pure.uvt.nl/ws/portalfiles/portal/4022180/978_1_4438_3610_4_sample.pdf)

<sup>35</sup> <https://www.cea-policy.hr/danish-flexicurity-model/>

<sup>36</sup> Algan, J. and P. Cahuc (2006) "Civic Attitudes and the Design of Labor Market Institutions: Which Countries Can Implement the Danish Flexicurity Model?", [in]: IZA DP No. 1928, January. Available [online]: <https://docs.iza.org/dp1928.pdf>



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determined by different cultures and attitudes toward work.

Accordingly, a social policy within the flexicurity model should first tackle the policy risk associated with the welfare trap, especially since high welfare benefits can lead to higher fiscal costs. A proper liberal oriented solution would be to introduce a strict control of unemployment benefits in a way that any person who does not prove to be actively job searching and sufficient readiness for participating on voucher-funded trainings for market-

relevant skills would lose such a benefit. Without satisfying strict minimum requirements, a person would lose their welfare right and only a sufficient voucher-based child assistance would be allowed. Moreover, an increase of individual unemployment benefits for hard-working job seekers and the abolishment of benefits for people who are not sufficiently motivated to seek new jobs could result in the reduction of the overall amounts of fiscal costs associated with unemployment benefits.

However, there is a fiscal risk associated with active labor market policies that unemployed persons would be willing to participate in many trainings, without actively seeking new employment. Therefore, it would be necessary to control and limit the frequency of participation in potential voucher-funded trainings.

Mentality attached to welfare and lack of individual responsibility for hard work would decrease social trust in a system where benefits depend on strong conditionality. In such a case, employers would lose social trust since they would be required to pay more taxes to fund increased welfare and procrastination in seeking a job. Also, unemployed persons who are active job seekers could also lose social trust in those who would prefer to enjoy living on benefits and training programs for a longer time, while rejecting new job offers.

On the other hand, reducing regulatory requirements that protect the existing employees, for the sake of achieving a more flexible and less costly firing, could be risky in cultures with low social trust. In such cases, deregulation could be misused by some employers to fire employees based on prior mobbing and abuse. That way, deregulation of the labor market would not lead to a more cost-saving and

competitive business environment, but rather an abusive business culture – far from the Danish case.

Furthermore, flexibility based on increased temporary work contracts would deepen market segmentation, similarly to cases when strict regulations lead to those non-standard forms of work.

Considering these policy risks is important for a proper implementation of a flexicurity policy. While it would be easy to deregulate labor legislation and simply increase budgetary spending on unemployment benefits and training programs, this would not automatically mean implementation of this originally Danish model.

Moreover, when states directly or indirectly delegate their regulatory powers to corporative arrangements of certain organizations of employers and employees, there is a risk of corporative cartels that can affect labor demand and supply.

Furthermore, if policymakers would try to seek flexicurity as a *magic solution* for improving mere macroeconomic performance, there would be no need for flexicurity in many countries. In particular, there are many countries with sufficiently lower levels of unemployment and higher employment rates without having a comprehensive combination of flexicurity policies<sup>37</sup>. Similarly, flexicurity should not be considered as an easy reason to expect higher annual rates of GDP growth. Expectations based on mere macroeconomic numbers would represent only a limited understanding of a complex policy and societal background behind this model.

<sup>37</sup> For example, the Czech Republic and Estonia.



WHILE THE NORDIC COUNTRIES CAN SERVE AS A BENCHMARK FOR OTHER COUNTRIES, DIFFERENT FORMS AND MODALITIES OF FLEXICURITY NEED TO BE CONSIDERED FROM COUNTRY TO COUNTRY

Finally, in line with the context of the New Public Management model, which contains public policies for market driven institutional reforms<sup>38</sup>, flexicurity should be considered in the long run, in order to reach labor market adjustments.

