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“Parental childcare and employment policy – collision or complementarity?”
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supranational and international level”**

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demographic issues**

“Modernisation of the family policies: What role for the EU?”
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Promises are valid!

I am very pleased to address you today as the chairwoman of a group of experts for demographical issues. This group of representatives of governments of 27 countries has been an advisory body to the European Committee since 2007 in its activities on demographical change issues. The centre of its work, besides the topic of the aging population, is based on modernizing the family policy.

As the former Austrian Minister of Labour, Health and Social Affairs, I am very well aware that family policy falls within the exclusive competence of member states. That is correct, and no one wants to change this. Independently, however, the European Union may - and I am convinced of it - indirectly contribute to modernizing family policy.

For three years now, family policy has been brought to agendas on the European level, repeatedly. This is a merit of both the Commission and the German presidency.

The European Commission proposed to member states, in its notice on the demographic future of Europe of 2006, an integrated strategy to answer the challenges of demographic change. This strategy met a great deal of agreement in member states and other EU institutions. The Commission stated the objective of demographical renewal as one of five proposed action areas.

A single Europe, favouring demographical renewal, a single Europe, in which Europeans can realize their ideas about families. I would emphasize the following: Having babies is a private matter - and must remain one in the future. The main point is that people must have the actual possibility of fulfilling their wish to have children.

During its presidency, German proved to be an important driver of the family policy agenda on the European level. “European Alliance for Families”, which the Council established in spring 2007, is a “child” of the German presidency. With the "European Alliance for Families", member states decided to exchange their experiences of family policy and to learn from each other, on the European level. Many countries are currently in the situation of now focusing its measures on family policy so states would like to benefit from the successful experiences of their neighbours. The German Presidency, in my opinion, may also be credited with annulling the artificial contrast between the political family and the policy of equal opportunities.

Reasons for Modernizing Family Policy in Member States

Before going deeper in my contribution to modernizing the EU family policy, I would first like to look at the question of why member states are now laying out their family policies and reviewing its tools. I would like to mention 5 points.

First, member states are striving to adapt their family policies to the ever-changing social reality of family life. The patterns of families and households have been changing significantly during the past decades - this is included in the second European demographic report, which the Commission introduced in November. Let me state several facts: People are getting married for the first time at an increasingly older age. In 2003, people were getting married approximately two years later compared to 1990. Divorce statistics have grown significantly since the 70's, in some countries they have more than doubled. At the same time, living outside marriage is more frequent. A large portion of children today are born outside of marriage. In the majority of member countries, the figure is between 25 and 50% of all children. Family policy must react to these changes.

Secondly, member states are striving to adjust family policy measures so as to mitigate the risk of child poverty and inheriting poverty from generation to generation. Children become poor when their parents are unemployed or live in a household with partial employment or if their parents work but the remuneration and child benefits are not sufficient to stave off the risk of poverty. The financial situation of families depends on the combined incomes of the parents and the benefits collected. State benefits may cover child-related expenses substantially and on a large scope. But they would need to be significant to replace the second income in a household with two adults. The provision of affordable childcare may thus have a substantial influence on the financial situation of families and the imminent risk of poverty at the same time. In 2005, approximately 7% of all households with supported children were subject to the risk of poverty if both parents were employed.

The third reason for modernizing family policy is associated with a particular way of employment, i.e. for women. Because states are facing the demographical change and the forecasted drop in the productive age population, member states are pursuing their objective of making better use of the employment potential and increasing the proportion of women on the labour market. EU member states have established their objective of increasing the employment of women to 60% by 2010. Therefore sufficient high quality and affordable childcare is a prerequisite.

The fourth reason is the low fertility rate in many member states. Questionnaires imply that many women and men wish to have more children than they actually do. The reason is often disadvantageous social and economic conditions. If we compare the situation among EU member states we arrive at the conclusion that the fertility rate depends on the provision of care for young children and the employment rate of women. Countries with good childcare facilities and a high percentage of women in paid employment have higher fertility rates.