### APPLYING FLEXICURITY IN CEE COUNTRIES

Despite labor reforms, CEE countries still have generally strict employment protection legislation. On the other hand, these states have increased the role of active labor market policies and non-standard

<sup>38</sup> Hinšt, D. (2021) "New Public Management – Public Policy for Institutional Reforms", [in]: *Acta Economica Et Turistica*, Vol. 7(2), pp. 169-189. Available [online]: [https://econpapers.repec.org/article/awdacectuv/3a7\\_3ay\\_3a2021\\_3ai\\_3a2\\_3ap\\_3a169-189.htm](https://econpapers.repec.org/article/awdacectuv/3a7_3ay_3a2021_3ai_3a2_3ap_3a169-189.htm)

forms of work, despite a small share of individuals in lifelong learning<sup>39</sup>.

Flexicurity policies, which can be measured by low employment protection legislation (EPL), high unemployment benefits (UB), and high active labor market policies (ALMP), could be considered in CEE countries. Bulgaria, Slovakia, the Czech Republic, Slovenia, and Hungary generally have higher unemployment benefits. Estonia, Romania, and Bulgaria have the lowest shares of ALMP in GDP, and very low participation in education and training. Despite that, Estonia has the highest employment compared to these countries. While Slovakia, Hungary, Slovenia, and Poland have low risk of poverty, Bulgaria has high poverty levels, despite income security measures<sup>40</sup>.

The Baltic States and Romania have the lowest shares of unemployment benefits in GDP, with high risks of poverty. Lithuania, Estonia, the Czech Republic, Poland, Slovenia, Slovakia, and Latvia have made significant efforts toward flexicurity in terms of employment protection flexibility and unemployment benefits. In particular, the Czech Republic and Slovenia stand out with high EPL and relatively high shares of UB and ALMP in GDP. On the other hand, Hungary has a low EPL, medium level of UB, and large ALMP compared to the other CEE countries. Thus, Hungary follows the 'golden triangle' of flexicurity, unlike Bulgaria and Romania, which have

low EPL, UB, and ALMP. However, Hungary is placed among the countries with low flexicurity due to the short duration of working life<sup>41</sup>.

## CONCLUSIONS

The Danish Flexicurity Model works on the basis of a deeply embedded policy legacy. There is no reason to believe that the Danish labor market model could not become a part of a cross-border policy transfer to countries of Central and Eastern Europe.

However, without a comprehensive understanding of policy risks mentioned above, policymakers searching for low-hanging fruit and easy solutions could be disappointed with insufficient outcomes. Implementing flexicurity policies without the consideration of different societal contexts could be risky if representatives of employers and employees would not be able to build sufficient levels of social trust – at least similar to the Danish case.

Nevertheless, even if the implementation of a comprehensive flexicurity model is deficient, it is better to make slow progress than to do nothing, since the policy risks of the latter are much higher.

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<sup>41</sup> Ibid.

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<sup>39</sup> Nikulin, D. and M. Gawrycka (2021) "Implementation of the Concept of Flexicurity in the Selected Countries of Central Eastern Europe", [in]: *Ekonomista*, Vol.1. Available [online]: [https://archiwum.pte.pl/pliki/1/8905/Ekonomista\\_21-1\\_118-141.pdf](https://archiwum.pte.pl/pliki/1/8905/Ekonomista_21-1_118-141.pdf)

<sup>40</sup> Georgiana Noja, G. (2018) "Flexicurity Models and Productivity Interference in C.E.E. Countries: A New Approach Based on Cluster and Spatial Analysis", [in]: *Economic Research-Ekonomska Istraživanja*, Vol. 31(1), pp. 1111-1136. Available [online]: <https://doi.org/10.1080/1331677X.2018.1456356>



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# Problematic 'Family Policies' in CEE



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MÁRTON  
SCHLANGER



For the lack of a better word, social policy can be *tricky* – not only to create and implement, but also to discuss. Even the main purpose of social policy is unclear. There seem to be three main schools of thought. According to one, it is meant to protect human dignity and help disadvantaged groups rise, a goal which could be summarized as ‘social security’. Another common view is that it is primarily meant to ensure a durable and well-functioning economy in the face of changing demographic trends. The third – and perhaps the most cynical view – is that, just like all policies, it is a tool used to win elections and stay in power.

These policy goals are not mutually exclusive, of course, as all three are desirable for the decisionmaker. However, focusing on just one of these three goals is likely to negatively affect developments towards the other two. Upon the close examination of different social policies of Central Eastern Europe (CEE), as we did in this issue of the *4liberty.eu Review*, it appears that, often, social policymaking is motivated mainly by the third goal (the preservation of power). As Maciej Chmielewski writes in his article, instead of adapting policies to the changing reality, governments try to reshape reality based on their political motivations, which leads to a wide array of problems.

Firstly, it may lead to the century-old dilemma of short-term benefit versus long-term development. The effects and impact of social policy take many years (even decades!) to show, while the political cycle lasts only a couple years. Similar to education reforms, social reforms are, therefore, intimidating to politicians, considering that by the time the results become visible, they may no longer be in office. Unfortunately for them, as another author in the issue, Máté Hajba, indicates, it seems that regardless of whether politicians want to or not, radically changing

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## CITIZENS OF THE CEE REGION GENERALLY WANT EXTENSIVE SOCIAL BENEFITS

the welfare system might become a necessity sooner than later.

Speaking of politically motivated policy decisions, it is important to note that citizens of the CEE region generally want extensive social benefits – in no small part due to the post-soviet tradition of strong state presence. This desire incentivizes governments to implement more and more benefits in order to stay in power – especially when elections are coming up.

The same vote-maximizing rationale dictates that universal benefits which reach a wider voter base should be introduced, even though, as Adrian Nikolov points out, means-tested benefits are considered to be more efficient and desirable for a well-functioning country. This way, social spending targets the majority society, therefore, minorities and disadvantaged groups are further segregated. Filip Blaha observes that several groups on the margins of society are ‘invisible’ to policymakers who fall through the cracks of the safety net. Not only is this social policy discriminative, but it is also often paired with legal and political discrimination of minorities (such as LGBTQ people, ethnic groups, and women), depending largely on the ideology of the decisionmakers. In Poland, for example, ‘non-traditional’ families are discriminated against by the government, both

in narrative and policy, says Milosz Hodun. According to Karolina Mickute, in Lithuania, the lack of political will to acknowledge unconventional families hampers their constitutional right to security.

Other problems may arise when social policy is implemented as an economic tool. This is the view that considers social policy a means to ensure the long-term economic stability by maintaining labor supply in the aging European societies, generally by trying to influence demographic trends. In most countries, this is dubbed 'family policy'. Even though the goal of ensuring economic stability is more noble than merely trying to win elections, there are many possible obstacles to the process. In most cases, it turns out that family policies in CEE are legally and financially discriminatory.

In practice, these 'family policies' usually focus on the singular goal of boosting birth rates – one way or another, often overlooking the wide range of factors that influence the decision of having children (such as future prospects, infrastructure, or education). Oleksandra Betlii reminds that without considering these infrastructural needs, social benefits will not be enough to reach the desired effects. Even though these policies are hyper focused on boosting birthrates, as Radovan Durana points out, we are yet to see undisputable evidence that current practices are effective, let alone sufficient to counteract demographic trends (especially in countries that are unwilling to rethink their pension systems out of fear of losing popularity with voters). Moreover, family policy is meant to be about more than just boosting birthrates. A functioning family policy should at least try to address all major issues related to family life, such as generational poverty or domestic abuse, a prime example of untreated problems getting out of hand, and one that burdens many CEE countries, including Hungary – a case explored in Veronika Konstek's article.

Thirdly, there are social policies that aim to boost social security and improve standards of living. On the bright side, such programs are more likely to be proportional and means-tested, as they target disadvantaged groups. However, these policies have inferior economic returns, lead to severe information deficit which goes both ways (decisionmakers are uninformed about recipients, whereas potential recipients lack access to information about opportunities), the incentives are weak or faulty, and there is a high administrative burden and the potential for a stowaway problem. These problems are present in CEE countries too, according to Daniel Hinšt.

It is unreasonable to build robust policies on two-dimensional goals – such as having more babies – without considering the greater picture. Namely that the focus should be on the desired impact. Good social policy ensures both social security and economical longevity, as they are crucial building blocks of a free, European democracy.

In the current issue of *4liberty.eu Review*, our authors present Central-Eastern European social and family policies, problems, and possible solutions from refreshingly differing perspectives. This publication is a great starting point for anyone who wishes to familiarize themselves with this ever-relevant topic. Looking at social spending across Europe, it becomes clear that decisionmakers are willing to devote considerable resources to social policies, making it very important to ensure that money is spent correctly, which requires information, communication, and heavy debating.