The fifth reason for modernizing family policy is associated with the equality of genders and a modified division of family tasks between men and women. On one hand, more and more young women do not want to make a choice between their professional career and a family. After a short pause for a baby, they want to return to their profession. On the other hand, more and more men want to spend more time with their children. Due to a modified distribution of

childcare tasks, many member states are reforming their provisions for parenthood, which now also contain elements designed for fathers.

We can thus state that modernizing family policy is directed towards measures that simplify the reconciliation of employment and family life, while contributing to mitigating the risks of poverty and increasing the fertility rate. Modernizing family policy must also respect the employment rate and gender equality. And at the same time this is in line with expectations of European citizens of both genders.

In one of the Eurobarometer questionnaires of September 2008, half the respondents considered reconciling employment and family as difficult to achieve. At the same time, 40% of respondents demonstrated their dissatisfaction with family policy as exercised by their respective countries; this dissatisfaction was very high in southern and eastern countries. Respondents stated the establishment of childcare facilities and better financial support as the most important measure to increase the situation of families. Better access to childcare facilities is the highest priority for two thirds of all respondents.

The EU Contribution to Modernizing Family Policy

Now, allow me to move on to the topic of the EU role in modernizing family policy.

The Lisbon strategy provides framework conditions for modernizing family policy by supporting equal opportunities and improving the compatibility of professional and family life, which contribute to women's contribution to income. Besides the objectives of employment, firstly we must mention the Barcelona targets for childcare, which are an integral part of the growth and employment strategy.

European structural funds can also be used to combine the establishment of these objectives. Therefore member states plan to spend over EUR 2.6 billion on measures to support better employment of women and better compatibility of professional and family life during the current support period 2007-2013. And more than EUR 555 million is to be spent on improving childcare.

European Alliance for Families

The European Alliance for Families provides member states with a framework for exchanging information and experiences on family policy. The group of experts for demographical issues which I chair supports the Commission in actually creating the alliance. Let me briefly introduce the tools that the Commission has created for the Alliance:

First, is the demographic report tabled by the Commission and the demographic forum, which takes place every two years. The agenda of favouritism to families was one of the core points of the 2nd demographic forum in November last year. Workshops were held, which dealt with the German policy of favouritism to families, family policy measures for fighting poverty in Sweden, parenthood time, and Iceland.

Second, is a web portal. The portal was developed during the German Presidency in cooperation with the Commission and will provide a base for exchanging information and measures for the policy of favouritism to families. Meanwhile the Commission has taken over

further development, and it will soon provide comprehensive information associated with family policy measures.

Third, is research work. In previous meetings of the group of experts with government representatives they expressed their great interest in evaluating family policy measures. Currently, the Commission is supporting the OECD in developing tools to evaluate family policy measures. In addition, in 2009 the Commission will establish, as part of the 7th framework research program, a "social platform" in relation to the situation of families and the family policy. The social platform will offer researchers and representatives of interest groups a forum where they can discuss their future research projects in this area.

Fourth, is the use of the resources of European structural funds. The commission, with the cooperation of various members of the expert group for demographic issues, produced a brochure focused on players on the local or regional level, and based on examples of projects previously supported it presents the possibilities of support for future projects on the agenda of favouring families.

Fifth, the group of experts for demographic issues holds seminars three times a year, which are also open to representatives of lobby groups. The third seminar on family policy will be held in June. This time, the first results of the cooperation between the Commission and the OECD on evaluating family policy will be presented. Additionally, a seminar has been scheduled for November, which will cast light on how much the difficulties that young people face in their employment are co-responsible for abandoning children. In addition, the intention is to hold a "peer review" seminar on the topic of nurses during the year.

Conclusion

As the chairwoman of this group of expert on demographic issues I am convinced that the the European Union can provide a signification contribution to family policy and where it has no direct competence, provided the EU member states also comprehend and actually use the importance of social lessons learnt. Why keep reinventing the wheel over and over again? It is much more useful to profit from the positive experience and mistakes of others.

In my opinion the European Alliance for Families is a useful tool for those, who in member states - whether on the national, federal or local level - advocate better living and working conditions for families. There is a great deal of room available for adaptation - and information on what your European neighbours are doing can always be beneficial.

I am convinced that these indirect contributions of the European Union will help in modernizing family policy and will finally contribute to improving the living conditions of families and children.