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MÁRTON  
SCHLANGER

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 Researcher at the Republikon Institute

## MEMBERS OF 4LIBERTY.EU NETWORK

**Free Market Foundation** (Hungary) is a think tank dedicated to promoting classical liberal values and ideas. The organization's projects focus on advocating a free market economy and fighting racism. The Foundation's activities involve education, activism, and academic research alike, thus reaching out to different people.

**Liberalní Institut** (Prague, Czech Republic) is a non-governmental, non-partisan, non-profit think tank for the development, dissemination, and application of classical liberal ideas and programs based on the principles of classical liberalism. It focuses on three types of activities: education, research, and publication.

**The Lithuanian Free Market Institute** (Vilnius, Lithuania) is a private, non-profit organization established in 1990 to promote the ideas of individual freedom and responsibility, free markets, and limited government. The LFMI's team conducts research on key economic issues, develops conceptual reform packages, drafts and evaluates legislative proposals, and aids government institutions by advising how to better implement the principles of free markets in Lithuania.

**The F. A. Hayek Foundation** (Bratislava, Slovakia) is an independent and non-political, non-profit organization, founded in 1991, by a group of market-oriented Slovak economists. The core mission of the F. A. Hayek Foundation is to establish a tradition of market-oriented thinking in Slovakia – an approach that had not existed before the 1990s in our region.

**IME** (Sofia, Bulgaria) is the first and oldest independent economic policy think tank in Bulgaria. Its mission is to elaborate and advocate market-based solutions to challenges faced by Bulgarians and the region face in reforms. This mission has been pursued since early 1993 when the institute was formally registered as a non-profit legal entity.

**The Academy of Liberalism** (Tallinn, Estonia) was established in the late 1990s. Its aim is to promote a liberal world view to oppose the emergence of socialist ideas in society.

**INESS** (Bratislava, Slovakia), the Institute of Economic and Social Studies, began its activities in January 2006. As an independent think tank, INESS monitors the functioning and financing of the public sector, evaluates the effects of legislative changes on the economy and society, and comments on current economic and social issues.

**Projekt: Polska** (Warsaw, Poland) comprises people who dream of a modern, open, and liberal Poland. It is those to whom a democratic, effective, and citizen-friendly government is a key goal, and who help accomplish this goal while enjoying themselves, forming new friendships, and furthering their own interests.

**Liberales Institut** (Potsdam, Germany) is the think tank of the Friedrich Naumann Foundation for Freedom dedicated to political issues such as how liberalism can respond to challenges of the contemporary world and how liberal ideas can contribute to shaping the future.

**Fundacja Liberté!** (Lodz, Poland) is a think tank created in Łódź in 2007. Its mission is to promote an open society, liberal economic ideas, and liberal culture, and to organize a social movement around these ideas. Among the foundation's most recognizable projects are: Liberté!, Freedom Games, 6. District. The foundation is coordinating the 4liberty.eu project on behalf of Friedrich Naumann Foundation.

**Republikon Institute** (Budapest, Hungary) is a liberal think tank organization based in Budapest that focuses on analyzing Hungarian and international politics, formulating policy recommendations, and initiating projects that contribute to a more open, democratic, and free society.

**Civil Development Forum (FOR)** (Warsaw, Poland) was founded in March 2007 in Warsaw by Professor Leszek Balcerowicz as a non-profit organization. Its aim is to participate in public debate on economic issues, present reliable ideas, and promote active behavior. FOR's research activity focuses on four areas: less fiscalism and more employment, more market competition, stronger rule of law, and the impact of EU regulations on the economic growth in Poland. FOR presents its findings in the forms of reports, policy briefs, and educational papers. Other projects and activities of FOR include, among others, Public Debt Clock, social campaigns, public debates, lectures, and spring and autumn economic schools.

**Visio Institut** (Ljubljana, Slovenia) is an independent public policy think tank in Slovenia. Aiming for an open, free, fair, and developed Slovenia, the Visio Institut is publishing an array of publications, while Visio scholars regularly appear in media and at public events.

**The Institute for Economic Research and Policy Consulting** (Kiev, Ukraine) is a well-known Ukrainian independent think tank, focusing on economic research and policy consulting. IER was founded in October 1999 by top-ranking Ukrainian politicians and scientists, and a German advisory group on economic reforms in Ukraine, which has been a part of Germany's TRANSFORM program. Its mission is to provide an alternative position on key problems of social and economic development of Ukraine.

**New Economic School – Georgia** (Tbilisi, Georgia) is a free market think tank, non-profit organization, and NGO. Its main mission is to educate young people in free market ideas. It organizes seminars, workshops, and conferences for education and exchanges of ideas. NESG was founded by Georgian individuals to fill the knowledge gap about the market economy in the country and the lack of good teachers and economics textbooks.

**Economic Freedom Foundation** (Warsaw, Poland) strives to make Poland a prosperous and open country, where people enjoy a high level of economic freedom and other individual liberties. Its mission is to invest in the most valuable initiatives for economic freedom and to create a space for cooperation and integration of free market advocates.

## ASSOCIATE MEMBERS

**Centre for Economic and Market Analyses (CETA)** (Prague, Czech Republic) is a pro-market think tank. Its main goal is to analyze the market, socio-economic and political phenomena in the Czech Republic, and point out their impacts.

**Svetilnik** (Ljubljana, Slovenia) is a non-profit, non-governmental, and non-political association. Its mission is to enlighten Slovenia with ideas of freedom. The goal of the association is a society where individuals are free to pursue their own interests and are responsible for their actions.

**ADRIAN NIKOLOV**  
**FEWER BABIES IN BULGARIA: SEVERAL POSSIBLE EXPLANATIONS**

PAGE 020

A common argument in Bulgaria, especially among politicians, is that providing extra material resources and paid leave to families is a significant factor in the decision to have children, and, therefore, more upfront spending and longer paid leave for parents will lead to increases in birthrate.

**VERONIKA KONTSEK**  
**FLAWED FAMILY LAWS IN HUNGARY**

PAGE 032

The Charter of Fundamental Rights of the European Union declares the right to security, the equality of men and women, and the rights of the child. However, at the end of November 2022, the Hungarian government passed a new law, which proclaims that from then on, the state would only help the vulnerable as a last resort, when both the family and the local government have already failed.

**MIŁOSZ HODUN**  
**GOOD AND BAD FAMILIES: DISCRIMINATORY FAMILY POLICY**  
**OF POLISH RIGHT-WING POPULISTS**

PAGE 062

The Polish right-wing lives in a bubble, restricted by their ideological limitations and a perspective of the closest elections. Rather than improving the situation of all Polish families they decided to pull the wool over voters' eyes with elaborated taglines and narrowly targeting all of their projects to their own electorate. The PiS version of a family policy aims to divide and bribe.

**OLEKSANDRA BETLIY**  
**FAMILY AND SOCIAL POLICY IN UKRAINE AS A SOCIAL SAFETY NET**

PAGE 078

The need for efficient family and social policies has recently increased during the ongoing full-scale war of Russia against Ukraine. According to the United Nations, up to 8 million Ukrainians, predominantly women with children, were forced to leave Ukraine and move to safer countries because of the war.

**FILIP BLAHA**  
**THE *INVISIBLE* IN THE CZECH REPUBLIC: WHEN THE SOCIAL SYSTEM**  
**IS EXPENSIVE AND INEFFICIENT**

PAGE 092

Like other market or social market economies in Europe, the Czech Republic has a rich social system. However, from the beginning of its existence (like most of the state apparatus), this system has swelled both in the volume of social benefits paid out, and in the various types and complexity of payment processes that have made the system increasingly opaque. Thus, while the social security system continues to grow, its real benefits are questionable.

**RADOVAN ĎURANA**  
**FAMILY POLICY IN SLOVAKIA NEEDS GOALS**

PAGE 122

Pursuing 'proper' family values opens the door for a wide range of policies without limits. The last 'family package' adopted in Slovakia in 2022 perfectly illustrates this situation. A package of various, mostly financial, incentives was aimed to support only the 'traditional' family. There are no goals specified, thus rendering any attempt for evaluation futile.

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